



CITY OF FORT BRAGG

Impact Fee Nexus Study

Draft Report
October 13, 2023



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

909 Marina Village Parkway #135
Alameda, CA 94501
(510) 545-3182
www.LTmuniconsultants.com

TABLE OF CONTENTS

SECTION 1:	INTRODUCTION AND EXECUTIVE SUMMARY	1
1.1	Background	1
1.2	Legal Requirements	1
1.3	Impact Fee Study Process	2
1.4	Current Fees	3
1.5	Proposed Fees	4
SECTION 2:	LEGAL REQUIREMENTS AND METHODOLOGY	7
2.1	Legal Requirements	7
2.2	Fee Methodologies	8
SECTION 3:	PLANNING HORIZON AND FUTURE CAPACITY	10
3.1	Water and Sewer Buildout Capacity	10
3.2	Population Projection	11
3.3	Development Projection	13
SECTION 4:	COST OF FACILITIES FOR FEE RECOVERY	15
4.1	Buy-in to Existing Facilities	15
4.2	Allocation of Future Planned Facilities	15
SECTION 5:	WATER IMPACT FEE	19
5.1	Background and Current Water Impact Fee	19
5.2	Buy-in Fee Component	19
5.4	Expansion Fee Component	20
5.5	Proposed Water Impact Fee	22
SECTION 6:	SEWER IMPACT FEE	23
6.1	Background and Current Sewer Impact Fee	23
6.2	Buy-in Fee Component	23
6.3	Expansion Fee Component	24
6.4	Debt Service Component	26
6.5	Proposed Sewer Impact Fee	27
SECTION 7:	STORM DRAINAGE IMPACT FEE	28
7.1	Background and Current Drainage Fees	28
7.2	Capacity	28
7.3	Buy-in Fee Component	30
7.4	Expansion Fee Component	30
7.5	Proposed Drainage Fee	32
SECTION 8:	POLICE IMPACT FEE	34
8.1	Background and Current Level of Service	34
8.2	Impact of Growth on Police Facilities	34
8.3	Buy-in Fee Component	35
8.4	Expansion Fee Component	35
8.5	Proposed Police Impact Fee	37
SECTION 9:	FIRE IMPACT FEE	39
9.1	Background and Current Level of Service	39
9.2	Impact of Growth on Fire Facilities	39
9.3	Proposed Fire Impact Fee	41
SECTION 10:	CV STARR IMPACT FEE	43
10.1	Background and Current Level of Service	43

10.2	Impact of Growth on Facilities	43
10.3	Expansion Fee Component	44
10.4	Proposed CV Starr Impact Fee	46
SECTION 11:	SUMMARY OF FEE RECOMMENDATIONS	47
11.1	Recommendations	47
11.2	Impact to Single Family Residential Construction.....	47
11.3	Sample Nonresidential Fee Calculations.....	48
SECTION 12:	IMPLEMENTATION	51

APPENDIX A: NON-RESIDENTIAL WATER IMPACT FEES
APPENDIX B: NON-RESIDENTIAL SEWER IMPACT FEES
APPENDIX C: CIVIC, PARKS, AND TRAFFIC IMPACT FEES

LIST OF TABLES

Table 1:	Current Water and Sewer Impact Fees per Single Family Home	3
Table 2:	Current Drainage Fees.....	3
Table 3:	Summary of Calculated Single Family Residential Fees	4
Table 4:	Residential Impact Fee Survey	5
Table 5:	Water and Sewer System Capacity	11
Table 6:	30-Year Buildout Population.....	12
Table 7:	Non-Residential Development Projection	12
Table 8:	Existing Land Use.....	13
Table 9:	Existing and Future Development Projection	14
Table 10:	Capital Improvement Plan with Anticipated Funding Sources (Grant vs. City).....	16
Table 11:	Buy-in to Existing Water Facilities	19
Table 12:	Allocation of City Share of Water Capital Improvement Costs	21
Table 13:	Water Impact Fee Calculation	22
Table 14:	Buy-in to Existing Sewer Facilities	23
Table 15:	Allocation of City Share of Sewer Capital Improvement Costs	25
Table 16:	2018 Wastewater COPs Debt Service Schedule	26
Table 17:	Debt Component of Impact Fee.....	27
Table 18:	Sewer Impact Fee Calculation	27
Table 19:	Existing and Future Development Projection (Storm Drain)	29
Table 20:	Buy-in to Existing Storm Drain Facilities.....	30
Table 21:	Allocation of City Share of Storm Drain Capital Improvement Costs.....	31
Table 22:	Drainage Fee Calculation.....	32
Table 23:	Proposed Drainage Fees by Land Use Classification	33
Table 24:	Current and Proposed Drainage Fees	33
Table 25:	Police Facilities Service Population	34
Table 26:	Buy-in to Existing Police Facilities	35
Table 27:	Allocation of City Share of Police Capital Improvement Costs.....	36
Table 28:	Police Residential Impact Fee Calculation.....	37
Table 29:	Police Non-Residential Impact Fee Calculation.....	38
Table 30:	Fire Facilities Demand Factors	40
Table 31:	Fire Facilities Service EDUs.....	41

Table 32: Fire Facilities Impact Fee Calculation 42
Table 33: CV Starr Center Service Population..... 44
Table 34: Allocation of City Share of CV Starr Capital Improvement Costs 45
Table 35: CV Starr Residential Impact Fee Calculation 46
Table 36: CV Starr Non-Residential Impact Fee Calculation 46
Table 37: Summary of Fees per Single Family Home (1,660 sqft) 47
Table 38: Estimated Permit Fees for a Single Family Home 48
Table 39: Example Office Impact Fee Calculation..... 49
Table 40: Example Grocery Store Impact Fee Calculation 49
Table 41: Example 30 Room Hotel Impact Fee Calculation 50

SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

The City of Fort Bragg (City) is located approximately 35 miles west of the City of Willits on the Pacific coast of Mendocino County along State Highway 1, with a population of about 7,200. The City provides a wide range of services to its residents including public protection through the Police Department, the construction and maintenance of streets and infrastructure, water service, community development, financial management, and administrative services. Special Districts and Joint Powers Authorities (JPAs) under the jurisdiction of the City provide emergency services, fire protection, wastewater treatment, and redevelopment services throughout the City.

Development impact fees (also called capacity fees) are one-time fees paid by new development when building permits are issued by the City. They are not charged to existing residents. Development impact fees are intended to cover the costs of expanding or improving City infrastructure and public services so that they can accommodate new customers. Costs included in development impact fees can include expenses for expanding water or sewer systems, creating new parks, or building new roads. The fees are not intended to collect revenues to fund routine maintenance or operations which are typically funded through other sources such as taxes, user fees, or utility rates.

The City currently charges water, sewer, and drainage capacity fees which were originally adopted in 2002 and have been increased by inflation since. The City last conducted an impact fee study in 2011 which analyzed fees for water, sewer, storm drainage, public facilities, parks, and traffic. However, only water, sewer, and drainage fees were adopted.

The City of Fort Bragg identified its water, wastewater, storm drainage, police, fire, civic, parks and recreation, traffic, and CV Starr facilities as potential areas of need for expanded service due to growth, and this report provides recommended fees for each category. The proposed fees were based on the nexus between the cost of facilities and the benefit derived from those facilities by new customers. Given the current state of the economy and the potential for high impact fees to deter new development, the City has elected not to pursue adopting all of the fees studied at this time. Only the fees for water, wastewater, storm drainage, police, fire, and CV Starr facilities are proposed to be adjusted as described in this report. The additional fees calculated are included in the appendix for informational purposes should the City choose to pursue adopting additional impact fees in the future.

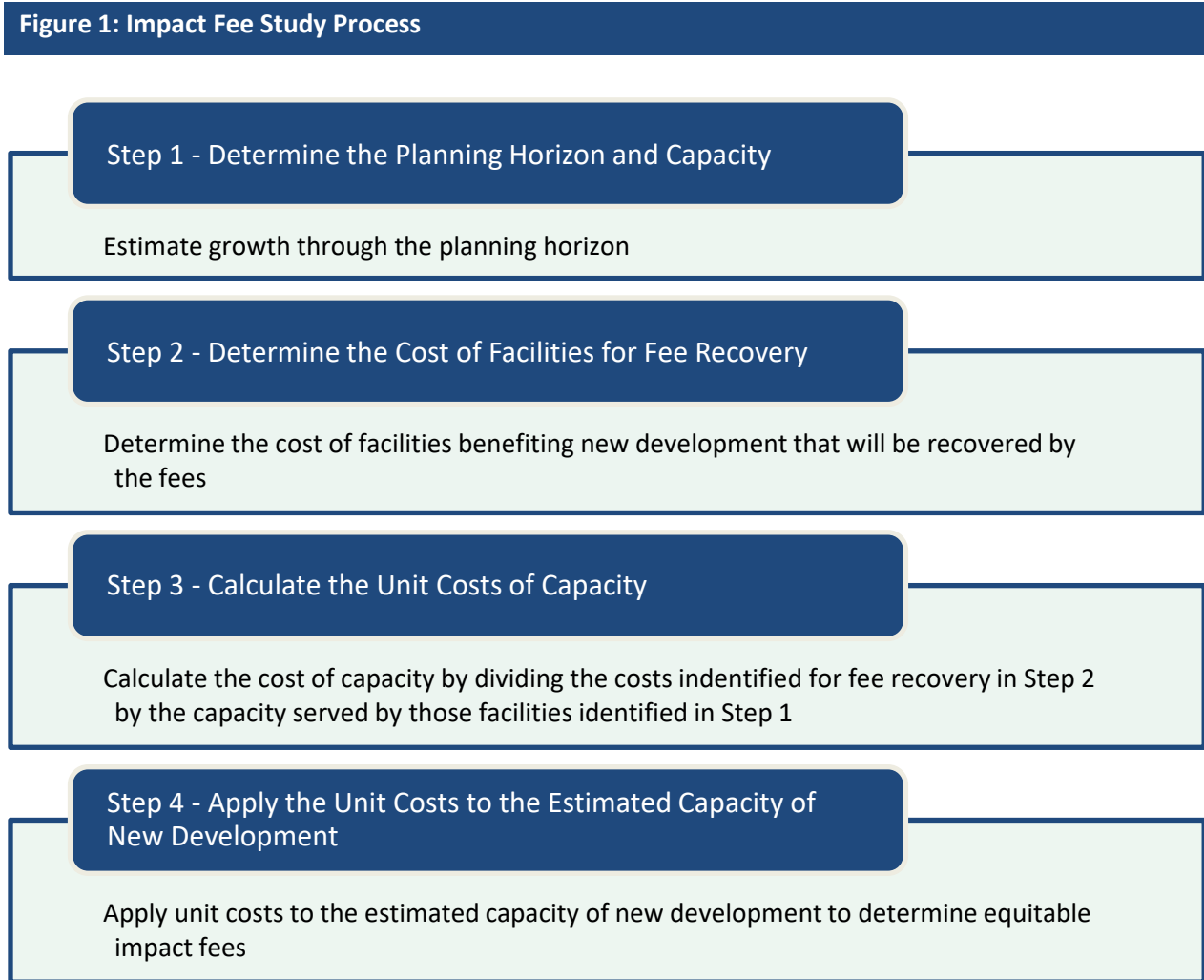
1.2 Legal Requirements

The Mitigation Fee Act (California Government Code Sections 66000 through 66025) describes the legal requirements pertaining to establishing development impact fees. The Act requires that for any fee to be adopted, the City must identify facilities that benefit new growth and development and determine a fair value or cost of those facilities. The cost of facilities attributable to new development must be proportional to the share of facilities the development uses. This report provides an administrative

record to identify and document the facilities benefitting growth, the cost and capacity of these facilities, and the calculation of proposed impact fees based on new development's proportionate share of the costs described.

1.3 Impact Fee Study Process

The fee study process is summarized in Figure 1 below.



1.4 Current Fees

A summary of the City’s current development impact fees is provided below in Table 1 and Table 2. The City’s current development impact fees include a water capacity charge, sewer capacity charge, and drainage fees. As shown in Table 2, drainage fees are assessed on a per square foot (sq ft) basis depending on the land use classification of each new development. For an average single family home of 1,660 sq ft, current drainage fees total \$615 for low density residential development. Together with the water and sewer capacity charges, total current development impact fees for a new single family residential home amounts to \$8,886.

It should be noted that the City of Fort Bragg charges other fees to new development in addition to development impact fees, including water and sewer connection fees, planning permit fees, and building permit fees. The cost of total fees for a 1,660 sq ft single family home in a low-density residential zone with a building permit valuation of \$250,000 is \$16,645.

**Table 1: Current Water and Sewer Impact Fees
per Single Family Home
City of Fort Bragg
Impact Fee Nexus Study**

Category	
Water Capacity Charge	\$4,631
Sewer Capacity Charge	\$3,640

**Table 2: Current Drainage Fees
City of Fort Bragg
Impact Fee Nexus Study**

Land Use Classification		Fee Per Sq Ft
265 RVH, RM, RM	Very-High Density Residential, Medium Density Residential	\$0.15013
266 RL	Low Density Residential	\$0.37054
267 RS, RR	Suburban Residential, Rural Residential	\$0.37054
268 CN, CO, CBD, CG, CH	Commercial	\$0.14623
269 IH, IL, HD, IT	Industrial, Timber Resources Industrial, Harbor District	\$0.14623
270 PR	Parks and Recreation	\$0.14361
271 PF	Public Facilities and Services	\$0.05068
272 OS	Open Space	\$0.21541

1.5 Proposed Fees

A summary of proposed impact fees calculated in this report for an average single family home is provided in Table 3. The City has the option of adopting some or all of the fees at its discretion. As noted in Section 1.1, the majority of the fees discussed in this report are proposed new fees which the City has not previously collected. The City is proposing to implement new fees for police, fire, and CV Starr facilities as well as update the water, sewer, and storm drainage fees. The City has elected not to pursue adopting impact fees for parks and recreation, traffic, and civic facilities.

**Table 3: Summary of Calculated Single Family Residential Fees
City of Fort Bragg
Impact Fee Nexus Study**

Category	Impact Fee	Status
Water	\$3,280	Existing category
Sewer	\$2,916	Existing category
Storm Drainage [1]	\$1,099	Existing category
Police	\$539	New category
Fire	\$390	New category
CV Starr	\$646	New category
Parks & Recreation	\$262	Not recommended
Civic Facilities	\$6,596	Not recommended
Traffic	\$1,860	Not recommended

1 - Based on a 1,660 sq ft home in a low-density residential zone

As part of the impact fee analysis, a survey was conducted to compare the City of Fort Bragg's single family residential impact fees to the fees charged by other local agencies, see Table 4. The City's current fees are significantly below those charged by other comparable communities. The median impact fees of surveyed agencies total \$14,931 in comparison with Fort Bragg's fees of \$8,886 for a 1,660 square foot home in a low-density residential zone. It should be noted that other communities shown in the table may charge additional impact fees not shown in the table including fees for parks and recreation, traffic mitigation, affordable housing, health care, schools, and a variety of other purposes.

With the proposed updates to existing fees as well as the addition of three proposed new impact fee categories, the total fees for a typical single family home will decrease slightly from \$8,886 to \$8,870.

**Table 4: Residential Impact Fee Survey
City of Fort Bragg
Impact Fee Nexus Study**

Community	Water	Sewer	Storm Drain	Police	Fire	CV Starr	Total
Fortuna	\$2,165	\$4,445	\$531				\$7,141
Eureka	\$3,208	\$3,423			\$701		\$7,332
Fort Bragg (Proposed)	\$3,280	\$2,916	\$1,099	\$539	\$390	\$646	\$8,870
Fort Bragg (Current) [1]	\$4,631	\$3,640	\$615				\$8,886
Willits / Little Lake FD	\$4,025	\$7,840			\$1,627		\$13,492
Ukiah / Ukiah Valley SD	\$1,833	\$12,240					\$14,073
Arcata [2]	\$7,429	\$8,161	\$199				\$15,789
Cloverdale	\$7,192	\$11,160	\$255		\$1,502		\$20,109
Clearlake [3]	\$7,500	\$11,936			\$1,660		\$21,096
Sonoma / Sonoma Valley County SD [4]	\$4,260	\$17,739					\$21,999
Windsor [5]	\$4,695	\$11,387	\$3,758	\$118	\$2,905		\$22,863
Lakeport [6]	\$8,877	\$16,309	\$166		\$1,660		\$27,012

Notes: For all agencies which calculate fees per sq ft, 1,660 sq ft is used to generate rates shown in the table for illustrative purposes. For all agencies which charge water or wastewater capacity fees based on meter size, fees for the smallest meter size available are shown in the table to reflect the most likely meter size for a residential customer. Some agencies charge additional fees to new development which are not shown in the table, including fees for parks and recreation, affordable housing, schools, and a variety of other purposes.

1 - Storm Drain fee shown is for low-density residential assuming a 1,660 sq ft home.

2 - Water fee shown includes Connection fee for physical connection to the system (\$4,718) plus Capital Connection Fee (\$2,711). Sewer fee shown includes connection fee (\$4,598) plus Sewer Capital Connection Fee (\$3,563)

3 - Water fee is for customers in Clearlake served by the Highlands Mutual Water Company. Portions of the City's customers are also served by the Golden State Water Company or other service providers. Sewer fee is paid to Lake County Sanitation District #1. Fire fees are paid to the Lake County Fire Protection District.

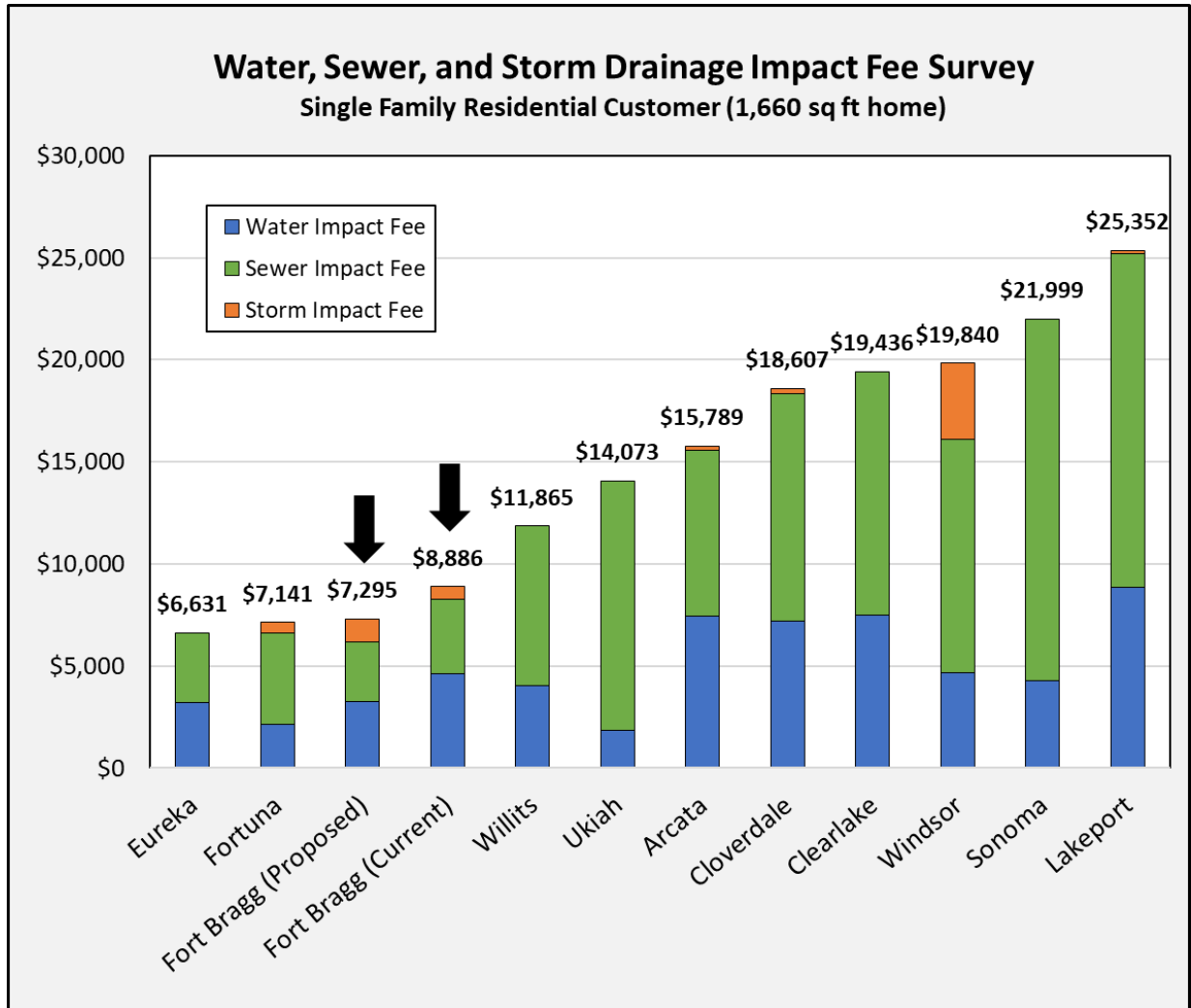
4 - Wastewater fee shown is the Connection fee for the Sonoma Valley District of Sonoma County. Fees vary by service area.

5 - Water fee is for Standard Single Family Residence (fees vary by size of home - small vs. standard). Fire fee is charged by Sonoma County Fire District.

6 - Wastewater fee is charged by CLMSD North and the Lake County Sanitation District 9-1 & 9-3, which collect and treat the City's sewer flows in the north area of the City. Fees vary in the CLMSD South portion of the City. Storm drain and fire fees effective as of January 2019. Fire Mitigation fee is paid to the Lake County/Lakeport Fire Department.

Figure 2 below summarizes the fee survey of water, sewer, and storm drainage development impact fees including the City’s current fees as well as the proposed fees. The proposed fees would decrease the total cost of water, sewer, and storm drainage development impact fees for a single family residential customer from \$8,886 to \$7,295.

Figure 2: Water, Sewer, and Storm Drainage Residential Fee Survey



SECTION 2: LEGAL REQUIREMENTS AND METHODOLOGY

This section provides a review of the economic and legal foundations for impact fees. The basic economic philosophy behind the imposition of impact fees is that the costs of providing infrastructure should be paid by new development receiving the benefits of the infrastructure so that no one group subsidizes any other group (such as existing residents subsidizing improvements that only benefit new development). In establishing any fee or charge, achieving equity is one of the primary goals. In the case of development impact fees, this goal has been expressed in the form of “growth should pay for growth.”

2.1 Legal Requirements

Development impact fees (also called connection fees or capacity fees) must be assessed according to the requirements laid out in the Mitigation Fee Act (California Government Code Sections 66000 through 66025). This Act lays out five major requirements for imposing impact fees. When determining fees, the City must identify and document:

1. The purpose of the fee.
2. The use of the fee (including the facilities to be financed).
3. A reasonable relationship between the fee’s use and the type of development project on which it is imposed.
4. A reasonable relationship between the need for public facilities and the type of development projects on which fees are imposed.
5. A reasonable relationship between the amount of the fee and the cost or portion of the public facilities funded through fee revenue.

In summary, public agencies must establish a “rational nexus” for the development impact fees. The City must demonstrate that new customers create the need for expansion of facilities, establish the cost of facilities, and charge fees proportional to the benefit derived. This report is intended to document and calculate the maximum justified impact fees for water, sewer, storm drainage, civic facilities, police, fire, parks and recreation, traffic, and CV Starr facilities according to these provisions of the Mitigation Fee Act. As previously stated, however, only water, sewer, storm drainage, police, fire, and CV Starr fees are proposed to be adopted at this time.

Assembly Bill 602 amended the Government Code to include new procedural and substantive requirements. A summary of the substantive requirements are listed below:

1. When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate.

2. If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
3. A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of the proposed units of the development. A local agency that imposes a fee proportionately to the square footage if the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development. Water and sewer capacity fees are exceptions.

2.2 Fee Methodologies

There are several industry standard methodologies for calculating impact fees and allocating appropriate costs to new development. The three most common methods are the buy-in method, the average cost method, and the expansion method. All three are summarized below. The fees recommended in this report were calculated using a combination of the methods described.

2.2.1 Buy-in Method

The buy-in concept is most appropriate for existing infrastructure that has excess capacity to serve new connections through buildout. This method is based on the premise that new development should pay an amount equal to the investment already made by existing ratepayers in the facilities. Once a new connection has paid its fee, the new connection becomes equivalent to existing ratepayers and shares the responsibility for existing facilities via the payment of rates, usage fees, or taxes, as appropriate.

For each fee category, a buy-in component was determined by using the City's fixed asset list to determine the value of existing facilities. The list was reviewed, and facilities that are not fully depreciated and have capacity to serve growth are included in the buy-in component of each fee. The value of existing facilities is calculated using the replacement cost new less depreciation (RCNLD) method (described further in Section 4.1). Facilities that have no available capacity, are fully depreciated, were funded by grants or donations, or are scheduled to be replaced in the City's capital improvement plan are excluded from the buy-in calculations.

2.2.2 Average Cost Method

The average cost method is used when planned facilities will benefit both new development and existing users. It is appropriate when new facility standards will surpass the standards of existing facilities and all users will share the new facilities. Under this method, impact fees are calculated based on the value of both existing and planned facilities divided by both existing and new demand. Most City capital improvements are allocated using the average cost method as they benefit both groups by providing capacity to all customers through buildout.

2.2.3 Expansion Method

The expansion method is recommended when planned facilities will serve only new development and would not be needed absent development (i.e., the project is “triggered” by growth). This method is appropriate for either entirely new facilities or expansions of existing facilities that are only needed due to new development. Fees are calculated based on the ratio of the cost of planned facilities that will serve new development to estimated demand or impact from new development.

SECTION 3: PLANNING HORIZON AND FUTURE CAPACITY

This section establishes the City's projected system capacity. The City has established a thirty-year planning horizon for the development impact fees. Thus, this section estimates residential and commercial development through 2053.

3.1 Water and Sewer Buildout Capacity

Water and sewer capacity is assigned based on average daily demand and sewer flows. Total water system capacity available for existing residents and growth is 1.7 million gallons per day (MGD) based on existing sources of supply. Recent water usage patterns from utility billing data indicates about 0.56 MGD or about 33% of total supply is consumed by existing residents leaving about 1.1 MGD or 67% available for growth, see Table 5.

The City's wastewater treatment plant has a total capacity of 0.8 MGD. Of this amount, about 0.49 MGD is estimated to be used by existing residents or about 61% and about 0.31 MGD or 39% is available for growth.

A typical single family dwelling unit (called an equivalent dwelling unit – EDU) is estimated to use about 110 gallons per day (gpd) of water and generate about 97 gpd of sewer flows.

Table 5: Water and Sewer System Capacity
City of Fort Bragg
Impact Fee Nexus Study

Water System	gallons per day	% of Total
Water Treatment Plant Capacity [1]	1,700,000	
Existing Average Daily Demand [2]	561,777	33.0%
Potential Future Demand	1,138,223	67.0%
Average Day Demand per Single Family Dwelling [2]	110	
Sewer System		
Sewer Treatment Capacity [3]	800,000	
Existing Flows [4]	489,161	61.1%
Potential Future Flows	310,839	38.9%
Average Day Flow per Single Family Dwelling [5]	97	

1 - Per City staff, the average maximum the plant can produce is 1.7 MGD due to source water availability

2 - Average daily demand based on past 5 years of water billing data

3 - City staff confirmed WWTP capacity is 800,000 gpd for average dry weather flow

4 - Based on average winter water use for all customers from November - February each year from FY 2018 - FY 2021

5 - Based on average Single Family winter water use from November - February each year from FY 2018 - FY 2021

3.2 Population Projection

Table 6 develops the population projection for the City which is used to determine non-utility fees. Data was taken from the California Department of Finance and the City’s Housing Element published in 2019. The City’s 2053 population is estimated at about 8,350 people based on an annual growth of 40 residents per year. The current population of about 7,200 represents about 85.6% of the 2053 buildout population and new growth from 2023 to 2053 is estimated to represent about 14.4% of the buildout population.

The City’s nonresidential population is estimated below in Table 7. From 2023 to 2053, it is estimated that employment will increase from about 2,380 to about 2,770 jobs. Growth in employment is projected to increase at the same rate as growth in the residential population. Estimated existing employment is from 2020 Census OnTheMap data, the most recent year available.

Table 6: 30-Year Buildout Population Projection
City of Fort Bragg
Impact Fee Nexus Study

	Current	Projected Growth	Estimated Population in 30 years [1]
Population [2]	7,153	1,200	8,353
Average Persons Per Household [3]	2.35	2.35	2.35
Number of EDUs [4]	3,044	511	3,555
Current vs. Growth Allocation	85.6%	14.4%	100%

1 - 30-year population is estimated based on annual growth of 40 residents per year per City's 2019 Housing Element

2 - January 1, 2022 (current) population taken from California Department of Finance Report E-4 "Population Estimates for Cities, Counties, and State 2021-2022 with 2020 Benchmark"

3 - Persons per household 2017-2021, US Census Quickfacts

4 - EDU – Equivalent dwelling unit; defined as a single family home with an average occupancy of 2.35

Table 7: Non-Residential Development Projection
City of Fort Bragg
Impact Fee Nexus Study

	# of Jobs	
Current Employment [1]	2,375	85.6%
Employment Growth	<u>398</u>	<u>14.4%</u>
Estimated Employment in 30 Years [2]	2,773	100.0%

1 - US Census OnTheMap Employment Data for 2020, the most recent year available

2 - Projected employment at buildout assuming number of employees grows at the same rate as number of residents

3.3 Development Projection

Existing land use in the City is estimated below in Table 8. The number of available rooms of lodging development is based on City data for Transient Occupancy Taxes collected in July 2022. For commercial and industrial development, existing land use in number of square feet (sq ft) was estimated by escalating the 2010 land use in the City’s most recent General Plan Land Use Element from 2012 by projected new construction from 2012 through 2022.

**Table 8: Existing Land Use
City of Fort Bragg
Impact Fee Nexus Study**

Use	2010 City Development	Estimated New Construction in City through 2022	Total Estimated Current Land Use
Residential (units)			3,044 (Table 6)
Commercial/Office (sq ft) [1]	1,556,000	143,000	1,699,000
Industrial (sq ft) [2]	316,000	20,000	336,000
Lodging (Rooms) [3]			26,935

Source: Table LU-1, Fort Bragg Inland General Plan, Land Use Element (November 2012)

1 - 2010 estimate for commercial/office includes 2002 General Plan estimate plus new development over the past ten years

2 - 2010 estimate includes industrial buildings on the Mill Site, which is being decommissioned and redeveloped into non-industrial uses

3 - Available rooms as of July 2022

The existing land use projection from Table 8 was used as the basis for projecting development over the next 30 years through buildout, see Table 9. The City’s 2012 General Plan established average annual nonresidential growth estimates which were used to project total nonresidential development at buildout. The estimated growth rate for the lodging category was reduced from the 2012 growth rate estimate because the proliferation of AirBnbs throughout the City has led to a reduction in development of hotels and motels.

**Table 9: Existing and Future Development Projection
City of Fort Bragg
Impact Fee Nexus Study**

Land Use	Existing	Growth (30 Years) [1]	2053
Residential (units)	3,044	511	3,555
Commercial/Office (square feet)	1,699,000	429,000	2,128,000
Industrial (square feet)	336,000	60,000	396,000
Lodging (Rooms)	26,935	150	27,085

1 – Residential growth from Table 6. Average annual non-residential growth estimates used are from the City’s 2012 General Plan, except for the Lodging category which is reduced by 50% from the 2012 annual growth estimates:
 14,300 SF of commercial space added per year
 50 hotel rooms added every 10 years
 20,000 SF of industrial space added every 10 years

SECTION 4: COST OF FACILITIES FOR FEE RECOVERY

This section summarizes the costs of facilities to be recovered in the impact fees as well as the methodology for allocating those costs to existing vs. new customers.

4.1 Buy-in to Existing Facilities

New customers connecting to the system receive benefit from a large portion of the facilities that are already in place throughout the City. The buy-in portion of each impact fee recovers the costs of existing facilities that benefit all customers, existing and new. As a first step, the City's fixed asset list was reviewed and edited to remove facilities or assets that are not appropriate for impact fee recovery including items that have other cost recovery mechanisms (like grants, donations, or developer reimbursements), assets that are fully depreciated, or assets that are scheduled to be replaced in the capital improvement plan.

The value of existing facilities was calculated using the Replacement Cost New Less Depreciation (RCNLD) method. The book cost of City facilities less depreciation was escalated to present worth using the Engineering News Record's Construction Cost Index 20-city average for January 2023. The RCNLD value is then divided by the 2053 capacity of each system. The buy-in component of each fee is calculated individually in the following sections.

4.2 Allocation of Future Planned Facilities

The City's Capital Improvement Program (CIP) is a planning tool that identifies major capital projects for the City and prioritizes capital funding needs. The CIP identifies funding needed for infrastructure construction and non-routine maintenance with a cost of at least \$50,000 and an estimated useful life greater than two years. Table 10 provides the City's CIP and allocates project costs between expected grant funding and the City's cost responsibility for each project. The project list and expected level of grant funding was determined by City staff. Historically, the City has been very successful in applying for and receiving grants to fund capital improvements. Grant funded projects are excluded from the impact fee calculations in the following sections. The City has identified over \$177 million in total CIP projects, of which \$82 million or about 46% are expected to be funded through grants or other outside sources.

The City share of cost responsibility shown in the table will not be funded entirely by impact fees but rather through a combination of funding sources that includes existing reserves, user fees and service charges, or other mechanisms in addition to impact fees. The percentage of the City's share of cost responsibility funded through impact fees is dependent on project benefit and is calculated individually for each category of impact fee in the following sections. For projects which will benefit both new development and existing users, impact fees will fund solely the portion of the project which will benefit new demand. For projects which will benefit only new development, project costs are allocated entirely to impact fees. For projects which only benefit existing customers, impact fee funding will not be used to pay for the City's share of project costs.

Table 10: Capital Improvement Plan with Anticipated Funding Sources (Grant vs. City)
City of Fort Bragg
Impact Fee Nexus Study

Capital Improvement Projects	Total CIP Cost	% Grant/Outside Funded	Grant/Outside Funding	% City Share	City Expense
<i>Civic Facilities</i>					
Guest House Rehabilitation	\$80,000	0.0%	\$0	100.0%	\$80,000
Broadband - Fiber	\$15,000,000	0.0%	\$0	100.0%	\$15,000,000
City Hall - Roof and Solar	\$150,000	0.0%	\$0	100.0%	\$150,000
City Hall - Siding Replace - East Side	\$70,000	0.0%	\$0	100.0%	\$70,000
City Hall - Siding Replace - South Side	\$85,000	0.0%	\$0	100.0%	\$85,000
Lighting Replacement - OBF	\$150,000	100.0%	\$150,000	0.0%	\$0
Town Hall Bathrooms, Windows, Paint, Wall repair	\$180,000	0.0%	\$0	100.0%	\$180,000
Corporation Yard Roof Replacement	<u>\$120,000</u>	0.0%	<u>\$0</u>	100.0%	<u>\$120,000</u>
Subtotal Civic	\$15,835,000		\$150,000		\$15,685,000
<i>Police Facilities</i>					
Police Department Roof Replacement - Solar	\$80,000	0.0%	\$0	100.0%	\$80,000
Police Department Paint and Repairs	\$70,000	0.0%	\$0	100.0%	\$70,000
Police Vehicle Replacement Plan	\$1,080,000	0.0%	\$0	100.0%	\$1,080,000
EV Fleet Project	<u>\$337,000</u>	56.5%	<u>\$190,405</u>	43.5%	<u>\$146,595</u>
Subtotal Police	\$1,567,000		\$190,405		\$1,376,595
<i>Fire Facilities</i>					
Main St Fire Station Rehab	<u>\$8,703,000</u>	100.0%	<u>\$8,703,000</u>	0.0%	<u>\$0</u>
Subtotal Fire	\$8,703,000		\$8,703,000		\$0
<i>Parks & Recreation Facilities</i>					
Bainbridge Park Soccer Fields	\$551,000	100.0%	\$551,000	0.0%	\$0
Bainbridge Park Improvements (Wiggly Giggly Park)	\$1,800,000	100.0%	\$1,800,000	0.0%	\$0
Pomo Bluffs Park - Parking lot rehabilitation	\$50,000	0.0%	\$0	100.0%	\$50,000
Noyo Headlands Park Bathrooms and Fencing	\$73,249	0.0%	\$0	100.0%	\$73,249
City Hall East Renovation	<u>\$3,000,000</u>	100.0%	<u>\$3,000,000</u>	0.0%	<u>\$0</u>
Subtotal Parks	\$5,474,249		\$5,351,000		\$123,249

Capital Improvement Projects	Total CIP Cost	% Grant/Outside Funded	Grant/Outside Funding	% City Share	City Expense
<u>Street Maintenance & Traffic</u>					
Rule 20 Project (undergrounding utilities)	\$1,319,000	100.0%	\$1,319,000	0.0%	\$0
Street Rehabilitation 2022	\$2,857,000	100.0%	\$2,857,000	0.0%	\$0
Maple Street SD & Alley Rehabilitation	\$1,750,000	100.0%	\$1,750,000	0.0%	\$0
Pavement Management Plan (Scenario 2 - Entire Network)	\$26,700,000	0.0%	\$0	100.0%	\$26,700,000
New Traffic Signal or Round-About at Main & Cypress	\$750,000	0.0%	\$0	100.0%	\$750,000
Ped/Bike Path - Chief Celeri Drive	<u>\$250,000</u>	0.0%	<u>\$0</u>	100.0%	<u>\$250,000</u>
Subtotal Traffic	\$33,626,000		\$5,926,000		\$27,700,000
<u>CV Starr</u>					
LED Lighting Project	\$116,762	0.0%	\$0	100.0%	\$116,762
Watt Stopper	\$60,000	0.0%	\$0	100.0%	\$60,000
Restroom and Locker Room Flooring	\$63,852	0.0%	\$0	100.0%	\$63,852
Ultra Violet Disinfection System Replacement	\$160,600	0.0%	\$0	100.0%	\$160,600
Domestic Hot Water #1 and #2	\$157,000	0.0%	\$0	100.0%	\$157,000
HVAC Air Intake Redesign	\$1,300,000	0.0%	\$0	100.0%	\$1,300,000
Facility Roof Repair/Skylights	\$375,000	0.0%	\$0	100.0%	\$375,000
Water Slide Staircase Rehabilitation	\$150,000	0.0%	\$0	100.0%	\$150,000
Reception Desk Area Rehabilitation	<u>\$150,000</u>	0.0%	<u>\$0</u>	100.0%	<u>\$150,000</u>
Subtotal CV Starr	\$2,533,214		\$0		\$2,533,214
<u>Water</u>					
Madsen Hole Ranney	\$300,000	0.0%	\$0	100.0%	\$300,000
Desalination - Ocean Intake - Design	\$5,250,000	0.0%	\$0	100.0%	\$5,250,000
Oneka Buoy - Desalination	\$1,400,000	100.0%	\$1,400,000	0.0%	\$0
Water Treatment Plant Overhaul	\$11,002,000	90.0%	\$9,901,800	10.0%	\$1,100,200
Pudding Creek Water Main Relocation	\$914,000	0.0%	\$0	100.0%	\$914,000
Raw Water Line Engineering and Construction, All Phases	\$9,480,000	93.4%	\$8,850,000	6.6%	\$630,000
Raw Water Reservoirs - 135 AF	\$26,950,000	0.0%	\$0	100.0%	\$26,950,000
Distribution System Rehabilitation	\$15,850,000	94.6%	\$15,000,000	5.4%	\$850,000
Water Meter Replacement	\$2,850,000	100.0%	\$2,850,000	0.0%	\$0
Extend Water System into North of Pudding Creek	\$2,400,000	0.0%	\$0	100.0%	\$2,400,000
Recycled Water - Design	\$9,750,000	100.0%	\$9,750,000	0.0%	\$0
Water Tank #2 Rehabilitation	<u>\$1,200,000</u>	100.0%	<u>\$1,200,000</u>	0.0%	<u>\$0</u>
Subtotal Water	\$87,346,000		\$48,951,800		\$38,394,200

Capital Improvement Projects	Total CIP Cost	% Grant/Outside Funded	Grant/Outside Funding	% City Share	City Expense
<i>Sewer</i>					
Bio Solids Dryer	\$664,320	0.0%	\$0	100.0%	\$664,320
Collection System Rehabilitation	\$12,750,000	100.0%	\$12,750,000	0.0%	\$0
Sewer Main Rehabilitation - CIPP	\$325,000	0.0%	\$0	100.0%	\$325,000
Pudding Creek Sewer Main Relocation	\$400,000	0.0%	\$0	100.0%	\$400,000
Onsite Sodium Hypochlorite Generator	\$300,000	0.0%	\$0	100.0%	\$300,000
Elm Street Pump Station Header	\$80,000	0.0%	\$0	100.0%	\$80,000
Dryer Building Reconstruction	\$170,000	0.0%	\$0	100.0%	\$170,000
Extend Sewer System North of Pudding Creek	\$1,750,000	0.0%	\$0	100.0%	\$1,750,000
Bio Solids Storage Structure	<u>\$130,000</u>	0.0%	<u>\$0</u>	100.0%	<u>\$130,000</u>
Subtotal Wastewater	\$16,569,320		\$12,750,000		\$3,819,320
<i>Storm Drainage</i>					
Trash Capture Devices	\$3,000,000	0.0%	\$0	100.0%	\$3,000,000
Trash Can Replacement	\$280,000	100.0%	\$280,000	0.0%	\$0
Oak St. Replace w/36" HDPEs and 30" HDPE	\$1,069,818	0.0%	\$0	100.0%	\$1,069,818
Ocean View Dr. Replace w/30" HDPE	\$121,230	0.0%	\$0	100.0%	\$121,230
Cedar St. Replace w/24" HDPE	\$325,683	0.0%	\$0	100.0%	\$325,683
Ocean View Dr. Replace w/30" HDPE	\$213,099	0.0%	\$0	100.0%	\$213,099
Oak St. and Sherwood Rd. Install 30" HDPE	\$398,097	0.0%	\$0	100.0%	\$398,097
Park St. at Chestnut St. Install 18" HDPE	\$117,808	0.0%	\$0	100.0%	\$117,808
South St. Install 18" HDPE	\$215,261	0.0%	\$0	100.0%	\$215,261
Highway 1 Replace w/36" and 48" HDPE	<u>\$107,540</u>	0.0%	<u>\$0</u>	100.0%	<u>\$107,540</u>
Subtotal Storm Water	\$5,848,536		\$280,000		\$5,568,536
Total CIP Costs	\$177,502,319		\$82,302,205		\$95,200,114

SECTION 5: WATER IMPACT FEE

This section provides the proposed impact fee for the water system.

5.1 Background and Current Water Impact Fee

The City's public water system includes raw water supply, treatment, and distribution facilities which are owned and operated by the City. City staff is responsible for operating and maintaining the water treatment plant, source water intakes, water storage facilities, water meters, and various pump stations.

The City's current water capacity charge is \$4,631 per equivalent dwelling unit (EDU). One EDU is defined as the average water demand of a single family customer. Based on billing records, the demand of one EDU is 110 gallons per day. The City also has a water connection fee, which cover the cost of the physical connection between the City's mainline in the public right of way and private property. The standard residential connection fee for a 3/4" meter 30 feet or less from the City water line is \$2,624. The water connection fee is not proposed to be adjusted in this study.

5.2 Buy-in Fee Component

Table 11 summarizes the water system fixed assets and calculates a buy-in unit cost for existing facilities. These existing assets provide benefit to both existing and future connections. Assets include water tanks, water mains, pumps, and more. The buy-in cost expressed in terms of dollars per gallon per day (gpd) was determined to be \$8.65. Given that the average day demand per single family dwelling is 110 gpd (see Table 5), the buy-in cost expressed in terms of dollars per EDU is \$951.50.

**Table 11: Buy-in to Existing Water Facilities
City of Fort Bragg
Impact Fee Nexus Study**

Asset Category	RCNLD [1]
Buildings & Improvements	\$4,784,497
Infrastructure	\$5,352,220
Land [2]	\$305,329
Machinery Equip & Vehicles	<u>\$4,263,926</u>
Total	\$14,705,973
Water System Capacity (gpd)	1,700,000
Buy-in Cost (\$/gpd)	\$8.65
Buy-in Cost per EDU	\$951.50

1 - RCNLD: Replacement cost new less depreciation calculated as original cost less depreciation adjusted to current construction cost.

2 - Land does not depreciate. Original book cost shown.

5.4 Expansion Fee Component

Table 12 includes the City's share of water capital improvement projects which are not anticipated to be funded through grants. Based on the development projections established in Table 5, all capital projects are allocated 33.0% to existing connections and 67.0% to growth according to the capacity available for potential future connections to the water system. All projects, including constructing raw water reservoirs and an overhaul of the Water Treatment Plant, will benefit both existing and new customers by maintaining capacity in the water system.

The capital improvement plan in Table 10 has one project, extending the water system north of Pudding Creek, which is needed to serve a new development area and is anticipated to cost \$2.4 million. That project is not included in Table 12 below because it will only benefit new development north of Pudding Creek, rather than new development throughout the entire City. As such, it is anticipated that project cost should be recovered through an area-specific impact fee included in a development agreement for that specific service area.

The new facility portion of the water impact fee is \$21.17 per gallons per day or \$2,328.70 per EDU.

Table 12: Allocation of City Share of Water Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study

Capital Improvement Projects	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
Madsen Hole Ranney	\$300,000	33.0%	67.0%	All customers	\$99,137	\$200,863
Desalination – Ocean Intake	\$5,250,000	33.0%	67.0%	All customers	\$1,734,900	\$3,515,100
Water Treatment Plant Overhaul	\$1,100,200	33.0%	67.0%	All customers	\$363,569	\$736,631
Pudding Creek Water Main Relocation	\$914,000	33.0%	67.0%	All customers	\$302,038	\$611,962
Raw Water Line Engineering and Construction	\$630,000	33.0%	67.0%	All customers	\$208,188	\$421,812
Raw Water Reservoirs - 135 AF	\$26,950,000	33.0%	67.0%	All customers	\$8,905,818	\$18,044,182
Distribution System Rehabilitation	<u>\$850,000</u>	33.0%	67.0%	All customers	<u>\$280,889</u>	<u>\$569,112</u>
	\$35,994,200				\$11,894,537	\$24,099,663
					Growth (gpd)	1,138,223
					Cost per gallon	\$21.17
				Estimated Cost per EDU (expansion only)		\$2,328.70

5.5 Proposed Water Impact Fee

Table 13 provides the total proposed water impact fee. The buy-in fee from Table 11 is added to the new facilities fee from Table 12 to equal a total residential water impact fee of \$3,280.20 per EDU. This is less than the current fee of \$4,631 per EDU.

The City should determine non-residential impact fees on an individual basis based on each customer's estimated water demand. Impact fees for non-residential customers can be calculated by multiplying their estimated water use in gallons per day by \$29.82. A schedule of non-residential water impact fees is provided as Appendix A.

Table 13: Water Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Residential Capacity Fee		
Buy-in Capacity Fee per EDU	\$951.50	(RCNLD)
New Facility Fee per EDU	<u>\$2,328.70</u>	(CIP)
Total Fee per EDU	\$3,280.20	
Existing Water Capacity Fee	\$4,631.00	
Capacity Fee		
Buy-in Capacity Fee (\$/gpd)	\$8.65	
New Facility Fee (\$/gpd)	<u>\$21.17</u>	
Total Fee (\$/gpd)	\$29.82	

SECTION 6: SEWER IMPACT FEE

This section provides the proposed impact fee for the sewer system.

6.1 Background and Current Sewer Impact Fee

The wastewater treatment system includes collection, treatment, and discharge facilities. The City's wastewater system is owned by the Fort Bragg Municipal Improvement District (MID or District) No. 1, which is entirely operated and maintained by the City at the expense of the District. MID No. 1 is comprised of a Wastewater Treatment Plant (WWTP), sewage lift stations, pipelines, force mains, and an ocean outfall pipeline. The WWTP was recently upgraded to meet current technology standards and wastewater treatment objectives.

The City's current sewer capacity charge is \$3,640 per EDU. The City also has a sewer connection fee which is currently \$2,199 for a standard 4" sewer lateral that is 4 feet deep or less. The sewer connection fee is not proposed to be adjusted in this study.

6.2 Buy-in Fee Component

Table 14 summarizes the sewer system fixed assets and calculates a buy-in unit cost for existing facilities. These existing assets provide benefit to both existing and future connections. The buy-in cost expressed in terms of dollars per gallon per day (gpd) was determined to be \$25.04.

Table 14: Buy-in to Existing Sewer Facilities
City of Fort Bragg
Impact Fee Nexus Study

Asset Category	RCNLD [1]
Buildings & Improvements	\$775,845
Infrastructure [2]	\$17,927,943
Land [3]	\$82,200
Machinery Equip & Vehicles	<u>\$1,249,846</u>
Total	\$20,035,834
Sewer System Capacity (gpd)	800,000
Buy-in Cost (\$/gpd)	\$25.04
Buy-in Cost per EDU	\$2,428.88

1 - RCNLD: Replacement cost new less depreciation calculated as original cost less depreciation adjusted to current construction cost.

2 - This asset category includes the recent wastewater treatment plant upgrade. The RCNLD value is net of \$3.388M of USDA grant and \$6M of Prop 84 grant funding for the upgrade.

3 - Land does not depreciate. Original book cost shown.

6.3 Expansion Fee Component

The City's share of costs in the capital improvement plan developed by City staff for the sewer enterprise is provided in Table 15. The cost of each project was allocated to existing or future customers based on which group benefits from the improvement. Costs allocated to existing connections will be funded through rate revenues and costs allocated to future connections will be funded through impact fee revenues.

Based on the capacity projections in Table 5, most projects are allocated 61.1% to existing connections and 38.9% to growth. Projects allocated via this method will benefit both groups by maintaining capacity in the systems over the next thirty years. There is one project, CIPP sewer main rehabilitation, allocated solely to existing customers. This project repairs existing deficiencies and will not maintain or establish capacity for new connections.

The capital improvement plan in Table 10 has one project, extending the sewer system north of Pudding Creek, which is needed to serve a new development area and is anticipated to cost \$1.75 million. That project is not included in Table 15 below because it will only benefit new development north of Pudding Creek, rather than new development throughout the entire City. As such, it is anticipated that project costs should be recovered through an area-specific impact fee included in a development agreement for that specific service area.

**Table 15: Allocation of City Share of Sewer Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study**

Capital Improvement Projects	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
Bio Solids Dryer	\$664,320	61.1%	38.9%	All customers	\$406,199	\$258,121
Sewer Main Rehabilitation - CIPP	\$325,000	100.0%	0.0%	Existing only	\$325,000	\$0
Pudding Creek Sewer Main Relocation	\$400,000	61.1%	38.9%	All customers	\$244,581	\$155,420
Onsite Sodium Hypochlorite Generator	\$300,000	61.1%	38.9%	All customers	\$183,435	\$116,565
Elm Street Pump Station Header	\$80,000	61.1%	38.9%	All customers	\$48,916	\$31,084
Dryer Building Reconstruction	\$170,000	61.1%	38.9%	All customers	\$103,947	\$66,053
Bio Solids Storage Structure	<u>\$130,000</u>	61.1%	38.9%	All customers	<u>\$79,489</u>	<u>\$50,511</u>
	\$2,069,320				\$1,391,567	\$677,753
					Growth (gpd)	310,839
					Cost per gallon	\$2.18
				Estimated Cost per EDU (expansion only)		\$211.46

6.4 Debt Service Component

In 2018, the City issued \$5 million in Certificates of Participation (COP) as part of the funding to acquire and construct the upgraded WWTP. The debt obligation is payable from net revenues of the Wastewater Enterprise. The schedule of debt payments is provided in Table 16. Because the upgraded WWTP will serve both existing customers and growth through buildout, it was determined that a debt service component of the wastewater impact fee would be appropriate.

As shown in Table 17, the total interest over the life of the City’s debt service obligation from Table 16 is divided by the total treatment plant capacity to calculate the debt service cost per unit of available capacity. It is estimated that the total cost per gpd of capacity is \$2.84. On a per EDU basis, the debt service cost is \$275.48.

**Table 16: 2018 Wastewater COPs Debt Service Schedule
City of Fort Bragg
Impact Fee Nexus Study**

Fiscal Year	Principal	Interest	Total
2019	\$0	\$76,111	\$76,111
2020	\$86,000	\$99,140	\$185,140
2021	\$87,000	\$97,410	\$184,410
2022	\$89,000	\$95,650	\$184,650
2023	\$91,000	\$93,850	\$184,850
2024	\$93,000	\$92,010	\$185,010
2025	\$95,000	\$90,130	\$185,130
2026	\$97,000	\$88,210	\$185,210
2027	\$99,000	\$86,250	\$185,250
2028	\$101,000	\$84,250	\$185,250
2029	\$103,000	\$82,210	\$185,210
2030	\$105,000	\$80,130	\$185,130
2031	\$107,000	\$78,010	\$185,010
2032	\$109,000	\$75,850	\$184,850
2033	\$111,000	\$73,650	\$184,650
2034	\$113,000	\$71,410	\$184,410
2035	\$115,000	\$69,130	\$184,130
2036	\$118,000	\$66,800	\$184,800
2037	\$120,000	\$64,420	\$184,420
2038	\$123,000	\$61,990	\$184,990
2038-2058	<u>\$3,038,000</u>	<u>\$647,500</u>	<u>\$3,685,500</u>
	\$5,000,000	\$2,274,111	\$7,274,111

**Table 17: Debt Component of Impact Fee
City of Fort Bragg
Impact Fee Nexus Study**

Total Interest	\$2,274,111
Sewer System Buildout Capacity (gpd)	800,000
Debt Service Cost (\$/gpd) [1]	\$2.84
Debt Service Cost per EDU	\$275.48

1 - Total Interest over life of debt divided by system buildout capacity

6.5 Proposed Sewer Impact Fee

The buy-in cost, new facility fee, and debt service component are summed to calculate the total proposed sewer impact fee, see Table 18. The proposed fee is \$2,915.82, a reduction from the City’s current fee of \$3,640. The sewer impact fee per EDU is based on flow of 97 gallons per day.

The City should determine non-residential impact fees on an individual basis based on each customer’s estimated flow and pollutant loading. Impact fees for non-residential customers can be calculated by multiplying their estimated sewer flows in gallons per day by \$30.06 or by using the schedule of non-residential impact fees in Appendix B.

**Table 18: Sewer Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study**

Residential Capacity Fee		
Buy-in Capacity Fee per EDU	\$2,428.88	(RCNLD)
New Facility Fee per EDU	\$211.46	(CIP)
Debt Service Fee per EDU	<u>\$275.48</u>	(Debt)
Total Fee per EDU	\$2,915.82	
Existing Sewer Capacity Fee	\$3,640.00	
Capacity Fee		
Buy-in Capacity Fee (\$/gpd)	\$25.04	
New Facility Fee (\$/gpd)	\$2.18	
Debt Service Fee (\$/gpd)	<u>\$2.84</u>	
Total Fee (\$/gpd)	\$30.06	

SECTION 7: STORM DRAINAGE IMPACT FEE

This section provides the proposed impact fees for the storm drainage system.

7.1 Background and Current Drainage Fees

Stormwater is a term used to describe water that originates during precipitation events. Stormwater that cannot soak into the ground becomes “runoff.” The function of the storm drain system is to collect runoff during wet weather events to prevent flooding. The more earth that is covered by impervious surfaces, the less it can absorb stormwater. Thus, areas with lots of buildings, pavement, and other impervious surfaces generate more runoff than areas with abundant soil and vegetation.

Drainage fees are typically apportioned based on runoff acreage (i.e. impervious area), which is a proxy for the capacity each parcel requires in the storm drain system. Each land use type is assigned a runoff coefficient which represents the amount of impervious surface area relative to the total parcel area. Land uses vary greatly in impervious surface area. For instance, industrial land use tends to be paved over and is thus assigned a high runoff coefficient in comparison to land which is agricultural or other open space.

The City of Fort Bragg has a full range of land uses including low to high density residential, commercial, industrial, public facilities, parks and recreation, and open space. Land uses within the City are established by the City’s Inland and Coastal General Plan Land Use Elements and implemented by the City’s Inland and Coastal Land Use and Development Codes. Current drainage fees are assessed on a per sq ft basis according to the land use classification of the new construction, see Table 2.

7.2 Capacity

Table 19 estimates the existing square footage of development within the City and calculates the growth in weighted square footage within the City that will occur until buildout. Each land use type is multiplied by a runoff coefficient to estimate the weighted square footage used to calculate the impact fees. The weighted square footage is proportional to the estimated amount of storm water runoff generated by each land use type.

**Table 19: Existing and Future Development Projection (Storm Drain)
City of Fort Bragg
Impact Fee Nexus Study**

Land Use	Square Feet		
	Existing	Growth (30 Years)	2053
Single Family (sq ft)	3,237,000	607,560	3,844,560
Multi-family (sq ft)	1,101,600	145,800	1,247,400
Commercial/Office (sq ft)	1,699,000	429,000	2,128,000
Industrial (sq ft)	<u>336,000</u>	<u>60,000</u>	<u>396,000</u>
Total	6,373,600	1,242,360	7,615,960
	83.7%	16.3%	100.0%

Land Use	Buildout	Runoff Coefficient	Weighted Sq Ft
Single Family (sq ft)	3,844,560	0.55	2,114,508
Multi-family (sq ft)	1,247,400	0.70	873,180
Commercial/Office (sq ft)	2,128,000	0.85	1,808,800
Industrial (sq ft)	<u>396,000</u>	0.85	<u>336,600</u>
Total	7,615,960		5,133,088

Land Use	Growth (30 Years)	Runoff Coefficient	Weighted Sq Ft
Single Family (sq ft)	607,560	0.55	334,158
Multi-family (sq ft)	145,800	0.70	102,060
Commercial/Office (sq ft)	429,000	0.85	364,650
Industrial (sq ft)	<u>60,000</u>	0.85	<u>51,000</u>
Total	1,242,360		851,868

7.3 Buy-in Fee Component

The City’s fixed asset list was reviewed to determine the value of existing assets. Based on the projected weighted square footage at buildout, the buy-in cost per square foot is approximately \$0.14.

**Table 20: Buy-in to Existing Storm Drain Facilities
City of Fort Bragg
Impact Fee Nexus Study**

Asset Category	RCNLD [1]
Infrastructure	<u>\$705,082</u>
Total	\$705,082
Total Weighted sq ft buildout	5,133,088
Weighted cost per sq ft	\$0.13736

1 - Original cost less depreciation adjusted to current construction cost.

7.4 Expansion Fee Component

The City last adopted a Storm Drainage Master Plan in 2004 which was prepared by Winzler & Kelly Consulting Engineers. The Master Plan establishes the City’s level of service and includes a comprehensive description of the City’s storm drainage system and facilities as well as recommendations on upgrades required to improve the system and repair or prevent system deficiencies. The City is planning to install twelve (12) high-flow capacity (HFC) trash capture devices inside of existing City storm drain infrastructure in response to Water Code Section 13383 Order, issued by the State Water Board in 2017. The HFC devices will capture and prevent trash from traveling via the storm drains to receiving water bodies. Trash in local watersheds poses a serious threat to surface water quality and aquatic species if transported to local creeks, rivers, or the Pacific Ocean. This project is in response to new State mandates that public storm water systems capture and divert litter/trash from entering the storm drain system to prevent the pollution of receiving waters in streams or the ocean.

All recommended projects in the Master Plan which were identified as growth-related are proposed to be funded in part through the drainage impact fee as shown in Table 21. These projects were identified during field investigations and hydraulic modeling efforts due to projected increased runoff associated with future development. Using the ENR Cost Index, estimated construction costs from the Master Plan were escalated from October 2004 dollars to January 2023 dollars.

All storm drainage projects will serve both existing and new residents through buildout. Thus, it is recommended that 16.3% of project costs be allocated to growth based on the development projection in Table 19. The expansion cost per sq ft is calculated as approximately \$1.07.

**Table 21: Allocation of City Share of Storm Drain Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study**

Capital Improvement Projects [1]	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
Trash Capture Devices	\$3,000,000	83.7%	16.3%	All customers	\$2,510,622	\$489,378
Oak St. Replace w/36" HDPEs and 30" HDPE	\$1,069,818	83.7%	16.3%	All customers	\$895,303	\$174,515
Ocean View Dr. Replace w/30" HDPE	\$121,230	83.7%	16.3%	All customers	\$101,454	\$19,776
Cedar St. Replace w/24" HDPE	\$325,683	83.7%	16.3%	All customers	\$272,556	\$53,127
Ocean View Dr. Replace w/30" HDPE	\$213,099	83.7%	16.3%	All customers	\$178,337	\$34,762
Oak St. and Sherwood Rd. Install 30" HDPE	\$398,097	83.7%	16.3%	All customers	\$333,157	\$64,940
Park St. at Chestnut St. Install 18" HDPE	\$117,808	83.7%	16.3%	All customers	\$98,590	\$19,218
South St. Install 18" HDPE	\$215,261	83.7%	16.3%	All customers	\$180,146	\$35,115
Highway 1 Replace w/36" and 48" HDPE	<u>\$107,540</u>	83.7%	16.3%	All customers	<u>\$89,997</u>	<u>\$17,543</u>
	\$5,568,536				\$4,660,164	\$908,372
				Weighted sq ft of development		851,868
				Weighted cost per sq ft		\$1.06633

1 - Apart from Trash Capture Devices, projects are taken from Table 5-11 in the City's October 2004 Storm Drain Master Plan. All projects denoted as development driven are included. Costs have been escalated from October 2004 dollars to January 2023 dollars.

7.5 Proposed Drainage Fee

The buy-in cost per sq ft from Table 20 is added to the expansion cost per sq ft from Table 21 to generate a total weighted cost per sq ft of development of about \$1.20, see Table 22.

Table 22: Drainage Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Weighted Buy-in cost per sq ft	\$0.13736
Weighted Expansion cost per sq ft	<u>\$1.06633</u>
Total Weighted cost per sq ft	\$1.20369

Table 23 provides the proposed fee for each land use classification. To calculate the proposed fee for each land use classification, the total weighted cost per sq ft from Table 22 is multiplied by the corresponding runoff coefficient for each. A comparison of current and proposed drainage fees is provided in Table 24. As noted in Section 7.1, land use types which tend to be less paved over, such as parks and open spaces, are proposed to be charged the lowest drainage fees.

Table 23: Proposed Drainage Fees by Land Use Classification
City of Fort Bragg
Impact Fee Nexus Study

Land Use Classification			Runoff Coefficient	Cost per Weighted Sq Ft	Proposed Fee	Units
265	RVH, RM, RM	Very-High Density Res., Medium Density Res.	0.70	\$1.20369	\$0.84258	per sq ft
266	RL	Low Density Residential	0.55	\$1.20369	\$0.66203	per sq ft
267	RS, RR	Suburban Residential, Rural Residential	0.40	\$1.20369	\$0.48148	per sq ft
268	CN, CO, CBD, CG, CH	Commercial	0.85	\$1.20369	\$1.02314	per sq ft
269	IH, IL, HD, IT	Industrial, Timber Resources Ind., Harbor District	0.85	\$1.20369	\$1.02314	per sq ft
270	PR	Parks and Recreation	0.30	\$1.20369	\$0.36111	per sq ft
271	PF	Public Facilities and Services	0.10	\$1.20369	\$0.12037	per sq ft
272	OS	Open Space	0.20	\$1.20369	\$0.24074	per sq ft

Table 24: Current and Proposed Drainage Fees
City of Fort Bragg
Impact Fee Nexus Study

Land Use Classification			Current Fee Per Sq Ft	Proposed Fee Per Sq Ft
265	RVH, RM, RM	Very-High Density Residential, Medium Density Residential	\$0.15013	\$0.84258
266	RL	Low Density Residential	\$0.37054	\$0.66203
267	RS, RR	Suburban Residential, Rural Residential	\$0.37054	\$0.48148
268	CN, CO, CBD, CG, CH	Commercial	\$0.14623	\$1.02314
269	IH, IL, HD, IT	Industrial, Timber Resources Industrial, Harbor District	\$0.14623	\$1.02314
270	PR	Parks and Recreation	\$0.14361	\$0.36111
271	PF	Public Facilities and Services	\$0.05068	\$0.12037
272	OS	Open Space	\$0.21541	\$0.24074

SECTION 8: POLICE IMPACT FEE

This section provides the combined total fees for the City’s police services.

8.1 Background and Current Level of Service

The Fort Bragg Police Department provides emergency and non-emergency public safety services on a full-time basis to residents of Fort Bragg. Uniformed police officers and community service officers investigate crimes and traffic accidents, arrest law violators, enforce traffic and parking regulations, and provide a variety of other services. Administrative and business offices of the Police Department also provide additional services including customer service, property and evidence management, employee training, fingerprinting, and more. The City determined that police response times (i.e. level of service) are adequate and that the City’s Police Station will continue to service growth through 2053. However, to operate efficiently, vehicles must be replaced over the next 30 years.

8.2 Impact of Growth on Police Facilities

Table 25 estimates the impact of growth on the City’s police facilities. A weighting factor was calculated to account for the fact that residents and employees in the City do not create equal demand for police facilities. Nonresidential development has a greater impact on police services and facilities than residential growth.

City staff provided crime location data by commercial or residential properties. The data indicates that the Police Department averages about 1.33 calls per resident compared to 4.03 calls per employee annually. Thus, nonresidential development is assessed a weighting factor of 3.03 based on the call demand per employee compared with the call demand per resident.

	Residents	Employees		
Existing	7,153	2,375		
Growth	<u>1,200</u>	<u>398</u>		
Total Buildout	8,353	2,773		
Weighting Factor	1.00	3.03	[1]	
Weighted Population	Residents	Employees	Total	%
Existing	7,153	7,196	14,349	85.6%
Growth	<u>1,200</u>	<u>1,206</u>	<u>2,406</u>	<u>14.4%</u>
Total Buildout	8,353	8,402	16,755	100.0%

1 - Based on the ratio of police commercial service calls per employee to police residential service calls per resident using City data on crime location from 2019 through 2022.

8.3 Buy-in Fee Component

Existing assets including the Police Station and parcel of land at 250 Cypress St, police vehicles, and other equipment are estimated to have a total value of \$2.5 million. The value of vehicles was determined from the City’s fixed asset list while the value of the Police Station building, land, and equipment was determined using their insured values. Table 26 applies the value of these assets to the weighted buildout population established in Table 25 to determine a buy-in cost of about \$346 per residential EDU and about \$447 per employee.

Table 26: Buy-in to Existing Police Facilities
City of Fort Bragg
Impact Fee Nexus Study

Asset Category	Estimated Value	Notes
Police Station	\$1,710,800	Insured value less depreciation [1]
Equipment	\$139,733	Insured value less depreciation [2]
Land	\$400,000	Insured value
Vehicles	<u>\$219,282</u>	RCNLD
Total	\$2,469,815	
Weighted population through buildout	16,755	
Base cost per person	\$147.41	
Cost per residential EDU	\$346.41	2.35 people per home
Cost per employee	\$446.65	(cost per person x3.03 weighting factor)

1 - Insured value from the Official Statement of the 2021 Lease Revenue Bonds page 5, reduced by about 37% for depreciation (asset is about 28 years into a 75 year life)

2 - Value listed in the Official Statement of the 2021 Lease Revenue Bonds reduced by about 47% for depreciation (average depreciation is estimated based on 7 years into a 15 year life)

8.4 Expansion Fee Component

Based on the weighted buildout population projection (see Table 25), about 14.4% of costs identified in the City share of Police CIP costs from Table 10 were determined to be attributable to future connections. The total capital costs for recovery from future connections equal about \$198,000, as shown in Table 27 below.

**Table 27: Allocation of City Share of Police Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study**

Capital Improvement Projects	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
Police Department Roof Replacement - Solar	\$80,000	85.6%	14.4%	All customers	\$68,512	\$11,488
Police Department Paint and Repairs	\$70,000	85.6%	14.4%	All customers	\$59,948	\$10,052
Vehicle Replacement Plan	\$1,080,000	85.6%	14.4%	All customers	\$924,913	\$155,087
EV Fleet Project	<u>\$146,595</u>	85.6%	14.4%	All customers	<u>\$125,544</u>	<u>\$21,051</u>
	\$1,376,595				\$1,178,917	\$197,678
				Weighted population growth through buildout		2,406
				Base cost per person		\$82.16
				Weighted expansion cost per person		
				Cost per residential EDU (2.35 people)		\$193.08
				Cost per employee (3.03x)		\$248.94

8.5 Proposed Police Impact Fee

The police impact fee is proposed to be charged according to resident and employee density. It is proposed the fee be assessed using the estimated number of persons per unit for each land use type according to residential and non-residential density data. Non-residential fee categories are divided between commercial, industrial, and lodging development. The number of persons per unit approximates the demand for City services created by each new development. Residential land uses will be charged based on a per dwelling unit basis, commercial and industrial land uses will be charged on a per 1,000 sq ft basis, and lodging land uses will be charged on a per room basis based on the occupant density factors shown.

Residential density factors were established based on data from the Census as well as the City’s General Plan. Non-residential employment density factors were calculated using the Employment Density Study prepared by Natelson Company, Inc. for the Southern California Association of Governments in October 2001. This study is used as an industry standard for estimating employment density.

The proposed residential police impact fees are calculated in Table 28. The weighted buy-in and expansion costs per resident are converted into a fee per dwelling unit for single family and multifamily developments. The proposed police impact fee is \$539.49 per average single family home or

Table 28: Police Residential Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Buy-in Capacity Fee per resident	\$147.41
New Facility Fee per resident	<u>\$82.16</u>
Total Weighted cost per resident	\$229.57
# of people per single family (SF) home	2.35
Single family impact fee	\$539.49
	per SF home
Residential Fee based on building size	\$324.99
	Per 1,000 sq ft

The proposed non-residential police impact fees are calculated in Table 29. The weighted buy-in and expansion costs per employee are summed to generate a total weighted cost per employee of about \$696. This cost is then assigned per 1,000 sq ft or per room based on the estimated employment density data to calculate the proposed impact fees for commercial, industrial, and lodging developments as shown in the table. The proposed commercial impact fee is higher than the industrial fee, reflecting the greater density of employees on average.

Table 29: Police Non-Residential Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Buy-in Capacity Fee per employee	\$446.65
New Facility Fee per employee	<u>\$248.94</u>
Total Weighted cost per employee	\$695.59
# of commercial employees per 1,000 sqft [1]	3.19
Commercial impact fee	\$2,218.94 per 1,000 sqft
# of industrial employees per 1,000 sqft [1]	1.23
Industrial impact fee	\$855.58 per 1,000 sqft
# of lodging employees per room [1]	0.87
Lodging impact fee	\$605.17 per room

1 - Based on the 2001 Employment Density Study prepared by The Natelson Company, Inc. for the Southern California Association of Governments.

SECTION 9: FIRE IMPACT FEE

This section provides the proposed fire impact fee.

9.1 Background and Current Level of Service

The City has a longstanding relationship with the Fort Bragg Rural Fire Protection District whereby the City provides General Fund revenues on an annual basis to the Fire District for fire protection services within the City. The two entities operate under a JPA known as the Fort Bragg Fire Protection Authority (FBFPA). The Fire District covers a large geographic area from Caspar to Westport and has all powers relating to fire protection, suppression, and emergency rescue within its boundaries.

The level of service for the Fire Department is response time for medical emergencies and fire protection. Response time is heavily dependent on the number of fire stations in the City, size of the service area, and density of development. The City currently has two fire stations, the Main Street and Highway 20 Stations, that provide an acceptable level of service in the City and will continue to do so based on development projections through 2053.

9.2 Impact of Growth on Fire Facilities

It is proposed that the impact of new development on medical response assets and facilities be assigned based on the number of people per EDU for residential construction and per 1,000 sq ft for non-residential construction. The persons demand factor is weighted 50% (i.e. about 50% of Fire Department service calls are assumed to be for medical emergencies) and is weighted based on the number of persons per EDU or 1,000 sq ft. The area demand factor is weighted 50% (i.e. about 50% of Fire Department service calls are assumed to be related to structure fires) and is assigned based on building size per unit.

Table 30 calculates total fire department demand factors for residential and non-residential constituents. The weighted total fire department demand factor is 1.00 for single family residential construction, 0.72 for multi-family residential construction, and 0.77 for non-residential construction.

**Table 30: Fire Facilities Demand Factors
City of Fort Bragg
Impact Fee Nexus Study**

Land Use Category	Unit	Persons per Unit [1]	Persons per EDU	Persons Demand Factor [2]	Area per Unit [3]	Area per EDU	Area Demand Factor [4]	Fire Facilities Demand Factor per EDU [5]
Single Family	EDU	2.35	1.00	0.50	1,660	1.00	0.50	1.00
Multi-Family	EDU	2.10	0.89	0.45	900	0.54	0.27	0.72
Residential Average		2.23	0.95	0.47	1,280	0.77	0.39	0.86
Commercial	1000 SF	3.19	1.36	0.68	1,000	0.60	0.30	0.98
Industrial	1000 SF	1.23	0.52	0.26	1,000	0.60	0.30	0.56
Nonres. Average		2.21	0.94	0.47	1,000	0.60	0.30	0.77

- 1 - Residents per unit is based on US Census and City's General Plan (for multifamily units)
- 2 - Persons per EDU x 50%; assumes 50% of fire services are related to medical calls and 50% are related to structure fires
- 3 - Residential estimate for single family homes based on a survey of the average home size of recent sales and homes currently for sale in Fort Bragg, CA. Multifamily home size is estimated
- 4 - Area per EDU x 50%
- 5 - Persons Demand Factor + Area Demand Factor

The total weighted demand of growth in EDUs is derived in Table 31 using the development projection from Table 9 and the demand factors from Table 30. The breakdown of residential development between single family and multi-family construction is estimated based on the water billing records for number of residential accounts and the number of people per home according to Census data. The total combined weighted units of demand through buildout equal 5,255.

**Table 31: Fire Facilities Service EDUs
City of Fort Bragg
Impact Fee Nexus Study**

	Single Family Housing [1]	Multi- Family Housing [1]	Commercial and Industrial (1,000 sq ft) [2]		
Existing	1,950	1,224	2,035		
Growth	<u>366</u>	<u>162</u>	<u>489</u>		
Total Buildout Units	2,316	1,386	2,524		
Fire Facilities Demand Factor per EDU	1.00	0.72	0.77		
Weighted Population	Single Family Housing	Multi- Family Housing	Commercial and Industrial (1,000 sq ft)	Total	%
Existing	1,950	879	1,567	4,396	83.6%
Growth	<u>366</u>	<u>116</u>	<u>377</u>	<u>859</u>	<u>16.4%</u>
Total Buildout	2,316	995	1,944	5,255	100.0%

1 – The breakdown of residential units between single family and multifamily is estimated by L&T. If multiplied by the # of people per home (2.35 per single family and 2.1 per multifamily) the total current and buildout population is consistent with the residential population estimates shown in Table 6 as well as water billing records for number of residential accounts

2 – Data from Table 9

9.3 Proposed Fire Impact Fee

Table 32 summarizes the proposed fire impact fee calculation. There is no proposed expansion portion of the fire impact fee because all planned capital improvement projects involved with the rehabilitation of the Main Street Fire Station will be grant funded. The value of the fire system’s existing assets was determined to be approximately \$2.0 million. These existing assets provide benefit to both existing and future connections.

As shown in the table below, the total costs for impact fee recovery are divided by the total weighted buildout demand from Table 31 to derive a base cost per EDU of \$389.69 that is assigned to each land use type using the demand factors from Table 30.

Table 32: Fire Facilities Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Asset Category	Estimated Value	Notes
Main St Fire Station	\$1,614,979	RCNLD [1]
Hwy 20 Fire Station	\$369,547	Insured Value less depreciation [2]
Land	<u>\$63,300</u>	[3]
Total	\$2,047,826	
Weighted Buildout Demand EDUs	5,255	
Buy-in Cost (\$/EDU)	\$389.69	
Weighted cost per EDU		
Residential (1x)	\$389.69	per dwelling unit
Residential (1x)	\$234.75	per 1,000 sq ft.
Nonresidential (0.75x)	\$300.06	per 1,000 sq ft.

1 - Original cost less depreciation adjusted to current construction cost.

2 - Building value listed in the City's 2020 Property Program renewals reduced by about 45% for depreciation (asset is about 34 years into a 75 year life)

3 - Land does not depreciate. Original book cost shown.

SECTION 10: CV STARR IMPACT FEE

This section provides the combined total CV Starr impact fee.

10.1 Background and Current Level of Service

The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (CV Starr Center) is a 43,000 sq ft facility that includes an indoor water park, fitness, exercise, and weight rooms and meeting rooms for community use. Its grounds include a dog park, skateboard park, pétanque courts, and picnic and barbecue facilities. The facility was built by the Mendocino Coast Recreation and Parks District (MCRPD), a special district providing recreational services to residents of the Mendocino Coast.

After opening the CV Starr Center in 2009, the MCRPD found itself challenged by insufficient operating revenues. In March 2012, the voters of Fort Bragg approved a ballot measure which established a special sales tax to fund the facility. The ballot measure also required ownership of the CV Starr Center be transferred to the City. The MCRPD now has a contract with the City to operate the facility and the City provides continued financial and operational oversight. The CV Starr Center is operated as an Enterprise Fund like the water and wastewater systems. The City receives restricted sales tax and property tax revenues to help offset the costs of operation, maintenance, and capital improvements at the Center. The City generates additional revenues through the collection of user fees, the sale of merchandise, and other miscellaneous sources.

10.2 Impact of Growth on Facilities

Table 33 projects the estimated number of employees working in the City through 2053. From 2023 to 2053, it is estimated that employment will increase from about 2,400 to about 2,800 jobs. Table 33 also estimates the impact of this growth on the City's CV Starr Center. To compare the relative impacts of residential and commercial development, a weighting factor was determined. While employees have 40 hours per working week to use the CV Starr Center, residents can use the Center during the 128 non-working hours per week. Thus, employees are assigned a weighting factor of 0.31 (the ratio of 40 to 128 hours) due to the lower relative impact of nonresidential development on the CV Starr Center's facilities.

**Table 33: CV Starr Center Service Population
City of Fort Bragg
Impact Fee Nexus Study**

	Residents	Employees		
Existing	7,153	2,375	[1]	
Growth	<u>1,200</u>	<u>398</u>		
Total Buildout	8,353	2,773		
Weighting Factor	1.00	0.31	[2]	
Weighted Population	Residents	Employees	Total	%
Existing	7,153	736	7,889	85.6%
Growth	<u>1,200</u>	<u>123</u>	<u>1,323</u>	<u>14.4%</u>
Total Buildout	8,353	859	9,212	100.0%

1 - See Table 7

2 - Based on the ratio of 40 working hours per week to 128 non-working hours per week

The CV Starr impact fee is proposed to be calculated solely using the value of planned capital improvement costs. There is no proposed buy-in component of the fee. The City’s acquisition of the CV Starr Center was financed in large part through major donations and fundraising efforts as well as tax revenues, so it was determined a buy-in component of the impact fee would not be appropriate.

10.3 Expansion Fee Component

Planned capital improvements to the CV Starr Center are allocated to existing and future development in Table 34. All planned capital improvement projects were determined to benefit both existing and future development. Thus, 14.4% of total project costs are proposed to be recovered through impact fees based on the weighted population growth shown in Table 33.

**Table 34: Allocation of City Share of CV Starr Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study**

Capital Improvement Projects	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
LED Lighting Project	\$116,762	85.6%	14.4%	All customers	\$99,993	\$16,769
Watt Stopper	\$60,000	85.6%	14.4%	All customers	\$51,383	\$8,617
Restroom and Locker Room Flooring	\$63,852	85.6%	14.4%	All customers	\$54,682	\$9,170
Ultra Violet Disinfection System Replacement	\$160,600	85.6%	14.4%	All customers	\$137,535	\$23,065
Domestic Hot Water #1 and #2	\$157,000	85.6%	14.4%	All customers	\$134,452	\$22,548
HVAC Air Intake Redesign	\$1,300,000	85.6%	14.4%	All customers	\$1,113,298	\$186,702
Facility Roof Repair/Skylights	\$375,000	85.6%	14.4%	All customers	\$321,144	\$53,856
Water Slide Staircase Rehabilitation	\$150,000	85.6%	14.4%	All customers	\$128,457	\$21,543
Reception Desk Area Rehabilitation	<u>\$150,000</u>	85.6%	14.4%	All customers	<u>\$128,457</u>	<u>\$21,543</u>
	\$2,533,214				\$2,169,401	\$363,813
				Weighted population growth through buildout		1,323
				Base cost per person		\$274.99
				Weighted expansion cost per person		
				Residents (1x)		\$274.99
				Employees (0.31x)		\$85.25

10.4 Proposed CV Starr Impact Fee

The proposed residential CV Starr impact fee calculation is provided in Table 35 and the non-residential CV Starr impact fee calculation is provided in Table 36. The fees are assigned per unit of development according to the residential and employment density data described in Section 8.2. The proposed impact fee per single family home is \$646.23.

Table 35: CV Starr Residential Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Expansion cost per resident	\$274.99
# of people per single family (SF) home	2.35
Single family impact fee	\$646.23 per SF home
Residential Fee based on building size	\$389.30 per 1,000 sqft

Table 36: CV Starr Non-Residential Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Total Weighted cost per employee	\$85.25
# of commercial employees per 1,000 sqft [1]	3.19
Commercial impact fee	\$271.95 per 1,000 sqft
# of industrial employees per 1,000 sqft [1]	1.23
Industrial impact fee	\$104.86 per 1,000 sqft
# of lodging employees per room [1]	0.87
Lodging impact fee	\$74.17 per room

1 - Based on the 2001 Employment Density Study prepared by The Natelson Company, Inc. for the Southern California Association of Governments.

SECTION 11: SUMMARY OF FEE RECOMMENDATIONS

11.1 Recommendations

It is recommended that the City adopt the water, sewer, storm drainage, police, fire, and CV Starr impact fees outlined in this report. The additional fees which were studied are not recommended to be adopted at this time based on input from City staff and the Finance Committee. Fees which are not recommended are discussed in further detail in the Appendix since they may potentially be studied further or adopted in the future. The proposed fees in this report are intended to recover the proportional costs of facilities needed to serve growth and are based on the most current information available at the time of this study.

11.2 Impact to Single Family Residential Construction

A summary of current and proposed impact fees for the construction of an average single family residential home is shown below in Table 37. Despite adding three proposed new impact fees, the total cost for a typical home will decrease slightly under the proposed fees due to the reductions in the existing water and sewer capacity fees.

**Table 37: Summary of Fees per Single Family Home (1,660 sqft)
City of Fort Bragg
Impact Fee Nexus Study**

Category	Existing Fee	Proposed Fee	Status
Water	\$4,631	\$3,280	Existing category
Sewer	\$3,640	\$2,916	Existing category
Storm Drainage	\$615	\$1,099	Existing category
Police		\$539	New category
Fire		\$390	New category
CV Starr		<u>\$646</u>	New category
Total	\$8,886	\$8,870	

In addition to development impact fees, the City of Fort Bragg charges other fees to new development including water and sewer connection fees, planning permit fees, and building permit fees. The estimated total permit fees for the construction of a typical single family home under the current and proposed impact fees are provided in Table 38. According to the parameters used for the example calculation, total permit fees would slightly decrease from \$16,645 to \$16,629 given the proposed development impact fees outlined in this report.

**Table 38: Estimated Permit Fees for a Single Family Home
City of Fort Bragg
Impact Fee Nexus Study**

Fee Type	Current	Proposed
Water and Sewer Capacity Fees	\$8,271	\$6,196
Water and Sewer Connection Fees	\$4,823	\$4,823
Water and Sewer Permit & Inspection Fee	\$255	\$255
Drainage Fee	\$615	\$1,099
New Development Impact fees		\$1,575
<u>Other City Fees</u>	<u>\$2,681</u>	<u>\$2,681</u>
Total Cost	\$16,645	\$16,629

Notes: Fees shown are based on a new single family residential development in a low-density residential zone with a building permit valuation of \$250,000. "Other City Fees" category includes Business License Surcharge, Planning Department Building Fee, Public Works Department Building Permit Fees, General Plan Maintenance Fee, and Construction and Demolition Deposit (refundable after construction).

11.3 Sample Nonresidential Fee Calculations

Impacts to nonresidential construction will vary according to the size of the development and its projected water and sewer flows. Provided in this section are three examples of the current and proposed impact fees that would be charged to commercial and lodging development.

For nonresidential customers, the proposed fee structure for water and sewer fees will differ from the existing fee structure. Currently, nonresidential capacity fees are calculated using a pre-calculated EDU multiplier for each type of development which is applied to the residential fee and then multiplied by the number of units (measured in 1,000 sq ft or number of rooms). The EDU multipliers were calculated based on estimated water flows and peaking factors relative to residential customers. The EDU multipliers are different for water and sewer fees. For example, a dental office has a water EDU of 0.83 per unit and a sewer EDU of 1.13 per unit. It is proposed that water and sewer fees be charged according to estimated water and sewer flows (measured in gallons per day).

Storm drainage fees are proposed to be charged on a per sq ft basis, similar to the existing drainage fees. Police and CV Starr impact fees are proposed to be charged on a per 1,000 sq ft basis for commercial and industrial developments and per room for lodging developments. Fire impact fees are proposed to be charged on a per 1,000 sq ft basis for all nonresidential development types.

11.3.1 Small Office

Table 39 compares the current and proposed impact fees for a hypothetical new 1,500 sq ft small office in the City. Offices have a current water EDU count of 0.73 per 1,000 sq ft and a sewer EDU count of 1.0 per 1,000 sq ft. Using these parameters, total proposed impact fees would equal about \$12,900.

Table 39: Example Office Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Small Office [1]	Current	Proposed
Water	\$5,070.95	\$3,876.60
Sewer	\$5,460.00	\$3,306.60
Storm Drain	\$219.35	\$1,534.70
Police		\$3,328.41
Fire		\$450.09
<u>CV Starr</u>		<u>\$407.93</u>
Total Capacity Fees	\$10,750.29	\$12,904.33
<i>Percent Change</i>		<i>20.0%</i>

1 - Assumed office space is 1,500 sq ft

11.3.2 Grocery Store

Example impact fee calculations for a 16,000 sq ft grocery store are provided below in Table 40. Current impact fees are calculated using the City’s existing fee multipliers of 0.63 water EDUs and 0.87 sewer EDUs per 1,000 sq ft. Including all six proposed impact fee categories, the store’s impact fees would total about \$136,000.

Table 40: Example Grocery Store Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Grocery Store [1]	Current	Proposed
Water	\$46,680.48	\$38,766.00
Sewer	\$50,668.80	\$36,072.00
Storm Drain	\$2,339.68	\$16,370.18
Police		\$35,503.04
Fire		\$4,800.96
<u>CV Starr</u>		<u>\$4,351.20</u>
Total Capacity Fees	\$99,688.96	\$135,863.38
<i>Percent Change</i>		<i>36.3%</i>

1 - Assumed grocery store is 16,000 sq ft

11.3.3 30 Room Hotel

Table 41 calculates current and proposed impact fees for a 30 room hotel development. This hypothetical hotel is assumed to be 24,000 sq ft. Current water and sewer fees are calculated using the City’s fee multipliers of 0.63 water EDUs and 0.87 sewer EDUs per room. The proposed police and CV Starr impact fees are calculated using the number of hotel rooms, while the storm drain and fire fees are calculated using the number of sq ft of development. In total, proposed impact fees for this example development would equal about \$166,000.

Table 41: Example 30 Room Hotel Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

30 Room Hotel [1]	Current	Proposed
Water	\$87,525.90	\$59,640.00
Sewer	\$95,004.00	\$54,108.00
Storm Drain	\$3,509.52	\$24,555.28
Police		\$18,155.10
Fire		\$7,201.44
<u>CV Starr</u>		<u>\$2,225.10</u>
Total Capacity Fees	\$186,039.42	\$165,884.92
<i>Percent Change</i>		<i>-10.8%</i>

1 - Assumed hotel is 24,000 sq ft with 30 rooms, 2,000 gpd of water flow, and 1,800 gpd of sewer flow

SECTION 12: IMPLEMENTATION

Impact fees are subject to a public approval process. In order to adopt impact fees, public agencies in California must 1) develop a justification for the impact fee, 2) conduct a public hearing, and 3) adopt an ordinance or resolution. The adoption of impact fees requires the City Council to vote to approve the ordinance or resolution and does not require a public vote.

In addition to implementing the proposed water, sewer, storm drainage, police, fire, and CV Starr development impact fees, this study recommends that the City update its development impact fees each year by the annual change in the Engineering News Record Construction Cost Index to account for future construction cost inflation. The City's impact fee ordinance can allow for automatic annual fee adjustments.

Additionally, the City should review and consider updating its development impact fees when substantial revisions are made to anticipated capital improvement needs or costs. In general, development impact fees are updated approximately once every five to ten years or concurrently with master plan updates.

To ensure continued adequate implementation of the impact fees, the City should:

- Maintain an annual Capital Improvement Program budget to indicate where fees are being expended to accommodate growth.
- Comply with the annual and five-year reporting requirements of Government Code 66000 et seq.
- Annually adjust impact fees using an appropriate construction cost index. Impact fees should be adjusted regularly to prevent them from falling behind the costs of constructing new facilities. The Engineering News Record ("ENR") magazine publishes Construction Cost Indices ("CCI") monthly for 20 major U.S. cities. These indices can be used to estimate the change in the construction cost of facilities, and the City's impact fees should be adjusted annually by the change in the ENR CCI.

APPENDIX A: NON-RESIDENTIAL WATER IMPACT FEES

Provided below is a listing of various non-residential land use categories and the City's current water EDU assignment. The EDUs assigned to each land use are multiplied by the proposed fee of \$3,280.20 per EDU to determine the total amount of the proposed fee.

Category	Unit	EDU	Proposed Water Impact Fee
Car Wash (Self Serve)	stall	5.16	\$16,925.83
Schools	1,000 sq ft of classroom	5.35	\$17,549.07
Laundromats	Washing machine	0.78	\$2,558.56
Hospitals	bed	1.22	\$4,001.84
Convalescent Homes	bed	0.49	\$1,607.30
Church	1,000 sq ft	0.34	\$1,115.27
Retail/Wholesale	1,000 sq ft	0.24	\$787.25
Professional Office	1,000 sq ft	0.73	\$2,394.55
Dental/Medical Office	1,000 sq ft	0.83	\$2,722.57
Beauty Shops	1,000 sq ft	1.31	\$4,297.06
Brewery	1,000 sq ft	2.14	\$7,019.63
Theater	seat	0.01	\$32.80
Gas Stations	1,000 sq ft	0.88	\$2,886.58
Garage	1,000 sq ft	0.24	\$787.25
Bar	1,000 sq ft patron area	1.38	\$4,526.68
Single Service (Deli, Bakery, etc.)	1,000 sq ft prep area	2.68	\$8,790.94
Outdoor Seating	1,000 sq ft dining area	4.865	\$15,958.17
Lodging with dining (with spa)	room	1.12	\$3,673.82
Lodging with dining (without spa)	room	0.63	\$2,066.53
Restaurant with Bar (fixed seating)	seat	0.22	\$721.64
Restaurant with Bar (no fixed seating)	1,000 sq ft dining area	11.68	\$38,312.74
Restaurant (fixed seating)	seat	0.15	\$492.03
Restaurant (no fixed seating)	1,000 sq ft dining area	9.73	\$31,916.35
Supermarket	1,000 sq ft	0.63	\$2,066.53

APPENDIX B: NON-RESIDENTIAL SEWER IMPACT FEES

Provided below is a listing of various non-residential land use categories and the City's current sewer EDU assignment. The EDUs assigned to each land use are multiplied by the proposed fee of \$2,915.82 per EDU to determine the total amount of the proposed fee.

Category	Unit	EDU	Proposed Sewer Impact Fee
Car Wash (Self Serve)	stall	7.07	\$20,614.85
Schools	1,000 sq ft of classroom	7.33	\$21,372.96
Laundromats	Washing machine	1.07	\$3,119.93
Hospitals	bed	1.67	\$4,869.42
Convalescent Homes	bed	0.67	\$1,953.60
Church	1,000 sq ft	0.47	\$1,370.44
Retail/Wholesale	1,000 sq ft	0.33	\$962.22
Professional Office	1,000 sq ft	1.00	\$2,915.82
Dental/Medical Office	1,000 sq ft	1.13	\$3,294.88
Beauty Shops	1,000 sq ft	1.80	\$5,248.48
Brewery	1,000 sq ft	2.93	\$8,543.35
Theater	seat	0.02	\$58.32
Gas Stations	1,000 sq ft	1.20	\$3,498.98
Garage	1,000 sq ft	0.33	\$962.22
Bar	1,000 sq ft patron area	1.98	\$5,773.32
Single Service (Deli, Bakery, etc.)	1,000 sq ft prep area	2.88	\$8,397.56
Outdoor Seating	1,000 sq ft dining area	6.67	\$19,448.52
Lodging with dining (with spa)	room	1.53	\$4,461.20
Lodging with dining (without spa)	room	0.87	\$2,536.76
Restaurant with Bar (fixed seating)	seat	0.30	\$874.75
Restaurant with Bar (no fixed seating)	1,000 sq ft dining area	16.00	\$46,653.12
Restaurant (fixed seating)	seat	0.20	\$583.16
Restaurant (no fixed seating)	1,000 sq ft dining area	13.33	\$38,867.88
Supermarket	1,000 sq ft	0.87	\$2,536.76

APPENDIX C: CIVIC, PARKS, AND TRAFFIC IMPACT FEES

As discussed in Section 1.5, the City evaluated nine potential impact fees as part of the impact fee nexus study process, including its three existing and six new impact fees. Based on feedback from the Finance Committee and City staff, the City is proposing to move forward with adopting the six impact fees discussed in the prior sections of this report. This appendix provides the fee calculations for the three potential fee categories which were studied but are ultimately not recommended to be adopted at this time—the civic, parks and recreation, and traffic impact fees.

C. 1 Civic Impact Fee

C.1.1 Current Level of Service and Impact of Growth on Civic Facilities

The City owns and maintains several public buildings for the benefit of its residents and employees including the City Hall, Town Hall, Guest House Museum, and Corporation Yard. The impact of growth on the use of the City's civic facilities is estimated to be equivalent to the impacts of growth on the City's CV Starr Center as described in Section 10.2 and Table 33. To account for the relative impacts of residential and non-residential development, residents are assigned a weighting factor of 1.0 and employees are assigned a weighting factor of 0.31 (the ratio of 40 working hours per week to 128 non-working hours per week).

C.1.2 Buy-in Fee Component

The buy-in cost for the civic impact fee is calculated in Table C1. The value of infrastructure, land, and equipment was determined from the City's fixed asset list. The value of the City's buildings was determined using their insured values. For the City's historic properties—City Hall, Town Hall, and the Guest House—the full value is used without deducting depreciation due to the historic nature of these properties. For the Corporation Yard property, depreciation was deducted.

**Table C1: Buy-in to Existing Civic Facilities
City of Fort Bragg
Impact Fee Nexus Study**

Asset Category	Estimated Value	Notes
Buildings & Improvements		
City Hall	\$6,615,085	Insured Value [1]
Town Hall	\$881,389	Insured Value [1]
Guest House	\$1,449,397	Insured Value [1]
Corporation Yard	\$186,120	Insured Value less depreciation [2]
Infrastructure	\$168,715	RCNLD [3]
Land	\$166,038	[4]
Machinery Equip & Vehicles	\$703,109	RCNLD [3]
Total	\$10,169,853	
Weighted Population at buildout	9,212	
Buy-in Cost (\$/person)	\$1,103.98	
Weighted cost per person		
Residents (1x)	\$1,103.98	
Employees (0.31x)	\$342.23	
Cost per residential EDU (2.35 people)	\$2,594.35	
Residential fee per 1,000 sqft	\$1,562.86	

1 - Based on the City's Property Program renewals from 2020. The full building value and value of property in the open are shown without depreciation because these 3 buildings are historic properties.

2 - Building value listed in the City's 2020 Property Program renewals reduced by about 85% for depreciation (asset is about 64 years into a 75 year life)

3 - Original cost less depreciation adjusted to current construction cost.

4 - Land does not depreciate. Original book cost shown.

C.1.3 Expansion Fee Component

It is recommended that 14.4% of the total project costs are allocated to growth based on the estimated civic facilities service population increase from 2023 to 2053 (see Table 33). Based on a total project cost of about \$15.7 million, about \$2.3 million in project costs should be recovered from impact fees, as illustrated in Table C2.

**Table C2: Allocation of City Share of Civic Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study**

Capital Improvement Projects	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
Guest House Rehabilitation	\$80,000	85.6%	14.4%	All customers	\$68,511	\$11,489
Broadband - Fiber	\$15,000,000	85.6%	14.4%	All customers	\$12,845,745	\$2,154,255
City Hall - Roof and Solar	\$150,000	85.6%	14.4%	All customers	\$128,457	\$21,543
City Hall - Siding Replace - East Side	\$70,000	85.6%	14.4%	All customers	\$59,947	\$10,053
City Hall - Siding Replace - South Side	\$85,000	85.6%	14.4%	All customers	\$72,793	\$12,207
Town Hall Bathrooms, Windows, Paint, Wall repair	\$180,000	85.6%	14.4%	All customers	\$154,149	\$25,851
Corporation Yard Roof Replacement	<u>\$120,000</u>	85.6%	14.4%	All customers	<u>\$102,766</u>	<u>\$17,234</u>
	\$15,685,000				\$13,432,367	\$2,252,633
				Weighted population growth through buildout		1,323
				Base cost per person		\$1,702.67
				Weighted expansion cost per person		
				Residents (1x)		\$1,702.67
				Employees (0.31x)		\$527.83
				Cost per residential EDU (2.35 people)		\$4,001.27

C.1.4 Civic Impact Fee Calculation

The civic impact fee would be charged to both residential and nonresidential development according to resident and employee density. The weighted buy-in and expansion costs per resident are converted into a fee per dwelling unit for single family and multifamily developments as illustrated in Table C3. The civic impact fee is \$6,595.63 per single family home.

Table C3: Civic Facilities Residential Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Buy-in Capacity Fee per resident	\$1,103.98
New Facility Fee per resident	<u>\$1,702.67</u>
Total Weighted cost per resident	\$2,806.65
# of people per single family (SF) home	2.35
Single family impact fee	\$6,595.63 per SF home
Residential Fee based on building size	\$3,973.27 per 1,000 sqft

The weighted buy-in and expansion costs per employee are summed in Table C4 to generate a total weighted cost per employee of about \$870. This cost is then assigned per 1,000 sq ft or per room based on the estimated employment density data to calculate the impact fees for commercial, industrial, and lodging developments as shown in the table. The commercial impact fee is higher than the industrial fee, reflecting the greater density of employees on average.

**Table C4: Civic Facilities Non-Residential Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study**

Buy-in Capacity Fee per employee	\$342.23
New Facility Fee per employee	<u>\$527.83</u>
Total Weighted cost per employee	\$870.06
# of commercial employees per 1,000 sqft [1]	3.19
Commercial impact fee	\$2,775.50
	per 1,000 sqft
# of industrial employees per 1,000 sqft [1]	1.23
Industrial impact fee	\$1,070.18
	per 1,000 sqft
# of lodging employees per room [1]	0.87
Lodging impact fee	\$756.96
	per room

1 - Based on the 2001 Employment Density Study prepared by The Natelson Company, Inc. for the Southern California Association of Governments.

C.2 Parks and Recreation Impact Fee

C.2.1 Current Level of Service and Impact of Growth on Parks Facilities

The City has several parks including Harold O. Bainbridge Park, Otis R. Johnson Wilderness Park, Noyo Beach, Noyo Headlands Park, Pomo Bluffs Park, and the Harbor Lite Trail. The parks and recreation impact fee would be intended to mitigate the effects of new residential development on the City’s park facilities.

Parks and recreation fees would be charged to residences and not charged to businesses. New residential development will generate additional residents which will increase the demand for the City’s park facilities. Many public agencies in California do not charge a parks development impact fee for commercial development due to the limited impact on parks infrastructure and facilities by workers in comparison with residents. The fees would be assessed on a per dwelling unit basis. Residential development is estimated in Table 6.

C.2.2 Buy-in Fee Component

Table C5 below describes existing parks and recreation fixed assets and calculates a buy-in unit cost by dividing the total value of facilities by the City’s residential population at buildout. Assets included in the calculation will provide benefits to both existing and future customers. The original acquisition cost of facilities was taken from the City’s fixed asset list. For the fee calculation, fully depreciated assets are assumed to have no value. Assets the City acquired through grants or other donations were also removed from the fee calculation. The main assets included are the Soldier’s Point Coastal Trail and improvements that have been made to Bainbridge Park since its land was donated to the City. The calculated buy-in cost per EDU is \$226.85.

Table C5: Buy-in to Existing Parks & Rec Facilities
City of Fort Bragg
Impact Fee Nexus Study

Asset Category	RCNLD [1]
Buildings & Improvements	\$330,096
Infrastructure	\$58,072
Land [2]	<u>\$418,150</u>
Total	\$806,317
Residential Population at buildout	8,353
Buy-in Cost (\$/person)	\$96.53
Buy-in Cost per EDU	\$226.85

1 - Original cost less depreciation adjusted to current construction cost.

2 - Land does not depreciate. Original book cost shown.

C.2.3 Expansion Fee Component

The City has identified about \$123,000 in total project costs for parks and recreation facilities which are not projected to be grant funded through 2053. Projects include improvements to Noyo Headlands Park and Pomo Bluffs Park. These improvements will serve both existing and new residents, and the cost responsibility is allocated 14.4% to new construction based on projected growth through 2053 (see Table 6).

Table C6: Allocation of City Share of Parks & Recreation Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study

Capital Improvement Projects	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
Noyo Headlands Park Bathrooms and Fencing	\$73,249	85.6%	14.4%	All customers	\$62,720	\$10,529
Pomo Bluffs Park - Parking lot rehabilitation	<u>\$50,000</u>	85.6%	14.4%	All customers	<u>\$42,813</u>	<u>\$7,187</u>
	\$123,249				\$105,533	\$17,716
				Residential population growth through buildout		1,200
				Base cost per person		\$14.76
				Estimated Cost per EDU (expansion only)		\$34.69

C.2.4 Parks and Recreation Impact Fee Calculation

Table C7 provides the parks and recreation impact fee calculation. The impact fee is calculated as \$111.29 per person based on the buy-in cost and the new facility fee. The cost per person is then multiplied by average occupant density to determine the total fee per residential dwelling unit. The fee for multi-family dwelling units is lower, reflecting lower average occupancy and thus lower average use of facilities.

**Table C7: Parks Facilities Residential Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study**

Buy-in Capacity Fee per resident	\$96.53
New Facility Fee per resident	<u>\$14.76</u>
Total Weighted cost per resident	\$111.29
# of people per single family (SF) home	2.35
Single family impact fee	\$261.53 per SF home
Residential Fee based on building size	\$157.55 per 1,000 sqft

C.3 Traffic Impact Fee

C.3.1 Impact of Growth on Facilities

The Public Works Department is responsible for maintaining over 25 miles of City streets and associated infrastructure including street markings and traffic signage. The purpose of the traffic impact fee would be to fund transportation facilities and infrastructure necessary to maintain and expand the City's roadway network to accommodate additional vehicle trips that will be generated by new development. Each development would pay impact fees based on the estimated number of new vehicle trips they will generate in order to mitigate the traffic impacts they will create.

C.3.2 Capacity

Residential and non-residential development would be responsible for paying their share of the City's transportation infrastructure based on the number of daily vehicle trips generated by each type of development. Table C8 shows the calculation to determine the estimated number of trips by new development based on the land use projections in Table 9. Trip generation rates were determined by Fehr & Peers in the 2010 Mendocino Council of Governments (MCOG) Travel Demand Forecasting Model. Trip generation rates vary by land use. New residents and employees are expected to generate

the same number of trips as existing residents and employees. By 2053, it is estimated that 4.5% of trips will be generated by new growth since 2023.

Table C8: Existing and Future Number of Trips Projection
City of Fort Bragg
Impact Fee Nexus Study

Residential	Dwellings	Trips per dwelling	Total Trips	
<u>Single Family</u>				
Existing	1,950	9.79	19,091	
Growth	<u>366</u>	9.79	<u>3,583</u>	
Buildout	2,316		22,674	
<u>Multi-Family</u>				
Existing	1,224	6.02	7,368	
Growth	<u>162</u>	6.02	<u>975</u>	
Buildout	1,386		8,343	
Non-Residential				
	Thousand Sq Ft	Trips per 1000 Sq Ft	Total Trips	
<u>Commercial</u>				
Existing	1,699	12.76	21,679	
Growth	<u>429</u>	12.76	<u>5,474</u>	
Buildout	2,128		27,153	
<u>Industrial</u>				
Existing	336	4.02	1,351	
Growth	<u>60</u>	4.02	<u>241</u>	
Buildout	396		1,592	
<u>Lodging (Rooms)</u>				
Existing	26,935	7.11	191,508	
Growth	<u>150</u>	7.11	<u>1,067</u>	
Buildout	27,085		192,575	
All Customers				
Existing			240,997	95.5%
Growth			<u>11,340</u>	<u>4.5%</u>
Buildout			252,337	100.0%

Trip generation rates from Fehr & Peers, 2010

C.3.3 Buy-in Fee Component

The City’s fixed asset list was reviewed to determine the value of existing traffic facilities using the RCNLD method. The majority of existing assets are improvements made via street rehabilitation projects over the past 30 years including street resurfacing projects, traffic signal installations, and improvements to curbs and sidewalks valued at approximately \$20.3 million as shown in Table C9. Based on the total estimated number of vehicle trips at buildout, the buy-in cost per trip is \$80.27.

Table C9: Buy-in to Existing Traffic Facilities
City of Fort Bragg
Impact Fee Nexus Study

Asset Category	RCNLD [1]
Infrastructure	\$19,994,808
Land [2]	<u>\$259,371</u>
Total	\$20,254,179
Total trips at buildout	252,337
Buy-in Cost (\$/trip)	\$80.27
Buy-in Cost (\$/single family dwelling)	\$785.84

1 - Original cost less depreciation adjusted to current construction cost.

2 - Land does not depreciate. Original book cost shown.

C.3.3 Expansion Fee Component

Planned improvements to the City’s facilities will benefit all customers through buildout by maintaining acceptable levels of services and roadway facilities as new development occurs. Major capital needs for the street maintenance and traffic system were determined by Nichols Consulting Engineers, Chtd. (NCE). In 2021, NCE updated the City of Fort Bragg’s Pavement Management Program (PMP) for the entire network. The study found that the City would need to spend approximately \$26.7 million over the next ten years to improve the condition of the street network to an average pavement condition index (PCI) of 75 which is considered “Good” condition. The City’s current pavement network is in “Fair” condition with an average PCI of 65. NCE recommended that the City pursue this funding scenario, which is referred to as “Scenario 2” in the PMP.

Based on the projection of existing and future trips in Table C8, 4.5% of project costs from the PMP are allocated to new customers. Additional capital improvement needs identified by the City for inclusion in the traffic impact fee include a new traffic signal or round-about at the intersection of Main St & Cypress St as well as a pedestrian and bike path on Chief Celeri Drive. The total expansion cost based on the estimated number of vehicle trips by new development through buildout is \$109.77 per trip, see Table C10.

**Table C10: Allocation of City Share of Traffic Capital Improvement Costs
City of Fort Bragg
Impact Fee Nexus Study**

Capital Improvement Projects	City Share of CIP Cost	Existing Connections	Future Connections	Allocation Notes	Existing Connections	Future Connections
Pavement Management Plan (Scenario 2)	\$26,700,000	95.5%	4.5%	All customers	\$25,500,105	\$1,199,895
New Traffic Signal or Round-About at Main & Cypress	\$750,000	95.5%	4.5%	All customers	\$716,295	\$33,705
Ped/Bike Path - Chief Celeri Drive	<u>\$250,000</u>	95.5%	4.5%	All customers	<u>\$238,765</u>	<u>\$11,235</u>
	\$27,700,000				\$26,455,165	\$1,244,835
				Total trips added by new development through buildout		11,340
				New facilities cost (\$/trip)		\$109.77
				New facilities cost (\$/single family dwelling)		\$1,074.65

C.3.4 Traffic Impact Fee Calculation

Table C11 sums the buy-in and new facility costs to arrive at a total cost per trip of \$190.04. Impact fees per unit for each land use category are calculated using the daily trip generation rates. For a single family home, the traffic impact fee is \$1,860.49.

Table C11: Traffic Impact Fee Calculation
City of Fort Bragg
Impact Fee Nexus Study

Buy-in Cost	\$80.27
New Facility Fee per trip	<u>\$109.77</u>
Total Weighted cost per trip	\$190.04
# of daily trips per single family (SF) home	9.79
Single family impact fee	\$1,860.49
	per SF home
Residential Fee based on building size	\$1,120.78
	per 1,000 sqft
# of commercial trips per 1,000 sqft [1]	12.76
Commercial impact fee	\$2,424.91
	per 1,000 sqft
# of industrial trips per 1,000 sqft [1]	4.02
Industrial impact fee	\$763.96
	per 1,000 sqft
# of lodging trips per room [1]	7.11
Lodging impact fee	\$1,351.18
	per room

1 - Based on number of employees per 1,000 sqft established in the 2001 Employment Density Study prepared by The Natelson Company, Inc. for the Southern California Association of Governments.

C.4 Single Family Residential Fee Survey

As part of the analysis of all potential fees calculated, the survey from Table 4 was updated to compare the City of Fort Bragg’s proposed and potential fees to the fees charged by other local agencies, see Table C12. The median impact fees of surveyed agencies total \$18,177 in comparison with Fort Bragg’s fees of \$8,886 for a 1,660 square foot home in a low-density residential zone. It should be noted that other communities shown in the table may charge additional impact fees not shown in the table including fees for affordable housing, health care, schools, and a variety of other purposes. Were the City to adopt all nine existing and new impact fee categories which were studied, the total fees for a typical single family home would increase from \$8,886 to \$17,550.

Table C12: Residential Impact Fee Survey (1,660 sqft)

**City of Fort Bragg
Impact Fee Nexus Study**

Community	Water	Wastewater	Storm Drain	Police	Fire	CV Starr	Parks	Civic	Traffic	Total
Eureka	\$3,208	\$3,423			\$701					\$7,332
Fortuna [1]	\$2,165	\$4,445	\$531						\$1,310	\$8,451
Fort Bragg (Proposed)	\$2,696	\$3,462	\$1,099	\$539	\$390	\$646				\$8,870
Fort Bragg (Current) [2]	\$4,631	\$3,640	\$615							\$8,886
Willits / Little Lake FD	\$4,025	\$7,840			\$1,627					\$13,492
Ukiah / Ukiah Valley SD	\$1,833	\$12,240								\$14,073
Arcata [3]	\$7,429	\$8,161	\$199							\$15,789
Fort Bragg (All Categories)	\$2,696	\$3,462	\$1,099	\$539	\$390	\$646	\$262	\$6,596	\$1,860	\$17,550
Sonoma / Sonoma Valley County SD [4]	\$4,260	\$17,739								\$21,999
Clearlake [5]	\$7,500	\$11,936			\$1,660				\$2,049	\$23,145
Lakeport [6]	\$8,877	\$16,309	\$166		\$1,660					\$27,012
Cloverdale [7]	\$7,192	\$11,160	\$255		\$1,502		\$11,732	\$5,727	\$3,147	\$40,715
Windsor [8]	\$4,695	\$11,387	\$3,758	\$118	\$2,905		\$13,463	\$1,626	\$12,492	\$50,444

Notes: For all agencies which calculate fees per sq ft, 1,660 sq ft is used to generate rates shown in the table for illustrative purposes. For all agencies which charge water or wastewater capacity fees based on meter size, fees for the smallest meter size available are shown in the table to reflect the most likely meter size for a residential customer. Some agencies charge additional fees to new development which are not shown in the table, including fees for affordable housing, schools, and a variety of other purposes.

1 - The Traffic fee shown is Traffic Impact Fee for all properties on or connected to Hillside Drive. Traffic fees vary by location.

2 - Storm Drain fee shown is for low-density residential assuming a 1,660 sq ft home.

3 - Water fee shown includes Connection fee for physical connection to the system (\$4,718) plus Capital Connection Fee (\$2,711). Sewer fee shown includes connection fee (\$4,598) plus Sewer Capital Connection Fee (\$3,563)

4 - Wastewater fee shown is the Connection fee for the Sonoma Valley District of Sonoma County. Fees vary by service area.

5 - Water fee is for customers in Clearlake served by the Highlands Mutual Water Company. Portions of the City's customers are also served by the Golden State Water Company or other service providers. Sewer fee is paid to Lake County Sanitation District #1. Fire fees are paid to the Lake County Fire Protection District.

6 - Wastewater fee is charged by CLMSD North and the Lake County Sanitation District 9-1 & 9-3, which collect and treat the City's sewer flows in the north area of the City. Fees vary in the CLMSD South portion of the City. Storm drain and fire fees effective as of January 2019. Fire Mitigation fee is paid to the Lake County/Lakeport Fire Department.

7 - The City has 2 Parks fees - A Parks and Recreation Facilities fee of \$4,299 and a Quimby Act Parkland Acquisition fee of \$7,433. Civic fee listed is "Public Facilities Fee"

8 - Water fee is for Standard Single Family Residence (fees vary by size of home - small vs. standard). Parks category includes the City's Park Development Impact Fee (\$12,521) as well as the City's Recreation Impact Fee (\$704), Open Space Impact Fee (\$5), and Trails Impact Fee (\$233). Fire fee is charged by Sonoma County Fire District.