

CITY OF FORT BRAGG

Impact Fee Nexus Study



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Impact Fee Background

- Impact fees are one-time fees paid by new development when building permits are issued by the City
- Assembly Bill 602 requires impact fee updates every eight years
- L&T evaluated a wide range of potential fees and the City can determine if they are appropriate for the community
- Fees are intended to recover the capital costs of public facilities needed to accommodate growth
- Fees cannot recover costs that were funded by other revenue sources such as grants or donations
- The City of Fort Bragg has a lower tax rate than neighboring cities and thus does not the same level of tax revenues to offset the cost of facilities



Impact Fee Background Continued

- Fees cannot be used to pay operating costs or general repair and maintenance projects that are not related to expanded capacity
- Fees must be proportional to the capacity used by new customers (i.e. nexus between costs and benefits received) and are intended to mitigate impacts of growth on existing residents
- Impact fees are not paid by current residents. However, if expansion costs are not funded by growth, existing residents could be burdened with the costs and impacts of new development



Impact Fee Categories

Current Fee Categories	Fee Categories Reviewed via the Impact Fee Study
Water	Water
Sewer	Sewer
Storm Drainage	Storm Drainage
	Police
	Fire
	CV Starr
	Parks & Recreation
	Traffic
	Civic Facilities

Recommended categories based on feedback from the Finance Committee



Impact Fee Methodology

Determine planning horizon and capacity

Determine the cost of facilities for fee recovery

Calculate the unit costs of capacity

Apply unit costs to the estimated capacity of new development



Planning Horizon and Buildout

- Estimated growth over 30 years
 - 1,200 population growth (residents)
 - About 400 new jobs (employees)
 - 429,000 sq ft of commercial development
 - 60,000 sq ft of industrial development
 - 150 new hotel rooms

- Fees are scaled based on impact to facilities
 - Ex. New employees have low impact on civic facilities and parks but high impact on police services
 - Single family or multi-family dwellings – number of people per home
 - Commercial or industrial development – number of employees per 1,000 sq ft
 - Lodging – number of employees per room



Costs of Facilities

Buy-in Costs

Depreciated value of **existing facilities** in current \$ (from fixed asset list)

Costs shared by current and future customers

Expansion Costs

Construction costs of **expanded facilities** needed to serve growth (from CIP)

Costs paid by growth



Water Impact Fee

- Estimated \$14.7M value of existing assets
- Estimated \$24.1M of expansion costs allocated to growth
- Capacity is assigned to growth using water demand in gallons
 - Existing demand is about 560,000 gallons per day
 - Source water available is 1,700,000 gallons per day
 - 33% existing and 67% growth allocation
- Major Projects:
 - Raw water lines and reservoirs (67% allocated to growth)
 - Desalination – ocean intake (67% allocated to growth)



Water Impact Fee

- Current fee is \$4,631 per EDU (equivalent dwelling unit)

Component	Proposed Fee
Buy-in fee per EDU	\$951.50
Expansion fee per EDU	<u>\$2,328.70</u>
Total fee per EDU	\$3,280.20
Buy-in fee (\$/gpd)	\$8.65
Expansion fee (\$/gpd)	<u>\$21.17</u>
Total fee (\$/gpd)	\$29.82



Sewer Impact Fee

- Estimated \$20M value of existing assets (RCNLD)
- A portion of the fee will recover costs for debt service for the City's 2018 Wastewater Treatment Plant loan
- Estimated \$0.7M of expansion costs allocated to growth
- Capacity is assigned to growth using flow in gallons
 - Existing flow is about 490,000 gallons per day
 - Sewer treatment plant capacity is 800,000 gallons per day
 - 39% existing and 61% growth allocation
- Major Projects:
 - Bio Solids dryer (39% allocated to growth)
 - Pudding Creek sewer main relocation (39% allocated to growth)



Sewer Impact Fee

- Current fee is \$3,640 per EDU (equivalent dwelling unit)

Component	Proposed Fee
Buy-in fee per EDU	\$2,428.88
Expansion fee per EDU	\$211.46
Debt service fee per EDU	<u>\$275.48</u>
Total fee per EDU	\$2,915.82
Buy-in fee (\$/gpd – gallons per day)	\$25.04
Expansion fee (\$/gpd)	\$2.18
Debt Service fee (\$/gpd)	<u>\$2.84</u>
Total fee (\$/gpd)	\$30.06



Storm Drainage Impact Fee

- Estimated \$705,000 value of existing assets
- Estimated \$908,000 of expansion costs allocated to growth based on estimated acres to be developed
- Projects Included:
 - Trash capture devices (16.3% allocated to growth)
 - All development driven projects recommended in the City's Storm Drain Master Plan by Winzler & Kelly Consulting Engineers in 2004 (16.3% allocated to growth)
- Capacity is assigned using impervious area
- Fee for each land use classification depends on estimated runoff coefficient



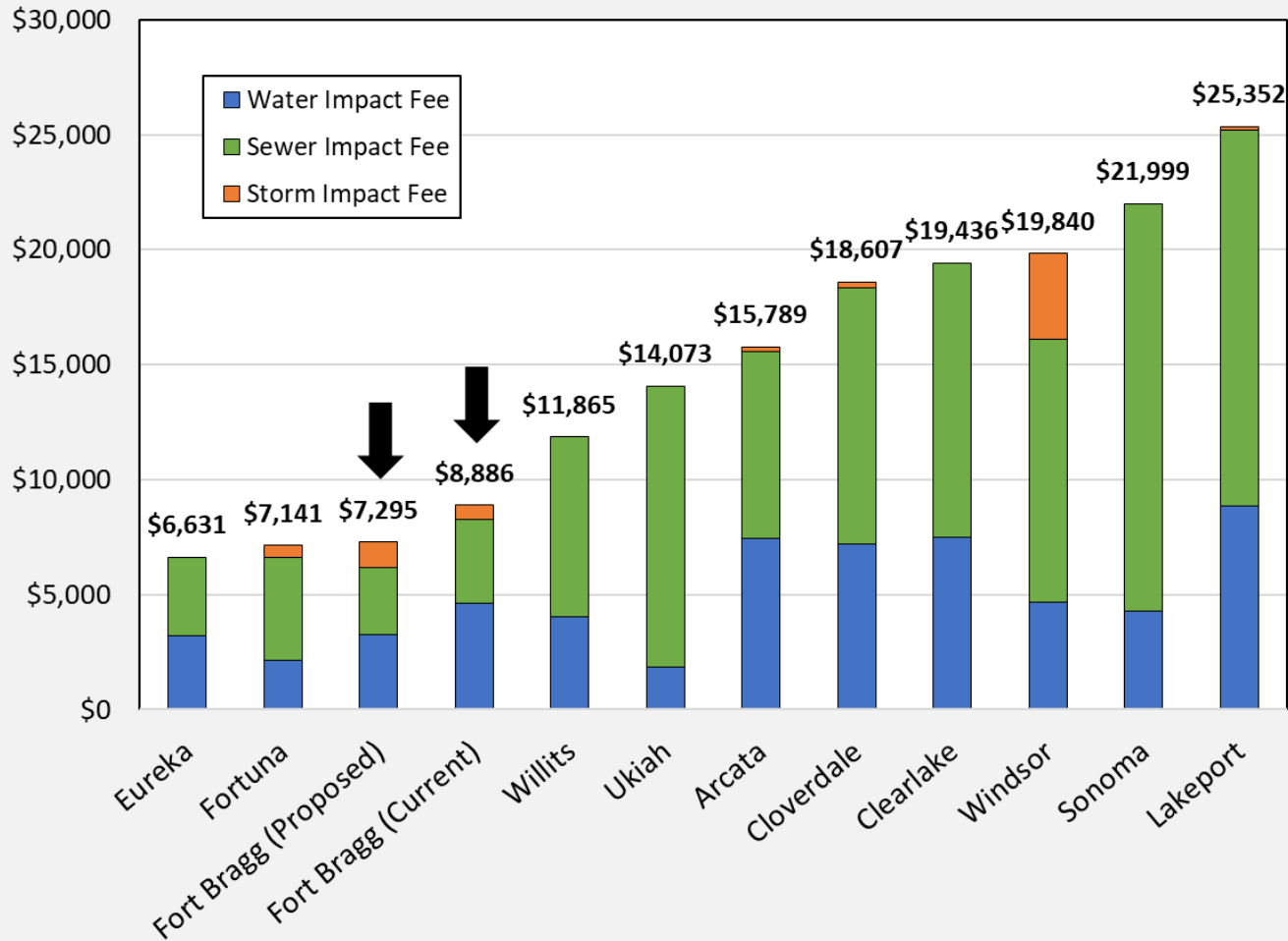
Storm Drainage Impact Fee

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



Water, Sewer, and Storm Survey

Water, Sewer, and Storm Drainage Impact Fee Survey
Single Family Residential Customer (1,660 sq ft home)





Police Facilities Impact Fee

- Estimated \$2.5M value of existing assets
- Estimated \$198,000 of expansion costs allocated to growth
- Major Projects:
 - Vehicle Replacement Plan (14.4% allocated to growth)
 - EV Charging station (14.4% allocated to growth)
- Capacity is assigned using number of residents or employees; weighted based on number of service calls to residential vs. commercial locations

Category	Proposed Fee	Fee Basis
Single family (SF)	\$539.49	per SF home
Multi-family (MF)	\$482.10	per MF home
Commercial	\$2,218.94	per 1,000 sqft
Industrial	\$855.58	per 1,000 sqft
Lodging	\$605.17	per room



Fire Facilities Impact Fee

- Estimated \$2.0M value of existing assets
- No estimated expansion costs allocated to growth (all projected capital improvements are grant funded)

Category	Proposed Fee	Fee Basis
Single family residential	\$389.69	per dwelling unit
Multi-family residential	\$279.76	per dwelling unit
Commercial/Industrial	\$300.06	per 1,000 sqft



CV Starr Impact Fee

- No proposed buy-in component of fee since purchase of the CV Starr Center was funded through fundraising and donations
- Estimated \$364,000 of expansion costs allocated to growth
 - Planned upgrades to the CV Starr Center including the UV disinfection system replacement, HVAC air intake redesign, and roof repair (14.4% allocated to growth)
- Capacity is assigned using number of residents or employees; weighted based on number of working hours vs. non-working hours during the week

Category	Proposed Fee	Fee Basis
Single family (SF)	\$646.23	per SF home
Multi-family (MF)	\$577.48	per MF home
Commercial	\$271.95	per 1,000 sqft
Industrial	\$104.86	per 1,000 sqft
Lodging	\$74.17	per room



Summary of Fees per SF Home

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	

- Other potential (not recommended) fee categories: civic, traffic, parks



Civic Facilities Impact Fee

- Recovers the cost of the City's municipal facilities
- Estimated \$10.2M value of existing assets
- Estimated \$2.3M of expansion costs allocated to growth
- Major Projects:
 - Broadband – Fiber (14.4% allocated to growth)
 - Rehabilitation and improvements to City Hall, Guest House, Town Hall, and Corporation Yard (14.4% allocated to growth)
- Capacity is assigned using number of residents or employees; weighted based on number of working hours vs. non-working hours during the week



Civic Facilities Impact Fee

Category	Proposed Fee	Fee Basis
Single family (SF)	\$6,595.63	per SF home
Multi-family (MF)	\$5,893.97	per MF home
Commercial	\$2,775.50	per 1,000 sqft
Industrial	\$1,070.18	per 1,000 sqft
Lodging	\$756.96	per room



Parks & Recreation Impact Fee

- Estimated \$806,000 value of existing assets (RCNLD)
 - Does not include value of lands that were granted/donated
 - Main assets are the Soldier's Point Coastal Trail and Bainbridge Park improvements
- Estimated \$18,000 of expansion costs allocated to growth
- Projects Included:
 - Bathrooms and fencing at Noyo Headlands Park (14.4% allocated to growth)
 - Parking lot rehabilitation at Pomo Bluffs Park (14.4% allocated to growth)
- Capacity is assigned using number of residents
- Proposed to be charged to residential development only



Parks & Recreation Impact Fee

Component	Proposed Fee
Buy-in fee per resident	\$96.53
Expansion fee per resident	<u>\$14.76</u>
Total fee per resident	\$111.29
Impact fee per SF home	\$261.53
Impact fee per MF home	\$233.71



Traffic Impact Fee

- Estimated \$20.3M value of existing assets
- Estimated \$1.2M of expansion costs allocated to growth
- Major Projects:
 - Funding recommended to improve pavement network in the City's Pavement Management Plan by Nichols Consulting Engineers in 2021 (4.5% allocated to growth)
- Capacity is assigned using number of daily vehicle trips by each customer category

Category	Proposed Fee	Fee Basis
Single family (SF)	\$1,860.49	per SF home
Multi-family (MF)	\$1,144.04	per MF home
Commercial	\$2,424.91	per 1,000 sqft
Industrial	\$763.96	per 1,000 sqft
Lodging	\$1,351.18	per room



Single Family Residential Fee Survey

Community	Water	Sewer	Storm Drain	Police	Fire	CV Starr	Parks	Civic	Traffic	Total
Eureka	\$3,208	\$3,423			\$701					\$7,332
Fortuna	\$2,165	\$4,445	\$531						\$1,310	\$8,451
Fort Bragg (Proposed)	\$3,280	\$2,916	\$1,099	\$539	\$390	\$646				\$8,870
Fort Bragg (Current)	\$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	\$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	\$4,260	\$17,739								\$21,999
Clearlake	\$7,500	\$11,936			\$1,660				\$2,049	\$23,145
Lakeport	\$8,877	\$16,309	\$166		\$1,660					\$27,012
Cloverdale	\$7,192	\$11,160	\$255		\$1,502		\$11,732	\$5,727	\$3,147	\$40,715
Windsor	\$4,695	\$11,387	\$3,758	\$118	\$2,905		\$13,463	\$1,626	\$12,492	\$50,444

Notes: For all fees calculated on a square footage basis, 1,660 sq ft is used to generate rates shown in the table. Water and wastewater impact fees are shown for the smallest meter size available. Some agencies shown in the table charge additional impact fees which are not shown in the table, including fees for affordable housing, schools, or other purposes.



Estimated Permit Fees for a Single Family Home

Single Family Residential Customer (1,660 sq ft home)		
	Current	Proposed
Water and Sewer Impact Fees	\$8,271	\$6,196
Water and Sewer Connection Fees	\$4,823	\$4,823
Water and Sewer Permit & Inspection Fee	\$255	\$255
Storm Drain Impact Fee	\$615	\$1,099
New Recommended Development Impact Fees		\$1,575
Other City Fees	\$2,681	\$2,681
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 Permit Fee, Public Works Department Building Permit Fees, General Plan Maintenance Fee, and Construction and Demolition Deposit (refundable after construction).



Example Office

Fee Category	Current	Proposed
Water	\$5,071	\$3,877
Sewer	\$5,460	\$3,307
Storm Drain	\$219	\$1,535
Police		\$3,328
Fire		\$450
<u>CV Starr</u>		<u>\$408</u>
Total Impact Fees	\$10,750	\$12,904

Assumed office space is 1,500 sq ft with 130 gallons per day of water demand and 110 gallons per day of sewer flow



Example Grocery Store

Fee Category	Current	Proposed
Water	\$46,680	\$38,766
Sewer	\$50,669	\$36,072
Storm Drain	\$2,340	\$16,370
Police		\$35,503
Fire		\$4,801
<u>CV Starr</u>		<u>\$4,351</u>
Total Impact Fees	\$99,689	\$135,863

Assumed grocery store is 16,000 sq ft with 1,300 gallons per day of water use and 1,200 gallons per day of sewer flow



Example 30 Room Hotel

Fee Category	Current	Proposed
Water	\$87,526	\$59,640
Sewer	\$95,004	\$54,108
Storm Drain	\$3,510	\$24,555
Police		\$18,155
Fire		\$7,201
<u>CV Starr</u>		<u>\$2,225</u>
Total Impact Fees	\$186,039	\$165,885

Assumed hotel is 24,000 sq ft with 2,000 gallons per day of water use and 1,800 gallons per day of sewer flow



Questions?

