

CITY OF SALINAS

PUBLIC FACILITIES IMPACT

FEE STUDY

For Fire, Police, Library, and Recreation Services



February 2014

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EXECUTIVE SUMMARY

The City of Salinas prepared this study to analyze the impacts of future development on capital facilities and equipment used to provide certain City services, and to calculate impact fees for future development based on that analysis. This report documents the data, assumptions, methodology, and analysis supporting those calculations.

The methods used to calculate impact fees for this study are intended to satisfy all legal requirements governing such fees, including provisions of the U.S. Constitution, the California Constitution, and the California Mitigation Fee Act (Government Code §§ 66000 *et seq.*). As noted in Section 1, any fees or contributions paid to the City by developers pursuant to a development agreement or a reimbursement agreement are exempt from the provisions of the Mitigation Fee Act.

This study is intended to analyze the impacts of future development on City fire, police, library, and recreation services only. City park costs are *not included* in this study as they are subject to separate legal authority under the Quimby Act (Government Code § 66477). The fee calculations for each of the City services subject to this study are contained in separate sections of this report, beginning with Fire Services in Section 4.

A. ORGANIZATION OF THE REPORT

Section 1 of this report provides an overview of impact fees. It discusses legal requirements for establishing and imposing such fees, as well as methods used in this study to calculate impact fees. Section 2 discusses implementation of the impact fee program, including findings, procedures and legal requirements for establishing and imposing impact fees under the Mitigation Fee Act.

Section 3 contains data on existing and future City development that was compiled and used in the calculation of impact fees. Sections 4 through 7 contain the analysis and calculations supporting impact fees for fire, police, library, and recreation services respectively. Reference materials are included as appendices.

B. DEVELOPMENT DATA

Figures for existing population and dwelling units used in this study are based on data from the California Department of Finance, the Association of Monterey Bay Area Governments (AMBAG), and the 2002 Salinas General Plan. Figures for future population and dwelling units are based on the 2002 Salinas General Plan. The study area for this report includes the current political boundaries of the City of Salinas and sphere of influence as shown on the map in Appendix A. The City's population is forecasted to grow by approximately 40 percent between

2012 and 2035¹, creating a need for significant investment in new capital facilities and equipment to serve this additional population.

C. RECOVERY OF STUDY COST

This study does not recommend adding an administrative fee to impact fees to cover the costs of administering the impact fee program. Instead, those costs should be included in the processing fees charged to developers and builders. However, it is reasonable for the City to recover the cost of this study through the impact fee program.

This study recommends that the City update this impact fee analysis every five years. The costs for this initial and future studies can be divided by the amount of revenue projected over the next five years to determine the percentage by which the fees should be increased to cover the cost of the study. That adjustment normally increases the fees by a very small percentage. The necessary calculations should be done before the fees are actually adopted, so they can be reflected in the dollar amount of the adopted fees. Cost recovery adjustments for fees calculated in this study are included in each respective section of this report, and fees adjusted to recover the cost of this study are included in each of the following sections of this Executive Summary.

D. FIRE SERVICES IMPACT FEES

Section 4 of this report calculates impact fees for fire services capital facilities and equipment based on service demand per unit of development quantified as the five-year average historical service demand for each of the various categories of development.

Table ES-1 summarizes the fees calculated for fire services in Section 4.

Table ES-1
Fire Services Impact Fee per Unit of Development

Development Type	Dev. Units ¹	Incidents per Unit ²	Cost per Incident ³	Impact Fee per Unit ⁴
Residential, Single-Family	DU	0.1658	\$ 1,646.75	\$ 273.06
Residential, Multi-Family	DU	0.1614	\$ 1,646.75	\$ 265.75
Commercial	KSF	0.2800	\$ 1,646.75	\$ 461.06
Industrial	KSF	0.0635	\$ 1,646.75	\$ 104.57

¹ DU=dwelling unit; KSF=1,000 square feet

² Table 4.3

³ Table 4.9

⁴ Fee per unit of development = cost per incident x incidents per unit

¹ 2002 Salinas General Plan

Table ES-2 shows the fees from Table ES-1 increased by .1627% to recover the cost of the fire services impact fee study over five years. That adjustment assumes the study will need to be updated after five years. The percentage is derived by dividing the study cost by anticipated impact fee revenue over the next five years. The cost recovery adjustment is discussed in Section 4 (see Table 4.12).

Table ES-2
Fire Services Impact Fee per Unit of Development - Adjusted to Recover Study Cost

Development Type	Dev. Units ¹	Incidents per Unit ²	Cost per Incident ³	Impact Fee per Unit ⁴
Residential, Single-Family	DU	0.1658	\$ 1,646.75	\$ 273.51
Residential, Multi-Family	DU	0.1614	\$ 1,646.75	\$ 266.19
Commercial	KSF	0.2800	\$ 1,646.75	\$ 461.83
Industrial	KSF	0.0635	\$ 1,646.75	\$ 104.75

¹ DU=dwelling unit; KSF=1,000 square feet

² Table 4.3

³ Table 4.9

⁴ Impact Fee adjusted by .1627% to recover study cost

E. POLICE SERVICES IMPACT FEES

Section 5 of this report calculates impact fees for police capital facilities and equipment. Here, all existing and future Police Department capital costs are allocated to both existing and future residential, commercial, and industrial development based on the relative service demand generated by each of these types of development. Relative service demand is quantified as population served per type of development, where a resident is equal to 1.0 person served, and an employee is equal to 0.5 person served. The resultant impact fee is calculated based on a Dwelling Unit Equivalent factor where the population of each type of development is established in terms of equivalence to a residential unit. The impact fees resulting from that analysis represent only future development's proportionate share of the total cost of police services capital costs.

Table ES-3 summarizes the fees calculated for police services in Section 5.

Table ES-3
Police Services Impact Fee per Unit of Development

Development Type	Dev. Units ¹	Cost per DUE ²	DUE Factor ³	Impact Fee per Unit ⁴
Residential, Single-Family	DU	\$ 1,502.66	1.0000	\$ 1,502.66
Residential, Multi-Family	DU	\$ 1,502.66	1.0000	\$ 1,502.66
Commercial	KSF	\$ 1,502.66	0.4087	\$ 614.16
Industrial	KSF	\$ 1,502.66	0.2725	\$ 409.44

¹ DU=dwelling unit; KSF=1,000 square feet

² Cost per DUE from Table 5.7

³ DUE Factor from Table 5.5

⁴ Impact Fee = Cost per DUE * DUE Factor

Table ES-4 shows the fees from Table ES-3 increased by 0.0552% to recover the cost of the police services impact fee study over five years. That adjustment assumes the study will need to be updated after five years. The percentage is derived by dividing the study cost by anticipated impact fee revenue over the next five years. The cost recovery adjustment is discussed in Section 5 (see Table 5.10).

Table ES-4
Police Services Impact Fee per Unit of Development - Adjusted to Recover Study Cost

Development Type	Dev. Units ¹	Cost per DUE ²	DUE Factor ³	Impact Fee per Unit ⁴
Residential, Single-Family	DU	\$ 1,502.66	1.0000	\$ 1,503.49
Residential, Multi-Family	DU	\$ 1,502.66	1.0000	\$ 1,503.49
Commercial	KSF	\$ 1,502.66	0.4087	\$ 614.50
Industrial	KSF	\$ 1,502.66	0.2725	\$ 409.67

¹ DU=dwelling unit; KSF=1,000 square feet

² Cost per DUE from Table 5.7

³ DUE Factor from Table 5.5

⁴ Impact Fee adjusted by 0.0552% to recover study cost

F. LIBRARY SERVICES IMPACT FEES

Section 6 of this report calculates impact fees for library capital facilities and equipment. Here, all existing and future library capital costs are allocated to both existing and future residential development based on a service standard of 0.5 square feet of public library space per capita within two miles of any residential use. The impact fees are calculated based on the average population per type of residential development, and represent only future development's proportionate share of the total cost of library capital assets serving the City.

Table ES-5 summarizes the fees calculated for library services in Section 6.

Table ES-5
Library Services Impact Fees per Unit of Development

Development Type	Dev. Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Dev. Unit ⁴
Residential, Single-Family	DU	3.670	\$ 291.44	\$ 1,069.58
Residential, Multi-Family	DU	3.670	\$ 291.44	\$ 1,069.58

¹ DU=dwelling unit

² Table 6.1

³ Table 6.4

⁴ Impact Fee = Population per unit * Cost per Capita

Table ES-6 shows the fees from Table ES-5 increased by .1411% to recover the cost of the library services impact fee study over five years. That adjustment assumes the study will need to be updated after five years. The percentage is derived by dividing the study cost by anticipated impact fee revenue over the next five years. The cost recovery adjustment is discussed in Section 6 (see Table 6.7).

Table ES-6
Library Services Impact Fees per Unit of Development - Adjusted to Recover Study Cost

Development Type	Dev. Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Dev. Unit ⁴
Residential, Single-Family	DU	3.670	\$ 291.44	\$ 1,071.09
Residential, Multi-Family	DU	3.670	\$ 291.44	\$ 1,071.09

¹ DU=dwelling unit

² Table 6.1

³ Table 6.4

⁴ Impact Fee adjusted by 0.1411% to recover study cost

G. RECREATION SERVICES IMPACT FEES

Section 7 of this report calculates impact fees for recreation capital facilities and equipment. All existing and future recreation capital costs are allocated to both existing and future residential development based the average population per type of residential development. The resultant fees represent only future development’s proportionate share of the total cost of recreation capital facilities serving the City.

Table ES-7 summarizes the fees calculated for recreation services in Section 7.

Table ES-7
Recreation Services Impact Fees per Unit of Development

Development Type	Dev. Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Dev. Unit ⁴
Residential, Single-Family	DU	3.670	\$ 161.63	\$ 593.19
Residential, Multi-Family	DU	3.670	\$ 161.63	\$ 593.19

¹ DU=dwelling unit

² Table 7.1

³ Table 7.6

⁴ Impact Fee = population per unit * cost per capita

Table ES-8 shows the fees from Table ES-7 increased by 0.2544% to recover the cost of the recreation services impact fee study over five years. That adjustment assumes the study will need to be updated after five years. The percentage is derived by dividing the study cost by anticipated

impact fee revenue over the next five years. The cost recovery adjustment is discussed in Section 7 (see Table 7.9).

Table ES-8
Recreation Services Impact Fees per Unit of Development - Adjusted to Recover Study Cost

Development Type	Dev. Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Dev. Unit ⁴
Residential, Single-Family	DU	3.670	\$ 161.63	\$ 594.69
Residential, Multi-Family	DU	3.670	\$ 161.63	\$ 594.69

¹ DU=dwelling unit

² Table 7.1

³ Table 7.6

⁴ Impact Fee adjusted by 0.2544% to recover study cost

H. IMPACT FEE SUMMARY

Table ES-9 summarizes impact fees by type of development.

Table ES-9
Impact Fees by Development Type

Development Type	Dev. Units ¹	Fire Impact Fee	Police Impact Fee	Library Impact Fee	Recreation Impact Fee	Total Impact Fees
Residential, Single-Family	DU	\$ 273.06	\$ 1,502.66	\$ 1,069.58	\$ 593.19	\$ 3,438.49
Residential, Multi-Family	DU	\$ 265.75	\$ 1,502.66	\$ 1,069.58	\$ 593.19	\$ 3,431.17
Commercial	KSF	\$ 461.06	\$ 614.16	\$ 0	\$ 0	\$ 1,075.22
Industrial	KSF	\$ 104.57	\$ 409.44	\$ 0	\$ 0	\$ 514.02

¹ DU=Dwelling Unit; KSF=1,000 square feet

Table ES-10 summarizes impact fees adjusted to recover the cost of this study.

Table ES-10
Impact Fees by Development Type Adjusted to Recover Study Cost

Development Type	Dev. Units ¹	Fire Impact Fee	Police Impact Fee	Library Impact Fee	Recreation Impact Fee	Total Impact Fees
Residential, Single-Family	DU	\$ 273.51	\$ 1,503.49	\$ 1,071.09	\$ 594.69	\$ 3,442.79
Residential, Multi-Family	DU	\$ 266.19	\$ 1,503.49	\$ 1,071.09	\$ 594.69	\$ 3,435.47
Commercial	KSF	\$ 461.83	\$ 614.50	\$ 0	\$ 0	\$ 1,076.33
Industrial	KSF	\$ 104.75	\$ 409.67	\$ 0	\$ 0	\$ 514.42

¹ DU=Dwelling Unit; KSF=1,000 square feet

Table ES-11 shows projected impact fee revenues over the next 22 years to 2035.

Table ES-11
Projected Impact Fee Revenue to 2035

Impact Fee	Projected Revenue
Fire Services	\$ 13,752,194
Police Services	\$ 41,696,181
Library Services	\$ 16,302,532
Recreation Services	\$ 9,041,333
	\$ 80,792,241

1. INTRODUCTION

A. LEGAL FRAMEWORK

U.S. Constitution

The Fifth Amendment of the United States Constitution protects citizens against “regulatory takings,” which occur when regulations unreasonably deprive landowners of property rights, including the taking of private property for public use without just compensation. Federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation provided that the development regulations are shown to substantially advance a legitimate governmental interest, and not deprive the owner of all economically viable use of the property. In the case of impact fees, the government’s interest is in protecting public health, welfare, and safety by ensuring that development is not detrimental to the quality and availability of essential public services provided to the community at large. Impact fees are not subject to the same level of judicial scrutiny as exactions involving the dedication of land or interests in land, such as easements.

The U. S. Supreme Court has found that a government agency imposing exactions on development must demonstrate an “essential nexus” between the exaction and the interest being protected². In a more recent case, the Court declared that an agency imposing an exaction must demonstrate that it is “roughly proportional” to the burden created by the development³. Neither *Nollan* nor *Dolan* specifically address impact fees, but the broad principles underlying those decisions must be respected in calculating and imposing impact fees. And, in a further refinement of cities’ ability to impose exactions on development, when the exactions are imposed on all developers as part of a broad policy approach, there need only be a reasonable relationship between the exaction and the project on which it is being imposed.⁴

California Constitution

The California Constitution grants broad power to local governments, including the authority to regulate land use and development. That power is the source of authority for imposing impact fees on development to pay for infrastructure and capital facilities and equipment. Some impact fees have been challenged on grounds they are special taxes without voter approval in violation of Article XIII A; however that objection has been held valid only where the fees exceeded the cost of capital facilities and equipment needed to serve new development. Articles XIIC and

² *Nollan v. California Coastal Commission* (1987) 483 U.S. 825

³ *Dolan v. City of Tigard* (1994) 512 U.S. 374

⁴ *Ehrlich v. City of Culver City* (1996) 12 Cal. 4th 854; *San Remo Hotel v. City and County of San Francisco* (2002) 27 Cal. 4th 643

XIIID, added by Proposition 218 in 1996, require voter approval for some “property-related fees,” but exempt “the imposition of fees or charges as a condition of property development.”

The Mitigation Fee Act

California’s impact fee statute originated as Assembly Bill 1600 during the 1987 session of the Legislature, and took effect in January 1989. This statute was incorporated into Chapter 6 (commencing with Section 66012), Chapter 8 (commencing with Section 66016), and Chapter 9 (commencing with Section 66020) of the Government Code, and became officially titled the “Mitigation Fee Act” in 1997.

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

The Mitigation Fee Act does not use the term “mitigation fee” except in its official title. Nor does it use the more common term “impact fee.” The Act simply uses the word “fee,” which is defined as “a monetary exaction, other than a tax or special assessment...that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project...” [Cal. Govt. Code Section 66000(b)] To avoid confusion with other types of fees, this study uses the widely accepted term “impact fee,” which should be understood to mean “fee” as defined in the Mitigation Fee Act.

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

Required Findings

Government Code Section 66001 requires that an agency establishing, imposing, or increasing impact fees, must make findings to:

- a. Identify the purpose of the fee;
- b. Identify the use of the fee, including the facilities to be financed; and,
- c. Determine that there is a reasonable relationship between:

1. The use of the fee and the development type on which it is imposed;
2. The need for the facility and the type of development on which the fee is imposed; and
3. The amount of the fee and the facility cost attributable to the development project. (Applies only when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

a. Identifying the Purpose of the Fees

The broad purpose of impact fees is to protect the public health, safety and general welfare by providing for adequate public facilities. The specific purpose of the fees calculated in this study is to fund certain new capital facilities and equipment, and to rehabilitate/improve existing capital facilities where more practical and economical than constructing new facilities as identified in this study. Such capital assets are necessary to mitigate the impacts of anticipated development on City services, and thereby prevent the degradation of public services as a result of additional development. Findings with respect to the purpose of a fee should state the purpose as providing funding for public facilities needed to serve additional development.

b. Identifying the Use of the Fees

The Mitigation Fee Act stipulates that if a fee is used to finance public facilities, those facilities must be identified⁵. A capital improvement plan may be used for that purpose, but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. In this case, this study as well as the City Capital Improvement Plan and Budget will be used to identify the facilities and equipment to be funded by the fees.

c. Reasonable Relationship Requirement

As discussed above, Government Code Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. The use of the fee and the type of development on which it is imposed;
2. The need for a public facility and the type of development on which a fee is imposed; and,

⁵ Government Code Section 66001

3. The amount of the fee and the facility cost attributable to the development on which the fee is imposed.

Demonstrating an Impact

New community development creates additional demands on some, if not all, public services provided by local government. If the capital facilities and equipment needed to provide those city services are not increased to satisfy the additional demand, then the availability and/or quality of public services for the entire community is reduced. Impact fees may be used to recover the cost of development-related capital facilities and/or equipment, but only to the extent that the need for such capital assets is a consequence of the development project subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to impact fees. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public services, based on applicable level-of-service standards. This report contains all of the information needed to demonstrate this element of the nexus.

Demonstrating a Benefit

A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the capital facilities and/or equipment for which the fees were charged. Fees must be expended in a timely manner and the facilities funded by the fees must be available to serve the development projects paying the fees. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available *exclusively* to developments paying the fees. Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are expended expeditiously or refunded. All of those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

Demonstrating Proportionality

Proportionality in impact fees is established through the procedures used to identify development-related facility costs and the methods used to calculate impact fees for various types of facilities and categories of development. In calculating impact fees, costs for development-related capital facilities and/or equipment are allocated in proportion to the service needs created by different types and quantities of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

Impact Fees for Existing Facilities

It is important to note that impact fees may not be used to correct existing deficiencies, but may be used to pay for increased demand for public facilities or increased demand upon existing capital facilities *provided* that those facilities are needed to serve additional development and have the capacity to do so, given relevant level-of-service standards. In other words, it must be possible to show that the fees meet the need and benefit elements of the nexus.

Fees Collected under Development Agreements or Reimbursement Agreements

The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code § 66000) or reimbursement agreements for oversizing of facilities (see Govt. Code § 66003). The same is true of fees in lieu of parkland dedication imposed under the Quimby Act (see Govt. Code § 66477).

B. IMPACT FEE CALCULATION METHODOLOGY

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

The process of calculating impact fees involves essentially two steps: determining the cost of development-related capital improvements, and allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities. The following paragraphs discuss three methods for calculating impact fees and how those methods can be applied.

Plan-based Impact Fee Calculation

The plan-based method allocates costs for a specified set of improvements to a specified increment of development. The improvements are typically identified by a facility plan, while the development is identified by a land use plan. Facility costs are allocated to various categories of development in proportion to the amount of development and the relative intensity of demand created by each category. An appropriate quantifiable indicator or demand variable is used to represent demand.

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

Capacity-based Impact Fee Calculation

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

Standard-based Impact Fee Calculation

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

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

park or the total acreage of parks in the system.

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

2. IMPACT FEE IMPLEMENTATION

This section of the report contains recommendations for adoption and administration of a development impact fee program based on this study, and for the interpretation and application of recommended impact fees. Statutory requirements for the adoption and administration of fees imposed as a condition of development approval are found in the Mitigation Fee Act (Government Code Sections 66000, *et seq.*).

A. ADOPTION

Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public hearing requirements, are specified in Government Code Section 66016. By statute, those fees do not become effective until 60 days after final action by the governing body. Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed below and in Section 1 of this report.

The findings for impact fees calculated in this study may be stated in the form shown below. The specific language of such findings should be reviewed and approved by the City Attorney.

The City Council finds that the purpose of the impact fees hereby enacted is to prevent new development from reducing the quality and availability of public services provided to residents of the City by requiring new development to contribute a proportional share of the costs of capital facilities and/or equipment needed to serve said new development.

The City Council finds that revenue from the impact fees hereby enacted will be used to construct public facilities and infrastructure and pay for other capital expenditures needed to serve new development as identified in this study.

Based on analysis presented in this study, the City Council finds that there is a reasonable relationship between:

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

B. ADMINISTRATION

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

Imposition of Fees

Pursuant to the Mitigation Fee Act, when the City imposes an impact fee upon a specific development project, it must make essentially the same findings adopted upon establishment of the fees to:

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

In addition, Section 66006, as amended by SB 1693, provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." In this case, the fees will be used to fund public facilities, infrastructure, and other development-related capital expenditures as identified in this study and the City Capital Improvement Plan and Budget.

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

Credit for Improvements Provided by Developers

If the City requires a developer, as a condition of project approval, to construct facilities or improvements for which impact fees have been or will be charged, the impact fee imposed on

that development project for that type of facility should be reduced to reflect a credit equal to the cost of the facilities or improvements, the cost of which is identified in the City's capital improvement program budget for those facilities, constructed by the developer.

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

Credit for Existing Development

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

Impact Fee Adjustments

As facilities and improvements are constructed, the cost basis for those facilities or improvements in the fee calculation should be included at no more than its actual cost of construction. Impact fees for remaining facilities that have not yet been constructed should be updated at a minimum of every two years based on construction cost changes as measured by the *Engineering News Record* Building Cost Index or other credible construction cost monitor or calculator.

Earmarking of Fee Revenue

Section 66006 mandates that fees be deposited "with other fees for the improvement" in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments. Fees must be expended solely for the purpose for which they were collected. Interest earned on the fee revenues must be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees "with other fees for the improvement" refers to a specific capital improvement or a class of improvements (e.g., street improvements). This study was unable to identify any city that has interpreted that language to

mean that funds must be segregated by individual projects. As a practical matter, that approach is unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. The City will track this impact fee in one fund as one combined fee and the fee may be used for any of the facilities and equipment covered by the fee.

Reporting

As amended by SB 1693 in 1996, Section 66006 requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

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

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

Refunds

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

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

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

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

Costs of Implementation

The ongoing cost of implementing the impact fee program is not included in the fees themselves. Implementation costs would include the staff time involved in applying the fees to specific projects, accounting for fee revenues and expenditures, preparing required annual reports, updating the fees, and preparing forms and public information handouts. This study recommends that those costs be included in user fees charged to applicants for processing development applications.

Annual Update of the Capital Improvement Plan

Section 66002 provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative is to identify improvements in other public documents. It is recommended that this study and the City Capital Improvement Plan and Budget be identified by the City Council as the public documents on which the use of the fees is based.

Indexing of Impact Fee Rates

In cases where impact fees are based on current dollar costs, those fees should be adjusted periodically to account for cost escalation. For fees based on construction costs, the *Engineering News Record* Building Cost Index, or other credible local building cost source, is recommended as the basis for those adjustments.

Facilities financed with bonds, where impact fees are based on the discounted present value of future debt service payments, should be adjusted annually to compensate for inflation. Construction costs for those projects are fixed at the time of construction, but the fees still need to be adjusted for general inflation. This study recommends that the Consumer Price Index (All Urban Consumers, Oakland/San Jose Region) be used as the basis for the annual adjustment. It is also recommended that the ordinance or resolution establishing the fees include provisions for annual escalation based on the selected index.

C. TRAINING AND PUBLIC INFORMATION

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

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

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

funds have been properly expended.

D. RECOVERY OF STUDY COSTS

This study does not recommend adding an administrative fee to impact fees to cover the costs of administering the impact fee program. Instead, those costs should be included in the processing fees charged to developers and builders. However, it is reasonable for the City to recover the cost of this study through the impact fee program. Once the City Council decides what impact fees to impose, it is a relatively simple matter to calculate an adjustment to cover the cost of the study.

Assuming the City will update this impact fee study every five years, the cost of this study can be divided by the amount of revenue projected over the next five years to determine the percentage by which fees should be increased to cover the cost of the study. That adjustment normally increases the fees by a very small percentage. The necessary calculations should be done before the fees are actually adopted, so they can be reflected in the dollar amount of the adopted fees. Cost recovery adjustments for fees calculated in this study are shown in the Executive Summary.

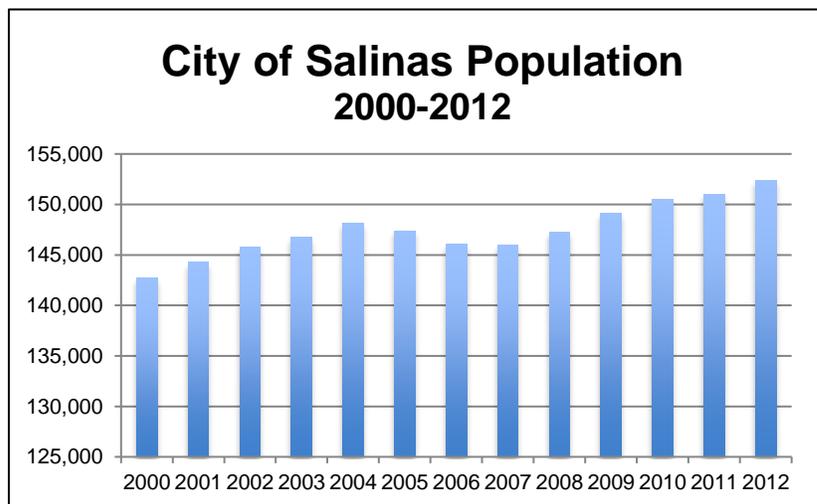
3. POPULATION AND DEVELOPMENT DATA

Both existing and future development must be addressed as part of the nexus analysis required to support the establishment of impact fees. This chapter of the report organizes and correlates information on existing and planned future development to provide a framework for the impact fee analysis contained in subsequent chapters of the report. The information in this chapter forms a basis for establishing levels of service, analyzing facility needs, and allocating the cost of capital facilities and equipment between existing and future development and among various categories of new development.

Demographic data used in this chapter were obtained from the California Department of Finance, the Association of Monterey Bay Area Governments (AMBAG), the Monterey County Assessor's Office, and the Salinas City General Plan.

A. POPULATION GROWTH

The chart at right depicts the City's estimated January 1 population each year from 2000 to 2012⁶. As the chart indicates, the City's population grew 3.76% from 2000 to 2004, and then declined 1.49 percent from 2004 to 2007. Since 2007 the population has grown an average of .87 percent annually to 152,401 in 2012. The average growth rate over the last twelve years was 0.55 percent per year.



B. STUDY AREA AND TIME FRAME

The study area for this impact fee analysis includes the current political boundaries of the City of Salinas and sphere of influence as shown on the map in Appendix A. The timeframe for this study extends from 2012 to 2035. Future development contemplated in this report is based on the Land Use Element of the September 2002 Salinas General Plan.

⁶ State of California, Department of Finance, Table E-8 Historical Population and Housing Estimates for Cities, Counties, and the State, 2000-2010, Sacramento, California, November 2012; Table E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2011 and 2012 with 2010 Benchmark, May 2012.

C. UNITS OF DEVELOPMENT

For purposes of impact fee analysis, quantities of existing and planned development are measured in terms of certain units of development as described below.

Acreage

Land area is a fundamental attribute of all types of development. Gross acreage represents the entire acreage of a parcel before any land is dedicated to the City for street right-of-way or other public uses. Net acreage represents the remaining acreage of a development site after such dedications.

Dwelling Units

The dwelling unit (DU) is the most commonly used measure of residential development. This study distinguishes among different types of dwelling units (e.g., single-family vs. multi-family).

Building Area

For non-residential development, building area in square feet may be used to represent development in some situations. When building area is used in this study, the units of development are thousands of square feet (KSF).

Mixed Use

This study anticipates and recommends that the appropriate impact fee be applied to each separate development category of any mixed-use development project.

D. CONVERSION FACTORS

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

Residential Density

The relationship between dwelling units and acreage, referred to as “density,” is defined by the average number of dwelling units per acre for a particular type of residential development. The inverse of density is acres per dwelling unit. For example, single-family residential development might have a density of 3.0 dwelling units per acre, which equates to 0.33 acres per dwelling unit.

Floor Area Ratio

Floor area ratio (FAR) represents the relationship between building area and site area. It is generally applied to non-residential development. For example, a FAR of 0.25:1 (more

commonly shown simply as 0.25) indicates that building area is 25 percent of site area. Translated into square feet, for a floor area ratio of 0.25, each acre (43,560 square feet) of site area would accommodate 10,890 (43,560 x 0.25) square feet or 10.89 KSF of building area.

E. SERVICE STANDARDS

Service standards are the metrics established that define a minimum standard of service delivery for various city services. Service standards can be established by law, regulation, policy, or practice. Service standards can also be established indirectly through the city budget process, as well as by calculating an appropriate metric for the existing service level where no other service standard metric is available.

For the purpose of this study, service standards are used as the basis for determining capital facilities and equipment needed to serve future development.

F. SERVICE DEMAND VARIABLES

In calculating impact fees, the relationship between facility needs and development must be quantified in a cost allocation formula. Some measurable attribute of development (e.g., population) is used in the formula to reflect the impact of different types and amounts of development on the need for facilities. Those attributes are referred to in this study as “service demand variables.” Service demand variables are selected either because they directly measure the demand for services created by various types of development, or because they are reasonably correlated with that demand.

To calculate impact fees, a service demand variable must take on a specific value for each type of development considered in the analysis. Those values may be referred to as “demand factors.” For example, if population is selected as a service demand variable for use in calculating impact fees for a particular type of facility, a demand factor must be specified for each type of development. As an example, the demand factor for single-family residential development might be 3.2 persons per dwelling unit. Normally, service demand factors vary by type of development. Specific service demand variables are discussed below. Population values used in this study are shown in Table 3.1.

Population per Unit of Development

Population per unit of development can be used as a demand variable to calculate impact fees for facilities that are needed exclusively, or principally to serve residents of the service area. Because population is primarily tied to residential development, the value of this variable is usually zero for non-residential development types, however in some cases a reasonable population can be established for non-residential development where no other demand variable is

available or appropriate for facilities that are used to serve both residential and non-residential types of development.

Service Demand per Unit of Development

Service demand per unit of development can be used as a demand variable to calculate impact fees for facilities that are needed or principally used to serve more than the residents of the service area, such as businesses and persons using public facilities such as roads, parks, schools, and hospitals. Use of this demand variable requires the ability to specifically identify, through an appropriate quantifiable indicator, the intensity of service demand created or each category of development served.

Table 3.1 shows the values of the service demand factors for demand variables used in this study.

Table 3.1
Population per Unit of Development

Development Type	Dev. Units ¹	Population per Unit ²
Residential, Single-Family ³	DU	3.670
Residential, Multi-Family	DU	3.670
Commercial ⁴	KSF	3.000
Industrial ⁴	KSF	2.000

¹ DU = Dwelling Unit; KSF = 1,000 square feet

² Residential population per unit = population / number of units (Table 3.2); Non-residential population estimated

³ Includes attached and detached single-family units including mobile homes

⁴ Population per Unit for commercial and industrial development estimated

G. DEVELOPMENT DATA

Table 3.2 shows current population and dwelling units for Salinas, and forecast future population and dwelling units for 2035.

Table 3.2
Residential Population and Dwelling Units - Current and Future

Development Type	Dev. Units ¹	2012 Population ²	2012 Units ³	2035 Population ⁴	2035 Units ⁴	Additional 2035 Units
Residential, Single-Family	DU	98,454	27,658	156,229	42,569	14,911
Residential, Multi-Family	DU	53,947	15,155	56,834	15,486	331
Total:		152,401	42,813	213,063	58,055	15,242

¹ DU=Dwelling Unit

² 2012 population from Table E-5 City/County Population and Housing Estimates, State of California, Department of Finance, January 2012; population by development type = population/number of units

³ Table E-5, City/County Population and Housing Estimates, State of California, Department of Finance, Sacramento, California, January 2012

⁴ Table LU-3, 2002 Salinas General Plan

Table 3.3 shows existing commercial and industrial development in Salinas, and forecast additional commercial and industrial development to 2035.

Table 3.3
Commercial and Industrial Development - Current and Future

Development Type	Dev. Units ¹	2012 Acres ²	2012 Units ²	2012 Units/Acre ³	2035 Acres ⁴	2035 Units ⁴	Additional 2035 Units
Commercial	KSF	1,110	9,700	8.7387	1,128	25,456	15,756
Industrial	KSF	925	6,982	7.5481	2,200	29,246	22,264
Totals:		2,035	16,682		3,328	54,702	

¹ KSF= 1,000 square feet

² Monterey County Assessor's Office

³ Units per acre = developed acres / 2012 units per development type

⁴ Table LU-3, 2002 Salinas General Plan

Subsequent to adoption of the most recent General Plan in September 2002, approximately 2,443 acres, generally known as the North of Boronda Future Growth Area (FGA), were annexed into the City on September 8, 2008. The other future growth area within existing city boundaries is the Salinas Ag Industrial Center, a 250-acre future Industrial / Business Park southwest of Abbott Street and Harris Road.

4. FIRE SERVICE IMPACT FEES

This section calculates impact fees for fire protection capital facilities and equipment. The proposed impact fee is intended to replace the existing fire equipment mitigation fee adopted on October 10, 2010.

A. BACKGROUND

The Fire Department protects life, property and the environment from the hazards of fire, explosion and hazardous materials incidents, and provides Advanced Life Support emergency medical services to City residents, businesses, and visitors. These services are provided 24-hours per day from six fire stations strategically located throughout the City to ensure arrival of the first response unit within 6:00 minutes, 90 percent of the time. The department responds to over 11,500 calls per year with an authorized budget of \$17.85 million and 94 personnel.

B. SERVICE AREA

The service area for this impact fee analysis is the entire area within the existing political boundaries of the City of Salinas and the future growth areas as shown on the Planning Area map in Appendix A. The Fire Department also provides contractual fire services to approximately 31 square miles of Monterey County Regional Fire Protection District surrounding the City; however, the fees calculated in this study cover only fire protection capital assets serving the City.

C. SERVICE STANDARD

Service level for fire protection is generally defined in terms of response times for the first-arriving unit, and for other personnel and equipment needed to provide an effective response to various types of emergencies. The ability to respond in a timely and effective manner depends to a large extent on the availability and location of fire stations, equipment, and personnel within the service area. The City's service standard for arrival of the first fire response unit is 6 minutes or less from receipt of a 9-1-1 call or alarm, 90 percent of the time⁷.

Response time consists of three separate components and related time intervals. The first is *Call Processing Time*, which is the time required for the emergency dispatch center to receive the 9-1-1 call, query the caller, and notify the appropriate emergency resource(s) to respond (60-second goal⁶). The second is *Turnout Time*, which is the time required for the firefighters to receive the notification, don the appropriate personal protective gear and board the fire apparatus (60-second goal⁶). Third is *Travel Time*, or actual driving time to the emergency (4-minute goal⁶). The City's 6-minute service standard is based on a travel time standard of 4 minutes or less.

⁷ City of Salinas General Plan, *Public Services and Facilities Service Standards* (Table LU-4), September 2002.

The Salinas Fire Department utilizes a dynamic deployment model where units are strategically relocated throughout the City as other units are committed to emergencies to facilitate equality of service (response time) for the next emergency incident. Further, multiple fire department resources are often required to resolve emergency incidents and to prevent further escalation. For these reasons, this study reasonably assumes that all fire department resources serve all types of development throughout the City, both current and future. It is also reasonable for impact fees to include the unused (depreciated) value of existing capital facilities and equipment *provided* those facilities and equipment can and will be used to serve new development.

D. SERVICE DEMAND VARIABLE

The service demand variable used to allocate costs for fire service capital facilities and equipment is service demand per unit of development quantified as the five-year average of historical responses associated with each type of development.

Incident response data provided by the Salinas Fire Department for a five-year period was analyzed to determine the percentage of total incidents generated by each category of development defined in this study. **Table 4.1** shows service demand as percentage of incidents by development type, based on analysis of response data from January 1, 2008 through December 31, 2012.

Table 4.1
Incident Distribution by Development Type

Development Type	5-Year Incident Total	Percentage of Total ¹
Residential, Single-Family	16,394	29.027%
Residential, Multi-Family	8,610	15.245%
Commercial	11,707	20.728%
Industrial	520	0.921%
Public Facility	15,232	26.970%
Other	4,015	7.109%
Totals:	56,478	100.000%

¹ Data derived from analysis of Fire Dept. response records from January 1, 2008 through December 31, 2012.

Impact fees are generally not imposed on public facilities such as schools, hospitals, government buildings and facilities, streets, parks, open space, rights-of-way, etc. As Table 4.1 shows however, public facilities generate nearly 27 percent of fire department service demand. This study reasonably assumes that fire service demand generated on public facilities is attributable to those who use such facilities, and therefore allocates that service demand to residential, commercial, and industrial development based on each development type’s proportional share of 2012 development units as shown in **Table 4.2**.

Table 4.2
Allocation of Public Facility Service Demand

Development Type	Dev. Unit ¹	2012 Dev. Units ²	Percent of Total Units	2012 Public Facility Incidents ³
Residential, Single-Family	DU	27,658	46.49%	1,368
Residential, Multi-Family	DU	15,155	25.47%	750
Commercial	KSF	9,700	16.30%	480
Industrial	KSF	6,982	11.74%	345
Total:			100.00%	2,943

¹ DU=Dwelling Unit; KSF=1,000 square feet of building space

² Tables 3.2 and 3.3

³ Total 2012 Public Facility incidents from Fire Department incident data

The percentages of total service demand per development category from Table 4.1 (except for “public facilities” and “other”) were then applied to the total number of incidents for calendar year 2012 to determine the number of incidents per unit of development for the remaining categories of development (residential, commercial, and industrial). The 2012 public facility incidents from Table 4.2 were then added to the incident totals for each category of development, and the resulting Incidents per Unit of Development as shown in **Table 4.3** are the service demand variable used in the calculation of fire service impact fees as described in the Methodology section below.

Table 4.3
Existing Development and Fire Department Service Demand

Development Type	Dev. Unit ¹	2012 Units ²	2012 Incidents ³	2012 Public Facility Incidents ⁴	Total 2012 Incidents	Incidents per Unit of Dev. ⁵
Residential, Single-Family	DU	27,658	3,218	1,368	4,586	0.1658
Residential, Multi-Family	DU	15,155	1,696	750	2,446	0.1614
Commercial	KSF	9,700	2,236	480	2,716	0.2800
Industrial	KSF	6,982	98	345	443	0.0635
Total:			7,248	2,943	10,191	

¹ DU = dwelling unit; KSF = 1,000 square feet

² Tables 3.2 and 3.3

³ Total 2012 incidents x 5-year demand percentage for each development category from Table 4.1

⁴ Table 4.2

⁵ Incidents per unit = 2012 incidents / 2012 units

Table 4.4 shows forecast Fire Department service demand for 2035, which is the planning horizon for this study.

Table 4.4
Future Development and Fire Department Service Demand

Development Type	Unit Type ¹	2035 Units ²	Incidents Per Unit ³	2035 Incidents ⁴
Residential, Single-Family	DU	42,659	0.1658	7,059
Residential, Multi-Family	DU	15,486	0.1614	2,499
Commercial	KSF	25,456	0.2800	7,127
Industrial	KSF	29,246	0.0635	1,857
<i>Total:</i>				18,542

¹ DU = dwelling unit; KSF = 1,000 square feet

² 2035 units from Tables 3.2 and 3.3

³ Incidents per unit from Table 4.3

⁴ 2035 incidents = 2035 units x incidents per unit

E. METHODOLOGY

The impact fees for fire services are calculated using the plan-based method as discussed in Section 1 of this report. The cost of existing and future Fire Department capital assets is allocated to both existing and future development, based on the number of incidents generated by various categories of development quantified as Incidents per Unit of Development (Table 4.3). This factor is then multiplied by the number of total development units (existing and future) for each development category over the 22-year timeframe of this study to 2035 (Table 4.4). The resultant 2035 service demand is then divided into total capital fire service costs (Table 4.7) to calculate cost per incident (Table 4.8), which is multiplied by the number of incidents per unit to establish the impact fee per unit of development (Table 4.9). This fee, as applied only to new development, represents future development’s proportionate share of fire service capital costs.

F. CAPITAL FACILITY AND EQUIPMENT NEEDS

The Salinas Fire Department currently serves residents and businesses from six fire stations strategically located throughout the City. As noted above, fire protection service level is generally defined in terms of the timely arrival of a sufficient number of appropriately trained personnel and equipment necessary to stabilize and mitigate various types of emergencies. However, it is also important to note that in most communities of comparable size and population to Salinas, all fire department resources are utilized to maintain an equitable service level throughout the entire service area. This is accomplished through a deployment plan that strives to meet an initial response service level (6 minutes or less, 90% of the time) by dynamically re-deploying resources throughout the City as resources are committed to emergency incidents. For the purposes of this study, this deployment model provides the reasonable relationship necessary to consider all fire department capital facilities and equipment as serving all types of development, both current and future, throughout the City.

In order to maintain the General Plan's 6:00-minute or less first response service standard, an additional fire station facility and engine company⁸ will be required within the North of Boronda Future Growth Area. Projected future growth will also require a second aerial ladder company to maintain the 8-10 minute response goal for this specialized type of apparatus throughout the entire service area. This study incorporates the cost of a new fire station facility, one additional fire engine, and one additional aerial apparatus with all related emergency and safety equipment.

In addition, two of the six fire station facilities have exceeded their 50-year expected useful life, and two others are more than 40 years old. Although these facilities have capacity and deferred maintenance issues, it would be significantly more economical for the City to maintain these existing facilities over the term of this study through a comprehensive capital renewal plan than to replace them with new facilities. The City has incorporated many needed fire capital facility improvements into its annual Capital Improvement Plan and budget, and will continue to do so for the foreseeable future. In addition, scheduled replacement of capital equipment used to provide fire services throughout the city are also incorporated into the annual Capital Improvement Plan and budget, including fire apparatus and other vehicles, safety and communications equipment, etc. This study, as well as the City's Capital Improvement Plan and budget, are used to identify how the impact fees will be used.

This section lists the capital assets, including facilities and equipment that will be needed to serve all development categories in the City of Salinas in 2035, as well as the cost of those assets. Costs used for existing facilities and equipment are depreciated replacement costs. Costs for future facilities are actual or estimated costs in current dollars.

Table 4.5 lists existing and planned future fire station facilities and their associated costs. The project costs used for the future fire station include construction, design, project management, contingencies and other soft costs, furnishings, and the identified fire apparatus and related equipment.

⁸ An Engine Company consists of a triple combination pumper (engine) and assigned personnel.

Table 4.5
Existing and Planned Fire Department Capital Facility Costs

Existing Facilities	Const. Date	Bldg. Area Sq. Ft.	Facility Repl. Cost ¹	Useful Life (yrs.)	Bldg. Dep. Repl. Cost ²	Estimated Land Value ³	Total Asset Value ⁴
Station #1	1982	22,374	\$ 9,788,625	50	\$ 3,915,450	\$ 531,508	\$ 4,446,958
Station #2	1961	3,876	\$ 1,695,750	50	\$ 0	\$ 140,559	\$ 140,559
Station #3	1957	4,263	\$ 1,865,063	50	\$ 0	\$ 507,692	\$ 507,692
Station #4	1966	7,936	\$ 3,472,000	50	\$ 277,760	\$ 259,099	\$ 536,859
Station #5	2000	6,281	\$ 2,747,938	50	\$ 2,088,433	\$ 621,821	\$ 2,710,254
Station #6	1982	3,040	\$ 1,330,000	50	\$ 532,000	\$ 701,438	\$ 1,233,438
Fire Admin.	1972	1,485	\$ 519,750	50	\$ 103,950	\$ 55,688	\$ 159,638
Training Tower	1964	2,220	\$ 777,000	50	\$ 31,080	\$ 0	\$ 31,080
Subtotal: Existing Facilities			\$ 22,196,125		\$ 6,948,673	\$ 2,817,805	\$ 9,766,478
Needed Future Facilities					Furnishings / Equipment⁵		
Station #7	TBD	12,000	\$ 5,250,000	50	\$2,000,000	\$980,100	\$ 8,230,100
Planned Capital Renewal / Repl. ⁶			\$ 7,048,400				\$ 7,048,400
Total Capital Facility Costs:							\$ 25,044,978

¹ \$437.50 per ft²

² Building depreciated replacement cost based on expected useful life and straight line depreciation

³ \$15.00 per sq. ft. from the Monterey County Assessor's Office

⁴ Total asset value = depreciated replacement cost + estimated land value

⁵ Includes one structural engine with related equipment, one 100-ft. aerial apparatus with related equipment, and station furnishings and related equipment

⁶ Table 4.6

Table 4.6 shows the planned fire department capital renewal and replacement projects from the FY 2012-13 Capital Improvement Plan and Budget used to establish the cost of planned capital renewal and replacement in Table 4.5.

Table 4.6
Fire Department Capital Improvement Plan Summary

Project Number	Project Description	Project Budget
9132	Emergency Operations Center Plan development	\$ 20,000
9377	Fire/EMS safety equipment acquisition and replacement	\$ 630,000
9384	Fire Hose/Nozzle replacement	\$ 170,000
9411	Fire Hydrant Replacement	\$ 60,000
9453	Training video equipment	\$ 95,000
9527	Personal safety equipment (PPE) replacement	\$ 280,000
9540	Fire apparatus replacement (8)	\$ 2,765,000
9541	Fire station rehabilitation/fire station equipment replacement	\$ 620,000
9588	Rescue/breathing air support apparatus	\$ 500,000
9983	Breathing apparatus fit test equipment	\$ 24,000
9984	Training facility replacement feasibility study	\$ 250,000
9985	Mobile Command Vehicle broadband communications	\$ 82,000
9986	Radio communications equipment replacement	\$ 755,000
9987	Fire station facility emergency alerting systems replacement	\$ 130,000
9988	Staff scheduling/management software services	\$ 75,000
9989	Self-contained breathing apparatus replacement	\$ 553,400
9992	Safety clothing laundering equipment	\$ 39,000
Total Project Costs:		\$ 7,048,400

Table 4.7 lists Fire Department vehicles and firefighting apparatus, with the depreciated replacement cost of each item. New apparatus and equipment needed for the new fire station are included in the project costs in Table 4.5.

Table 4.7
Existing Fire Department Apparatus and Vehicle Values

Vehicle ID	Year Model	Vehicle Type	Useful Life (years) ¹	Replacement Cost ²	Depreciated Replacement Cost ³
5311	2011	Engine – Primary	15	\$ 620,000	\$ 578,667
5312	2007	Engine – Primary	15	\$ 620,000	\$ 413,333
5313	2002	Engine – Primary	15	\$ 620,000	\$ 206,667
5314	2007	Engine – Primary	15	\$ 620,000	\$ 413,333
5315	2001	Engine – Primary	15	\$ 620,000	\$ 165,333
5321	2001	Engine – Reserve	15	\$ 620,000	\$ 165,333
5322	2001	Engine – Reserve	15	\$ 620,000	\$ 165,333
5323	2002	Engine – Reserve	15	\$ 620,000	\$ 206,667
5326	2011	Engine – Primary	15	\$ 620,000	\$ 578,667
5334	1999	Engine – Wildland	15	\$ 365,000	\$ 48,667
5335	2007	Engine – Wildland	15	\$ 365,000	\$ 243,333
5370	2001	Quint–75-ft.- Reserve	15	\$ 925,000	\$ 246,667
5371	2005	Truck –105-ft. Aerial	15	\$ 975,000	\$ 520,000
5390	2010	Mobile Command Unit	20	\$ 1,335,000	\$ 1,201,500
5354	1997	ARFF Dry Chemical	20	\$ 430,000	\$ 107,500
5360	2004	F-550 w/Utility Body	10	\$ 75,000	\$ 15,000
5360	2004	28' 2-axle Cargo Trailer	20	\$ 25,000	\$ 15,000
5300	2007	Command SUV	10	\$ 75,000	\$ 37,500
5301	2007	Command SUV	10	\$ 75,000	\$ 37,500
5303	2007	Command SUV	10	\$ 75,000	\$ 37,500
5380	2007	Crown Victoria	10	\$ 37,500	\$ 18,750
5381	1995	Crown Victoria	10	\$ 37,500	\$ 7,500
5382	1996	Crown Victoria	10	\$ 37,500	\$ 7,500
5383	1999	Tahoe	10	\$ 37,500	\$ 7,500
5384	1997	Crown Victoria	10	\$ 37,500	\$ 7,500
5391	1994	F-250 Utility Pickup	10	\$ 55,000	\$ 11,000
5392	1993	F-150 Utility Pickup	10	\$ 55,000	\$ 11,000
5393	1997	F-450 Utility Pickup	10	\$ 75,000	\$ 15,000
N/A	1972	Engine – Antique	0	\$ 0	\$ 0
Total Capital Vehicle Costs:				\$10,672,500	\$5,489,250

¹ Useful life = expected years of service before scheduled replacement

² Estimated vehicle replacement cost at current price including related tools and equipment

³ Depreciated replacement cost using straight-line depreciation over useful life; minimum depreciated value = 20% replacement cost

Table 4.8 summarizes the asset costs listed in Tables 4.5 and 4.7.

Table 4.8
Cost/Value of Capital Assets Used to Calculate Impact Fee

Cost Component	2012 Cost / Value
Existing Fire Facilities	\$ 9,766,478
Existing Fire Apparatus and Vehicles	\$ 5,489,250
Subtotal - Existing Assets:	\$ 15,255,728
Needed Future Facilities	\$ 8,230,100
Planned Capital Renewal / Replacement	\$ 7,048,400
Subtotal - Future Assets:	\$ 15,278,500
Total Capital Asset Costs:	\$ 30,534,228

G. COST PER INCIDENT

Table 4.9 calculates the cost per incident based on the cost/value of Fire Department capital assets and the number of incidents projected for the City in 2035.

Table 4.9
Cost per Incident

Total Capital Costs ¹	2035 Incidents ²	Cost per Incident ³
\$ 30,534,228	18,542	\$1,646.75

¹ Table 4.8

² Table 4.4

³ Total capital costs / 2035 incidents

H. IMPACT FEE PER UNIT OF DEVELOPMENT

Table 4.10 calculates impact fees per unit of development by type, using the cost per incident from Table 4.9 and the number of incidents per unit of development from Table 4.3.

Table 4.10
Fire Services Impact Fee per Unit of Development

Development Type	Dev. Units ¹	Incidents per Unit ²	Cost per Incident ³	Fee per Unit ⁴
Residential, Single-Family	DU	0.1658	\$1,646.75	\$ 273.06
Residential, Multi-Family	DU	0.1614	\$1,646.75	\$ 265.75
Commercial	KSF	0.2800	\$1,646.75	\$ 461.06
Industrial	KSF	0.0635	\$1,646.75	\$ 104.57

¹ DU=dwelling unit; KSF=1,000 square feet

² Table 4.3

³ Table 4.9

⁴ Fee per unit of development = cost per incident x incidents per unit

The fees calculated in Table 4.10 will recover only future development’s proportionate share of Fire Department capital asset costs. Note that impact fees are not applicable to public facilities.

I. PROJECTED REVENUE

Table 4.11 shows projected revenue from fire protection impact fees as calculated by applying the impact fees from Table 4.10 to the added development forecast from 2012 to 2035.

Table 4.11
Projected Revenue - Fire Service Impact Fee

Development Type	Dev. Units ¹	Fee per Unit ²	Future Dev. Units ³	Projected Revenue ⁴
Residential, Single-Family	DU	\$ 273.06	14,911	\$ 4,071,562
Residential, Multi-Family	DU	\$ 265.75	331	\$ 87,962
Commercial	KSF	\$ 461.06	15,756	\$ 7,264,464
Industrial	KSF	\$ 104.57	22,264	\$ 2,328,206
Total:				\$13,752,194

¹ DU = dwelling unit; KSF = 1,000 square feet

² Table 4.10

³ Future units from Tables 3.2 and 3.3

⁴ Projected revenue = fee per unit x future units

The costs used to calculate fees in this report are given in current dollars. To keep pace with changing price levels, the fees calculated above should be adjusted annually by the Consumer Price Index (all Urban Consumers, Oakland/San Jose Region) so that the fees remain level with respect to the inflation rate. In addition, the fees should be adjusted annually to reflect changes in construction costs based on the *Engineering News Record* Building Cost Index or other credible local building cost source. As noted earlier, the fees calculated in this report will cover only new development’s proportionate share of fire services capital costs.

J. RECOVERY OF STUDY COST

As discussed in Section 2 of this report, the impact fees calculated in this section can be adjusted to include the cost of the study. The cost recovery calculation presented below assumes the study will be updated at five year intervals, and divides the cost of the study by projected revenue over the next five years to determine the percentage cost increase needed to cover the cost of the study.

Table 4.12 shows the cost recovery percentage calculation. If the City chooses to adjust the impact fees to recover the cost of this study, the fees should be increased by the percentage shown in Table 4.12 to recover the cost of the study over five years.

Table 4.12
Percentage Increase Needed to Recover Study Cost

Projected Fee Revenue ¹	5-Year Revenue Percentage ²	5-Year Revenue Estimate ³	Estimated Study Cost ⁴	Study Cost as % of Revenue ⁵
\$ 13,752,194	21.7391%	\$ 2,989,607	\$5,000	0.1627%

¹ Table 4.10

² 5 years as a percentage of 23-year build out (2012-2035)

³ 5-year revenue estimate = projected fee revenue x 5-year revenue percentage

⁴ Study cost is the cost for fire impact fee only

⁵ Study cost as a percentage of projected 5-year revenue = study cost / 5-year revenue

5. POLICE SERVICE IMPACT FEES

This section calculates impact fees for police services capital facilities and equipment.

A. BACKGROUND

The Police Department provides public safety and law enforcement services 24-hours a day to all persons within the city limits of Salinas. Its goal is to help build and maintain a safe, peaceful, and prosperous community. Strategies include participating in various collaborative programs including the administration of Federal and State grants, the Police Activities League (PAL) program, Operation Ceasefire, community outreach programs, violence suppression, crime prevention, traffic enforcement, and appropriate response to community crime and violence issues.

The Department is organized into and three divisions incorporating 17 programs. For fiscal year 2012-13, the Department was authorized 208.5 full-time equivalent (FTE) personnel and a total authorized budget of \$39.93 million.

B. SERVICE AREA

The service area for this impact fee analysis is the entire area within the existing political boundaries of the City of Salinas and the future growth areas as shown on the Planning Area map in Appendix A.

C. SERVICE STANDARD

The City Budget for fiscal year 2012-13 authorized 148 sworn police officers, a service standard of 0.965 officers per 1,000 residents. **Table 5.1** summarizes the number of budgeted police officers per 1,000 residents from 2000-2012.

Table 5.1
Police Officers per 1,000 Population

Year	Budgeted Officers ¹	Population ²	Officers per 1,000 Population ³
2000	213	142,685	1.49
2001	221	144,249	1.53
2002	164	145,727	1.13
2003	166	146,777	1.13
2004	164	148,128	1.11
2005	176	147,387	1.19
2006	182	146,041	1.25
2007	188	145,932	1.29
2008	183	147,207	1.24
2009	183	149,142	1.23
2010	177	150,514	1.18
2011	146	150,989	0.97
2012	148	152,401	0.97
Average:			1.21

¹ City Budget

² Tables E-5 and E-8, California Department of Finance

Although many Police Department field resources are assigned to a specific geographic “beat”, service demand frequently requires them to leave their assigned beat to assist other officers or to answer calls for service. Other Police Department resources, including administration, investigations, animal and technical services serve the City at large. It is therefore reasonable to conclude that all police resources serve all types of development throughout the City, both current and future. It is also reasonable for impact fees to include the unused (depreciated) value of existing capital facilities and equipment *provided* those facilities and equipment will be used to serve new development.

D. SERVICE DEMAND VARIABLE

The demand variable used to allocate costs for police facilities and equipment is population per unit of development. For the purpose of this study, police facility and equipment costs are allocated based on residents and employees since it is reasoned that both residential and non-residential development receives benefit from police services. Consequently, a persons-served factor is used as the basis for cost allocation. The persons-served factor is defined as the residential population plus 50 percent of employees. The exact relationship in terms of service demand required by residential versus non-residential development is difficult to measure, but it is reasonable to assume that non-residential development utilizes police services to a lesser degree than residential development. Thus for this study, a resident is equal to 1.0 persons served, and an

employee is assumed to equal 0.5 persons served. The persons served for a residential unit of development is equal to the average persons per household, and the persons served per 1,000 square feet of non-residential building development is equal to 50 percent of the average number of employees assumed for each non-residential category of development.

E. METHODOLOGY

The impact fees for police services are calculated using the plan-based methodology as discussed in Section 1 of this report. The costs of existing and needed future Police Department capital assets are allocated to both existing and future residential, commercial, and industrial development based on the relative service demand generated by each of these categories of development. This relative service demand is quantified as population served per type of development, where a resident is equal to 1.0 person served for residential development, and an employee is equal to 0.5 person served for non-residential development. The impact fee is then calculated based on a Dwelling Unit Equivalent factor where the population of each category of development is established in terms of equivalence to a residential unit. The impact fees resulting from those calculations, as applied to new development, represent only future development's proportionate share of police services capital costs.

F. CAPITAL FACILITY AND EQUIPMENT NEEDS

The Salinas Police Department currently serves City residents, businesses, and visitors from a 24,000 square foot headquarters facility located at 222 Lincoln Avenue adjacent to City Hall. An additional 5,000 square feet of office space is utilized at City Hall, as well as 5,700 square feet of rented building space at 801 Abbott Street. The existing Police Department headquarters building was constructed in 1958 when the Department had a sworn staff of 60 officers and the City population was 28,000. This facility is grossly undersized for the current staffing level and program requirements, as well as having continual recurring plumbing and HVAC problems.

Police resources are deployed from the Department's headquarters facility for each operational shift. These resources are either assigned to a specific primary patrol "beat," or serve the entire City at large. For the purposes of this study, this deployment model provides the reasonable relationship necessary to consider all police department capital facilities and equipment as serving all types of development, both current and future, throughout the City.

Assuming a 50-year expected useful life for a public safety facility, the existing police facility has exceeded this by several years. A 2001 Needs Assessment Study⁹ identified the need for approximately 108,300 square feet of office and support services space plus an 116,750 square-

⁹ Leach Mounce Architects

foot multi-level parking garage by 2023. An updated 2008 Needs Assessment Study¹⁰ identified the need for 140,200 square feet of office and support services space and a 195,650 square-foot multi-level parking garage by the year 2030. In October of this year, the City released a Request for Proposals (RFP) to conduct a needs analysis study for the Police Department to include an assessment of future spatial needs, as well as a general proposed design for a future facility. Completion of this study is anticipated by mid-2014. For this study, the average of the spatial needs identified in the 2001 and 2008 studies was used to establish the space requirement for a police administration and support facility, as well as a parking facility for 350 vehicles, to establish the estimated cost for a needed future police facility to serve both existing and future development.

This section identifies the capital assets, including facilities and equipment, that will be needed to serve all types of development in the City of Salinas in 2035, as well as the cost of those assets. Costs used for existing facilities and equipment are depreciated replacement costs; costs for future facilities and equipment are actual or estimated costs in current dollars. This study assumes that all police services will transition to a new facility once constructed, therefore the capital costs used to calculate the police impact fees include a credit for the estimated value of the existing facility property. In addition, the City has incorporated scheduled replacement of police department capital equipment into its annual Capital Improvement Plan and Budget, and will continue to do so for the foreseeable future. This study, as well as the City's Capital Improvement Plan and Budget, are used to identify how the impact fees will be used. **Table 5.2** summarizes current and needed future Police Department capital facilities costs.

¹⁰ Leach Mounce Architects

Table 5.2
Existing and Needed Future Police Department Capital Facilities

Existing Facilities	Const. Date	Bldg. Area Sq. Ft.	Facility Replacement Cost ¹	Useful Life (yrs.)	Bldg. Dep. Repl. Cost ²	Estimated Land Value ³	Total Asset Value ⁴
Police Headquarters Bldg.	1958	24,000	\$ 13,650,000	50	\$ 0	\$ 877,500	\$ 877,500
City Hall Office Space	1958	5,000	\$ 1,750,000	50	\$ 0	\$ 75,000	\$ 75,000
<i>Subtotal: Existing Facilities</i>			\$ 15,400,000		\$ 0	\$ 952,500	\$ 952,500
<i>Needed Future Facilities⁵</i>					<i>Furnishings and Equipment⁶</i>		
<i>Police Offices/Support Bldg.</i>	<i>TBD</i>	<i>125,000</i>	<i>\$ 71,093,750</i>	<i>50</i>	<i>\$ 14,218,750</i>	<i>\$ 3,065,779</i>	<i>\$ 88,378,279</i>
<i>Police Parking Structure</i>	<i>TBD</i>	<i>105,000</i>	<i>\$ 19,293,750</i>	<i>50</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 19,293,750</i>
<i>Planned Capital Renewal / Replacement⁷</i>			<i>\$ 6,093,700</i>				<i>\$ 6,093,700</i>
Total Capital Facility Costs:							\$114,718,229

¹ \$568.75 per sq. ft.

² Building depreciated replacement cost based on expected useful life and straight line depreciation

³ \$15.00 per sq. ft. (Monterey County Assessor's Office)

⁴ Total asset value = depreciated replacement cost + estimated land value

⁵ \$568.75 per ft² for Police HQ Bldg. and \$183.75 per ft² for parking facility (350 spaces @300 ft² per space)

⁶ 20% of construction cost (International Association of Police Chiefs)

⁷ Table 5.3

Table 5.3 shows the planned police department capital renewal and replacement projects from the FY 2012-13 Capital Improvement Plan and Budget used to establish the cost of planned capital renewal and replacement in Table 5.2.

Table 5.3
Police Department Capital Improvement Plan Summary

Project Number	Project Description	Project Budget
9119	Parking lot security fencing	\$ 128,000
9122	Regional Law Enforcement Operations Center building cost-share	\$ 1,557,300
9304	Abbott Street safety building upgrades	\$ 1,284,000
9579	Scheduled vehicle replacement	\$ 2,624,400
9812	Mobile vehicle computer equipment	\$ 500,000
Total Project Costs:		\$ 6,093,700

Table 5.4 lists Police Department vehicles with the depreciated replacement cost of each vehicle.

Table 5.4
Police Department Vehicle Values

Veh. ID	Make	Service Life (Years) ¹	Replacement Cost ²	Depreciated Replacement Cost ³
344	Chrysler	7	\$25,100	\$7,171
312	Ford	7	\$23,100	\$9,900
320	Chrysler	7	\$25,100	\$7,171
306	Chevrolet	7	\$23,100	\$6,600
302	Ford	7	\$23,100	\$19,800
342	Chevrolet	7	\$23,100	\$6,600
344	Chevrolet	7	\$23,100	\$19,800
330	Ford	7	\$23,100	\$2,310
340	Ford	7	\$23,100	\$2,310
301	Ford	4	\$54,500	\$27,250
303	Ford	4	\$54,500	\$5,450
305	Ford	4	\$54,500	\$27,250
307	Ford	4	\$54,500	\$5,450
309	Ford	4	\$54,500	\$5,450
311	Ford	4	\$54,500	\$5,450
313	Ford	4	\$54,500	\$5,450
315	Ford	4	\$54,500	\$5,450
317	Ford	4	\$54,500	\$5,450
319	Ford	4	\$54,500	\$5,450
321	Ford	4	\$54,500	\$27,250
323	Ford	4	\$54,500	\$5,450
327	Ford	4	\$54,500	\$5,450
329	Ford	4	\$54,500	\$5,450
331	Ford	4	\$54,500	\$5,450
333	Ford	4	\$54,500	\$27,250
335	Ford	4	\$54,500	\$5,450
337	Ford	4	\$54,500	\$5,450
339	Ford	4	\$54,500	\$5,450
341	Ford	4	\$54,500	\$27,250
345	Ford	4	\$54,500	\$5,450
451	Chevrolet	7	\$54,500	\$5,450
351	Chevrolet	4	\$54,500	\$5,450
353	Ford	4	\$54,500	\$5,450
355	Ford	4	\$54,500	\$5,450
356	Ford	7	\$54,500	\$5,450

Public Facilities Impact Fee Study

Veh. ID	Make	Service Life (Years) ¹	Replacement Cost ²	Depreciated Replacement Cost ³
358	Ford	7	\$54,500	\$5,450
343	Ford	4	\$54,500	\$27,250
357	Ford	4	\$54,500	\$5,450
359	Ford	4	\$54,500	\$5,450
360	Ford	7	\$54,500	\$5,450
363	Ford	4	\$54,500	\$5,450
365	Ford	4	\$54,500	\$27,250
373	Ford	4	\$54,500	\$5,450
377	Ford	4	\$54,500	\$5,450
379	Ford	4	\$54,500	\$5,450
381	Ford	4	\$54,500	\$5,450
383	Ford	4	\$57,500	\$5,750
387	Ford	10	\$54,500	\$21,800
393	Ford	4	\$54,500	\$27,250
395	Ford	4	\$54,500	\$5,450
397	Ford	4	\$54,500	\$5,450
399	Ford	4	\$54,500	\$5,450
401	Ford	4	\$54,500	\$5,450
403	Ford	4	\$54,500	\$5,450
405	Ford	4	\$54,500	\$5,450
407	Ford	4	\$54,500	\$5,450
409	Ford	4	\$54,500	\$5,450
411	Ford	4	\$54,500	\$5,450
413	Ford	4	\$54,500	\$5,450
415	Ford	4	\$54,500	\$5,450
388	Int'l	10	\$65,000	\$6,500
300	Int'l	10	\$439,497	\$131,849
377	Ford	10	\$122,500	\$73,500
351	Chevrolet	4	\$55,000	\$5,500
366	Dodge	10	\$28,500	\$2,850
378	Dodge	10	\$18,500	\$1,850
M-1	Honda	4	\$20,915	\$5,229
M-2	Honda	4	\$20,915	\$5,229
M-3	Honda	4	\$20,915	\$5,229
M-4	H-D	4	\$20,915	\$2,092
M-5	H-D	4	\$20,915	\$2,092
346	GO4	10	\$28,600	\$8,580
348	GO4	10	\$28,600	\$8,580
347	GO4	10	\$28,600	\$8,580

Public Facilities Impact Fee Study

Veh. ID	Make	Service Life (Years) ¹	Replacement Cost ²	Depreciated Replacement Cost ³
349	GO4	10	\$28,600	\$14,300
354	Ford	7	\$37,600	\$3,760
389	Ford	7	\$37,600	\$3,760
391	Ford	7	\$37,600	\$3,760
312	Ford	7	\$23,100	\$2,310
308	Pontiac	7	\$23,100	\$6,600
310	Pontiac	7	\$23,100	\$6,600
316	Chevrolet	7	\$23,100	\$6,600
320	Ford	7	\$23,100	\$2,310
322	Chevrolet	7	\$23,100	\$6,600
324	Pontiac	7	\$23,100	\$6,600
328	Pontiac	7	\$23,100	\$6,600
338	Pontiac	7	\$23,100	\$6,600
364	Chevrolet	7	\$23,100	\$6,600
304	Chevrolet	7	\$23,100	\$6,600
340	Ford	7	\$23,100	\$2,310
1A	Ford	1	\$23,100	\$2,310
2B	Ford	1	\$23,100	\$2,310
3C	Ford	1	\$23,100	\$2,310
3D	Ford	1	\$23,100	\$2,310
314	Ford	4	\$54,500	\$27,250
318	Ford	4	\$54,500	\$27,250
367	Ford	4	\$54,500	\$5,450
369	Ford	4	\$54,500	\$5,450
371	Ford	4	\$54,500	\$5,450
1	Ford	4	\$54,500	\$5,450
2	Ford	4	\$54,500	\$5,450
3	Ford	4	\$54,500	\$5,450
4	Ford	4	\$54,500	\$5,450
5	Ford	4	\$54,500	\$5,450
453	Ford	10	\$218,000	\$21,800
332A	Toyota	7	\$36,000	\$3,600
334	Ford	7	\$36,000	\$3,600
336	Ranger	7	\$18,000	\$5,143
326	Ford	7	\$8,000	\$800
358	Dodge	10	\$8,000	\$800
360	Ford	10	\$8,000	\$800
300	Ford	7	\$45,500	\$4,550
382	Nissan	10	\$8,000	\$800

Veh. ID	Make	Service Life (Years) ¹	Replacement Cost ²	Depreciated Replacement Cost ³
386	Nissan	10	\$8,000	\$800
394	Toyota	10	\$8,000	\$800
Pal3	Ford	10	\$22,000	\$2,200
Pal2	Ford	10	\$22,000	\$2,200
	Chrysler	1	\$15,500	\$1,550
	Ford	1	\$14,500	\$1,450
	Chrysler	1	\$14,500	\$1,450
	Honda	1	\$14,500	\$1,450
	Chevrolet	1	\$14,500	\$1,450
	Nissan	1	\$14,500	\$1,450
	Ford	1	\$14,500	\$1,450
	Ford	1	\$14,500	\$1,450
	Lincoln	1	\$14,500	\$1,450
	Chevrolet	1	\$14,500	\$1,450
Total Capital Vehicle Costs:				\$1,080,064

¹ Useful life = expected years of service before scheduled replacement

² Estimated vehicle replacement cost at current prices including related capitalized tools and equipment

³ Depreciated replacement cost using straight-line depreciation over useful life. Minimum value = 10% of replacement cost

Table 5.5 summarizes total capital asset costs from Tables 5.2 and 5.4.

Table 5.5
Value of Capital Assets Used to Calculate Impact Fee

Cost Component	2012 Cost / Value
Existing Police Facilities ¹	\$ 0
Existing Police Vehicles	\$ 1,080,064
<i>Subtotal - Existing Capital Assets:</i>	\$ 1,080,064
Needed Future Facilities	\$ 107,672,029
Planned Capital Renewal / Replacement	\$ 6,093,700
<i>Subtotal - Future Capital Assets:</i>	\$ 113,765,729
Total Capital Asset Costs:	\$ 114,845,793

¹ Property value of existing facility credited toward new police facility

G. DWELLING UNIT EQUIVALENT FACTOR

A Dwelling Unit Equivalent (DUE) Factor for police services impact fees is based on the persons served and is a factor that quantifies different land use types in terms of their equivalence to a residential unit of development. A single-family residential unit is assigned a DUE factor of 1.0, and the DUE factor for each of the other land use development categories is determined based on the anticipated number of persons served for each development category relative to the number of persons served for a single-family residential unit. A summary of DUE factors is presented in **Table 5.6**.

Table 5.6
Dwelling Unit Equivalent Factors

Development Type	Dev. Units ¹	Population per Unit ²	Persons Served per Unit ³	DUE Factor ⁴
Residential, Single-Family ³	DU	3.670	3.670	1.0000
Residential, Multi-Family	DU	3.670	3.670	1.0000
Commercial	KSF	3.000	1.500	0.4087
Industrial	KSF	2.000	1.000	0.2725

¹ DU = Dwelling Unit; KSF = 1,000 square feet of building area

² Table 3.1

³ Resident to Employee ratio = 1.0:0.5

⁴ DUE Factor = persons served per unit / residential single-family population per unit

H. COST PER DWELLING UNIT EQUIVALENT

Table 5.7 calculates the Dwelling Unit Equivalents for current and future development by type.

Table 5.7
Current and Future Development Unit Equivalents

Development Type	Dev. Units ¹	2012 Units ²	2012 DUE ³	2035 Units ²	2035 DUE ³	Future Dev. Units ⁴
Residential, Single-Family	DU	27,658	27,658	42,569	42,569	14,911
Residential, Multi-Family	DU	15,155	15,155	15,486	15,486	331
Commercial	KSF	9,700	3,965	25,456	10,404	15,756
Industrial	KSF	6,982	1,902	29,246	7,969	22,264
		Totals	48,680		76,428	

¹ DU=dwelling unit; KSF=1,000 square feet

² Tables 3.2 and 3.3

³ 2012 Units x DUE Factor from Table 5.6

⁴ Future Development Units=2035 Units - 2012 Units

Table 5.8 calculates police services capital costs per Dwelling Unit Equivalent.

Table 5.8
Capital Costs per Dwelling Unit Equivalent

Police Services Capital Costs ¹	Total 2035 DUE ²	Cost per DUE ³
\$ 114,845,793	76,428	\$ 1,502.66

¹ Table 5.5

² Table 5.7

³ Cost per DUE=Total Capital Costs/2035 DUEs

I. IMPACT FEE PER UNIT OF DEVELOPMENT

Table 5.9 calculates police services impact fees per unit of development by type, using the cost per Dwelling Unit Equivalent from Table 5.8 and Dwelling Unit Equivalent Factors from Table 5.6.

Table 5.9
Police Services Impact Fee per Unit of Development

Development Type	Dev. Units ¹	Cost per DUE ²	DUE Factor ³	Impact Fee per Dev. Unit ⁴
Residential, Single-Family	DU	\$ 1,502.66	1.0000	\$ 1,502.66
Residential, Multi-Family	DU	\$ 1,502.66	1.0000	\$ 1,502.66
Commercial	KSF	\$ 1,502.66	0.4087	\$ 614.16
Industrial	KSF	\$ 1,502.66	0.2725	\$ 409.44

¹ DU=dwelling unit; KSF=1,000 square feet

² Table 5.8

³ Table 5.6

⁴ Impact Fee = Cost per DUE * DUE Factor

The fees calculated in Table 5.9 will recover only future development's proportionate share of Police Services capital costs.

J. PROJECTED REVENUE

Table 5.10 shows projected revenue from police services impact fees as calculated by applying the impact fees from Table 5.9 to the added development forecast from 2012 to 2035.

Table 5.10
Projected Revenue - Police Service Impact Fee

Development Type	Dev. Units ¹	Fee per Unit ²	Future Units ³	Projected Revenue ⁴
Residential, Single-Family	DU	\$ 1,502.66	14,911	\$ 22,406,202
Residential, Multi-Family	DU	\$ 1,502.66	331	\$ 497,381
Commercial	KSF	\$ 614.16	15,756	\$ 9,676,767
Industrial	KSF	\$ 409.44	22,264	\$ 9,115,831
Total:				\$ 41,696,181

¹ DU = dwelling unit; KSF = 1,000 square feet
² Table 5.9
³ Table 5.7
⁴ Projected revenue = fee per unit x future units

The costs used to calculate fees in this report are given in current dollars. To keep pace with changing price levels, the fees calculated above should be adjusted annually by the Consumer Price Index (all Urban Consumers, Oakland/San Jose Region) so that the fees remain level with respect to the inflation rate. In addition, the fees should be adjusted annually to reflect changes in construction costs based on the *Engineering News Record* Building Cost Index or other credible local building cost source.

As noted earlier, the fees calculated in this report will cover only new development's proportionate share of police services capital costs.

K. RECOVERY OF STUDY COSTS

As discussed in Section 2, the impact fees calculated in this section can be adjusted to include the cost of the study. The cost recovery calculation presented below assumes the study will be updated at five year intervals, and divides the cost of the study by projected revenue over the next five years to determine the percentage cost increase needed to cover the cost of the study.

Table 5.11 shows the cost recovery percentage calculation. If the City chooses to adjust the impact fees to recover the cost of this study, the fees should be increased by the percentage shown in Table 5.10 to recover the cost of the study over five years.

Table 5.11
Percentage Increase to Recover Study Cost

Projected Fee Revenue ¹	5-Year Revenue Percentage ²	5-Year Revenue Estimate ³	Estimated Study Cost ⁴	Study Cost as % of Revenue ⁵
\$ 41,696,181	21.7391%	\$ 9,064,387	\$5,000	0.0552%

¹ Table 5.10
² 5 years as a percentage of 23-year build out (2012-2035)
³ 5-year revenue estimate = projected fee revenue x 5-year revenue percentage
⁴ Study cost is the cost for police services impact fee only
⁵ Study cost as a percentage of projected 5-year revenue = study cost / 5-year revenue

6. LIBRARY SERVICE IMPACT FEES

This section calculates impact fees for library services capital facilities and equipment.

A. BACKGROUND

The Library Department provides a variety of services for the Salinas community in addition to traditional book lending, including reading and literacy programs, internet access for research and social networking, student homework centers, teen lounge, volunteer opportunities, youth leadership training, book signings, poetry readings, cooking classes, and dance and entertainment.

For fiscal year 2012-13, the Department was authorized 45.5 full-time equivalent (FTE) personnel and a total budget of \$4.0375 million funded through the Measures V and E sales tax initiatives.

B. SERVICE AREA

The service area for this impact fee analysis is the entire area within the existing political boundaries of the City of Salinas and the future growth areas as shown on the Planning Area map in Appendix A.

C. SERVICE STANDARD

The Salinas General Plan policy establishes a library service standard of 0.5 square feet of public library space per capita and library services should be within two miles of any residential use¹¹.

D. SERVICE DEMAND VARIABLE

The demand variable used to allocate costs for library capital facilities and equipment is population per unit of residential building development. For the purpose of this study, library facility and equipment costs are allocated based solely on residential development since it is reasoned that residential development receives nearly exclusive benefit of library services. Consequently, a population-served factor is used as the basis for cost allocation. The population-served factor is defined as the City population. The population served for a residential unit of development is equal to the average number of persons per household.

E. METHODOLOGY

The impact fees for library services are calculated using the standard-based methodology as discussed in Section 1 of this report. Standard-based fees are calculated using a specified

¹¹ Policy LU-10.1, Salinas City General Plan (2002)

relationship or standard that determines the number of demand units to be provided for each unit of development, in this case 0.5 square feet of library space per capita. This study assumes that all library facilities serve the entire city residential population based on differing literary resources, services, and programs available at the various library facilities. Impact fees are thus calculated based on the average population per type of residential development, and represent only future development’s proportionate share of total library capital costs.

F. DEVELOPMENT DATA

The tables in this section present population and development data used in the library services impact fee calculations. **Table 6.1** shows current and forecast population and dwelling units.

Table 6.1
Current and Forecast Population and Dwelling Units

Development Type	Dev. Units ¹	2012 Population ²	2012 Units ²	2035 Population ²	2035 Units ²	Additional 2035 Population ²	Additional 2035 Units ²	2012 Population per Unit ³
Residential, Single-Family	DU	98,454	27,658	156,229	42,569	57,775	14,911	3.670
Residential, Multi-Family	DU	53,947	15,155	56,834	15,486	2,887	331	3.670
Total:		152,401	42,813	213,063	58,055	60,662	15,242	

¹ DU=Dwelling Unit
² Table 3.2
³ Table 3.1

G. CAPITAL FACILITY AND EQUIPMENT NEEDS

The Salinas City Library Department serves residents from three library facilities: the main John Steinbeck Library located in the downtown area on Lincoln Avenue near City Hall; El Gabilan Library on North Main Street; and Cesar Chavez Library on Williams Road in East Salinas.

Based on the projected population growth over the term of this study as shown in Table 6.1, an additional 30,535 square feet of library space will be needed to realize the General Plan’s 0.5 square feet of public library space per capita. This study incorporates the cost of new library facility(s) to meet that need.

In addition, the John Steinbeck library facility has exceeded its 50-year expected useful life by several years, and the El Gabilan library lacks sufficient size to meet the General Plan’s service standard of 0.5 square feet of public library space per capita within two miles of the residential use served.

The City has incorporated many needed library capital facility improvements into its annual Capital Improvement Plan and Budget, including replacement of the John Steinbeck Library. In addition, scheduled replacement of capital equipment used to provide library services throughout the City are also incorporated into the annual Capital Improvement Plan and Budget. This study, as well as the City’s Capital Improvement Plan and Budget, are used to identify how the impact fees will be used.

This section lists the capital assets, including facilities and equipment, that will be needed to serve all development categories within the City of Salinas in 2035, as well as the estimated cost of those assets. **Table 6.2** shows the estimated value of existing and planned future Library capital facilities. The costs shown for existing capital facilities and equipment are depreciated replacement costs, and the costs shown for planned future facilities are actual or estimated costs in current dollars.

Table 6.2
Existing and Planned Library Capital Facility Values

Existing Facilities	Const. Date	Bldg. Area Sq. Ft.	Facility Replacement Cost ¹	Useful Life (yrs)	Bldg. Dep. Repl. Cost ²	Estimated Land Value ³	Total Capital Asset Value ⁴
John Steinbeck Library	1959	26,785	\$ 11,718,438	50	\$ 0	\$1,045,440	\$ 1,045,440
El Gabilan Library	1998	4,100	\$ 1,793,750	50	\$ 1,291,500	\$ 522,720	\$ 1,814,220
Cesar Chavez Library	2001	16,320	\$ 7,140,000	50	\$ 5,569,200	\$1,633,500	\$ 7,202,700
<i>Subtotal: Existing Facilities</i>			\$ 20,652,188		\$ 6,860,700	\$3,201,660	\$ 10,062,360
Needed Future Facilities					Furnishings / Equipment		
<i>New Library Facility (FGA)</i>	<i>TBD</i>	<i>30,331</i>	\$ 13,269,813	50	\$ 1,990,472	\$1,306,800	\$ 16,567,084
Planned Capital Renewal / Replacement ⁵			\$ 35,465,000				\$ 35,465,000
Total Capital Facility Costs ⁶ :							\$ 62,094,444

¹ \$437.50 per ft²

² Building depreciated replacement cost based on expected useful life and straight line depreciation

³ \$15.00 per sq. ft. from the Monterey County Assessor's Office

⁴ Total asset value = depreciated replacement cost + estimated land value

⁵ Table 6.3

⁶ Sum of existing facility values + new library facility costs +planned capital renewal / replacement

Table 6.3 shows the planned library capital renewal and replacement projects from the FY 2012-13 Capital Improvement Plan and Budget used to establish the cost of planned capital renewal and replacement in Table 6.2.

Table 6.3
Library Capital Improvement Plan Summary

Project Number	Project Description	Project Budget
9035	Bread Box Center building improvements	\$ 1,535,000
9168	Steinbeck Library replacement	\$ 26,435,000
9184	Women's Club building improvements	\$ 2,560,000
9968	Library facilities functional efficiency assessment/modifications	\$ 125,000
9969	Steinbeck/Chavez roof replacement	\$ 110,000
9970	El Gabilan expansion	\$ 4,700,000
Total Project Costs:		\$ 35,465,000

H. COST PER CAPITA

Table 6.4 calculates the cost of library services per capita based on the cost of all library capital assets and projected 2035 City population.

Table 6.4
Library Capital Costs per Capita

Total Library Services Capital Costs ¹	Projected 2035 Population ²	Cost per Capita
\$ 62,094,444	213,063	\$ 291.44

¹ Table 6.2

² Table 6.1

I. IMPACT FEE PER UNIT OF DEVELOPMENT

Table 6.5 calculates library services impact fees per unit of development by type, using the cost per capita from Table 6.4 and the population per unit of development from Table 6.1.

Table 6.5
Library Services Impact Fees per Unit of Development

Development Type	Dev. Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Dev. Unit ⁴
Residential, Single-Family	DU	3.670	\$ 291.44	\$ 1,069.58
Residential, Multi-Family	DU	3.670	\$ 291.44	\$ 1,069.58

¹ DU=dwelling unit

² Table 6.1

³ Table 6.3

⁴ Impact Fee = Population per unit * Cost per Capita

The fees calculated in Table 6.5 will recover only future development's proportionate share of total library services capital asset costs.

J. PROJECTED REVENUE

Table 6.6 shows projected revenue from library services impact fees as calculated by applying the impact fees from Table 6.5 to the added development forecast from 2012 to 2035.

Table 6.6
Projected Revenue - Library Services Impact Fees

Development Type	Dev. Units ¹	Fee per Unit ²	Future Units ³	Projected Revenue ⁴
Residential, Single-Family	DU	\$ 1,069.58	14,911	\$ 15,948,502
Residential, Multi-Family	DU	\$ 1,069.58	331	\$ 354,031
			Total:	\$ 16,302,532

¹ DU = dwelling unit

² Table 6.5

³ Table 6.1

⁴ Projected revenue = fee per unit x future units

The costs used to calculate fees in this report are given in current dollars. To keep pace with changing price levels, the fees calculated above should be adjusted annually by the Consumer Price Index (all Urban Consumers, Oakland/San Jose Region) so that the fees remain level with respect to the inflation rate. In addition, the fees should be adjusted annually to reflect changes in construction costs based on the *Engineering News Record* Building Cost Index or other credible local building cost source.

As noted earlier, the fees calculated in this report will cover only future development's proportionate share of library services capital costs.

K. RECOVERY OF STUDY COST

As discussed in Section 2, the impact fees calculated in this section can be adjusted to include the cost of the study. The cost recovery calculation presented below assumes the study will be updated at five year intervals, and divides the cost of the study by projected revenue over the next five years to determine the percentage cost increase needed to cover the cost of the study.

Table 6.7 shows the cost recovery percentage calculation. If the City chooses to adjust the impact fees to recover the cost of this study, the fees should be increased by the percentage shown in Table 6.7 to recover the cost of the study over five years.

Table 6.7
Percentage Increase to Recover Study Cost

Projected Fee Revenue ¹	5-Year Revenue Percentage ²	5-Year Revenue Estimate ³	Estimated Study Cost ⁴	Study Cost as % of Revenue ⁵
\$ 16,302,532	21.7391%	\$ 3,544,029	\$5,000	0.1411%

¹ Table 6.5

² 5 years as a percentage of 23-year build out (2012-2035)

³ 5-year revenue estimate = projected fee revenue x 5-year revenue percentage

⁴ Study cost is the cost for library services impact fee only

⁵ Study cost as a percentage of projected 5-year revenue = study cost / 5-year revenue

7. RECREATION SERVICES IMPACT FEES

This section calculates impact fees for recreation services capital facilities and equipment.

A. BACKGROUND

The Parks and Community Services Department provides a wide range of recreational program and services for Salinas residents, including operation of six recreation centers located throughout the City. For fiscal year 2012-13, the Department was authorized 6.0 full-time and 77 temporary and part-time personnel and a total budget of \$1.4 million funded through a combination of the General Fund, Measures V and E sales tax initiatives, and U.S. Department of Housing and Urban Development Community Block Development Grants (CBDG).

B. SERVICE AREA

The service area for this impact fee analysis is the entire area within the existing political boundaries of the City of Salinas and the future growth areas as shown on the Planning Area map in Appendix A.

C. SERVICE STANDARD

Although no specific service standard exists for City recreation services, the General Plan establishes a goal to *provide and maintain a range of community and institutional facilities to meet community needs*¹². Related land use policy requires, in areas of high concentration of low-income families or where sufficient needs exist, consideration of development of community facilities (e.g. youth and senior centers) to meet their special needs and provide space for necessary programs and activities.¹³ Additional land use policy states that as the City grows, the need for additional neighborhood, senior, youth, and day-care centers should be evaluated and facilities provided as needed.¹⁴ The current service standard based on existing square feet of recreation facilities and population is 0.3663 square feet per capita.

D. SERVICE DEMAND VARIABLE

The demand variable used to allocate costs for recreation services capital facilities and equipment is population per unit of residential building development. For the purpose of this study, recreation facility and equipment costs are allocated based solely on residential development since it is reasoned that residential development receives exclusive benefit of city recreation

¹² Goal LU-11, Salinas City General Plan (2002)

¹³ Policy LU-11.2, Salinas City General Plan (2002)

¹⁴ Policy LU-11.3, Salinas City General Plan (2002)

services. Consequently, a population-served factor is used as the basis for cost allocation. The population-served factor is defined as the City population. The population served for a residential unit of development is equal to the average number of persons per household.

E. METHODOLOGY

The impact fees for recreation services are calculated using the standard-based methodology as discussed in Section 1 of this report. Standard-based fees are calculated using a specified relationship or standard that determines the number of demand units to be provided for each unit of development, in this case 0.366 square feet of recreation facility space per capita. This study assumes that all recreation facilities serve the entire city residential population based on differing facilities and programs available at the various recreation centers. Impact fees are thus calculated based on the average population per type of residential development, and represent only future development’s proportionate share of total recreation capital costs.

F. DEVELOPMENT DATA

The tables in this section present population and development data used in the recreation services impact fee calculations. **Table 7.1** shows current and forecast population and dwelling units.

Table 7.1
Current and Forecast Population and Dwelling Units

Development Type	Dev. Units ¹	2012 Population ²	2012 Units ²	2035 Population ²	2035 Units ²	Additional 2035 Population ²	Additional 2035 Units ²	2012 Population per Unit ³
Residential, Single-Family	DU	98,454	27,658	156,229	42,569	57,775	14,911	3.670
Residential, Multi-Family	DU	53,947	15,155	56,834	15,486	2,887	331	3.670
Total:		152,401	42,813	213,063	58,055	60,662	15,242	

¹ DU=Dwelling Unit

² Table 3.2

³ Table 3.1

G. CAPITAL FACILITY AND EQUIPMENT NEEDS

Table 7.2 identifies the City’s seven existing family and recreation facilities.

Table 7.2
Recreation Facilities

Recreation Facility	Address	Year Built	Parcel Size (acres)	Building Area (Sq. Ft.)
Bread Box Center	754 N. Sanborn Rd.	1991	1.00	14,410
Central Park Rec. Center	420 Central Ave.	1975	7.80	2,255
Closter Park Rec. Center	401 Towt St.	1971	6.95	4,865
El Dorado Park Rec. Center	1655 El Dorado Dr.	1975	11.30	4,000
Firehouse Recreation Center	1330 E. Alisal St.	1991	1.20	7,400
Hebbron Family Center	683 Fremont St.	1986	0.67	8,510
Salinas Recreation Center	320 Lincoln Ave.	1947	0.60	14,236
Total:				55,676

Table 7.3 calculates a service standard based on existing facility areas and population.

Table 7.3
Recreation Facilities Service Standard

2012 Population	Recreation Facilities Area	Square Feet per Capita
152,401	55,676	0.3653

In order to maintain the current service standard of 0.3653 square feet of recreational facility per capita, it will be necessary to provide an additional 22,161 square feet of recreation facilities to accommodate the projected population growth to 2035. This study incorporates those capital costs.

The City has incorporated improvements to recreation capital facilities into its annual Capital Improvement Plan and Budget, and these costs are incorporated into the impact fee calculation. This study, as well as the City’s Capital Improvement Plan and Budget, are used to identify how the impact fees will be used.

This section lists the capital assets, including facilities and equipment that will be needed to serve the City of Salinas in 2035, as well as the estimated cost of those assets. **Table 7.4** shows the estimated value of existing and needed future recreation capital facilities. The costs shown for

existing capital facilities and equipment are depreciated replacement costs, and the costs shown for planned future facilities are actual or estimated costs in current dollars.

Table 7.4
Existing and Planned Recreation Capital Facility Values

Existing Facilities	Const. Date	Bldg. Area Sq. Ft.	Facility Replacement Cost ¹	Useful Life (yrs)	Bldg. Dep. Repl. Cost ²	Estimated Land Value ³	Total Capital Asset Value ⁴
Bread Box Center	1991	14,410	\$ 5,800,025	30	\$ 1,740,008	\$ 653,400	\$ 2,393,408
Central Park Rec. Center	1975	2,255	\$ 907,638	30	\$ 0	\$ 5,096,520	\$ 5,096,520
Closter Park Rec. Center	1971	4,865	\$ 1,958,163	30	\$ 0	\$ 4,541,130	\$ 4,541,130
El Dorado Park Rec. Center	1975	4,000	\$ 1,610,000	30	\$ 0	\$ 7,383,420	\$ 7,383,420
Firehouse Recreation Center	1991	7,400	\$ 2,978,500	30	\$ 893,550	\$ 784,080	\$ 1,677,630
Hebbron Family Center	1986	8,510	\$ 3,425,275	30	\$ 456,703	\$ 437,778	\$ 894,481
Salinas Recreation Center	1947	14,236	\$ 5,729,990	30	\$ 0	\$ 392,040	\$ 392,040
<i>Subtotal: Existing Facilities</i>			\$ 22,409,590		\$ 3,090,261	\$19,288,368	\$22,378,629
Needed Future Facilities					Furnishings / Equipment⁵		
<i>New Recreation Facility(s)</i>	<i>TBD</i>	<i>22,161</i>	\$ 8,919,958	30	\$ 891,996	\$1,306,800	\$11,118,754
Planned Capital Renewal / Replacement ⁶			\$ 940,000				\$ 940,000
Total Capital Facility Costs:							\$34,437,383

¹ \$402.50 per ft²

² Building depreciated replacement cost based on expected useful life and straight line depreciation

³ \$15.00 per sq. ft. from the Monterey County Assessor's Office

⁴ Total asset value = depreciated replacement cost + estimated land value

⁵ 15% of construction costs

⁶ Table 7.5

Table 7.5 shows the planned recreation capital renewal and replacement projects from the FY 2012-13 Capital Improvement Plan and Budget used to establish the cost of planned capital renewal and replacement in Table 7.4.

Table 7.5
Recreation Capital Improvement Plan Summary

Project Number	Project Description	Project Budget
9643	Senior Center development	\$760,000
9854	Community safety prevention initiative	\$180,000
Total Project Costs:		\$940,000

H. COST PER CAPITA

Table 7.6 calculates the cost of recreation services per capita based on the cost of all recreation capital assets and projected 2035 City population.

Table 7.6
Recreation Capital Costs per Capita

Total Recreation Capital Costs ¹	Projected 2035 Population ²	Cost per Capita
\$34,437,383	213,063	\$ 161.63

¹ Table 7.4

² Table 7.1

I. IMPACT FEE PER UNIT OF DEVELOPMENT

Table 7.7 calculates recreation services impact fees per unit of residential development by type, using the cost per capita from Table 7.6 and the population per unit of development from Table 7.1.

Table 7.6
Recreation Services Impact Fees per Unit of Development

Development Type	Dev. Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Dev. Unit ⁴
Residential, Single-Family	DU	3.670	\$161.63	\$ 593.19
Residential, Multi-Family	DU	3.670	\$161.63	\$ 593.19

¹ DU=dwelling unit

² Table 7.1

³ Table 7.6

⁴ Impact Fee = Population per unit * Cost per Capita

The fees calculated in Table 7.6 will recover only future development's proportionate share of recreation capital asset costs.

J. PROJECTED REVENUE

Table 7.8 shows projected revenue from recreation impact fees as calculated by applying the impact fees from Table 7.6 to the added development forecast from 2012 to 2035.

Table 7.8
Projected Revenue - Recreation Impact Fees

Development Type	Dev. Units ¹	Fee per Unit ²	Future Units ³	Projected Revenue ⁴
Residential, Single-Family	DU	\$ 593.19	14,911	\$ 8,844,989
Residential, Multi-Family	DU	\$ 593.19	331	\$ 196,344
Total:				\$ 9,041,333

¹ DU = dwelling unit

² Table 7.7

³ Table 7.1

⁴ Projected revenue = fee per unit x future units

The costs used to calculate fees in this report are given in current dollars. To keep pace with changing price levels, the fees calculated above should be adjusted annually by the Consumer Price Index (all Urban Consumers, Oakland/San Jose Region) so that the fees remain level with respect to the inflation rate. In addition, the fees should be adjusted annually to reflect changes in construction costs based on the *Engineering News Record* Building Cost Index or other credible local building cost source.

As noted earlier, the fees calculated in this report will cover only new development's proportionate share of recreation services capital costs.

K. RECOVERY OF STUDY COST

As discussed in Section 2, the impact fees calculated in this section can be adjusted to include the cost of the study. The cost recovery calculation presented below assumes the study will be updated at five year intervals, and divides the cost of the study by projected revenue over the next five years to determine the percentage cost increase needed to cover the cost of the study.

Table 7.8 shows the cost recovery percentage calculation. If the City chooses to adjust the impact fees to recover the cost of this study, the fees should be increased by the percentage shown in Table 6.8 to recover the cost of the study over five years.

Table 7.8
Percentage Increase to Recover Study Cost

Projected Fee Revenue ¹	5-Year Revenue Percentage ²	5-Year Revenue Estimate ³	Estimated Study Cost ⁴	Study Cost as % of Revenue ⁵
\$ 9,041,333	21.7391%	\$ 1,965,507	\$ 5,000	0.2544%

¹ Table 7.7

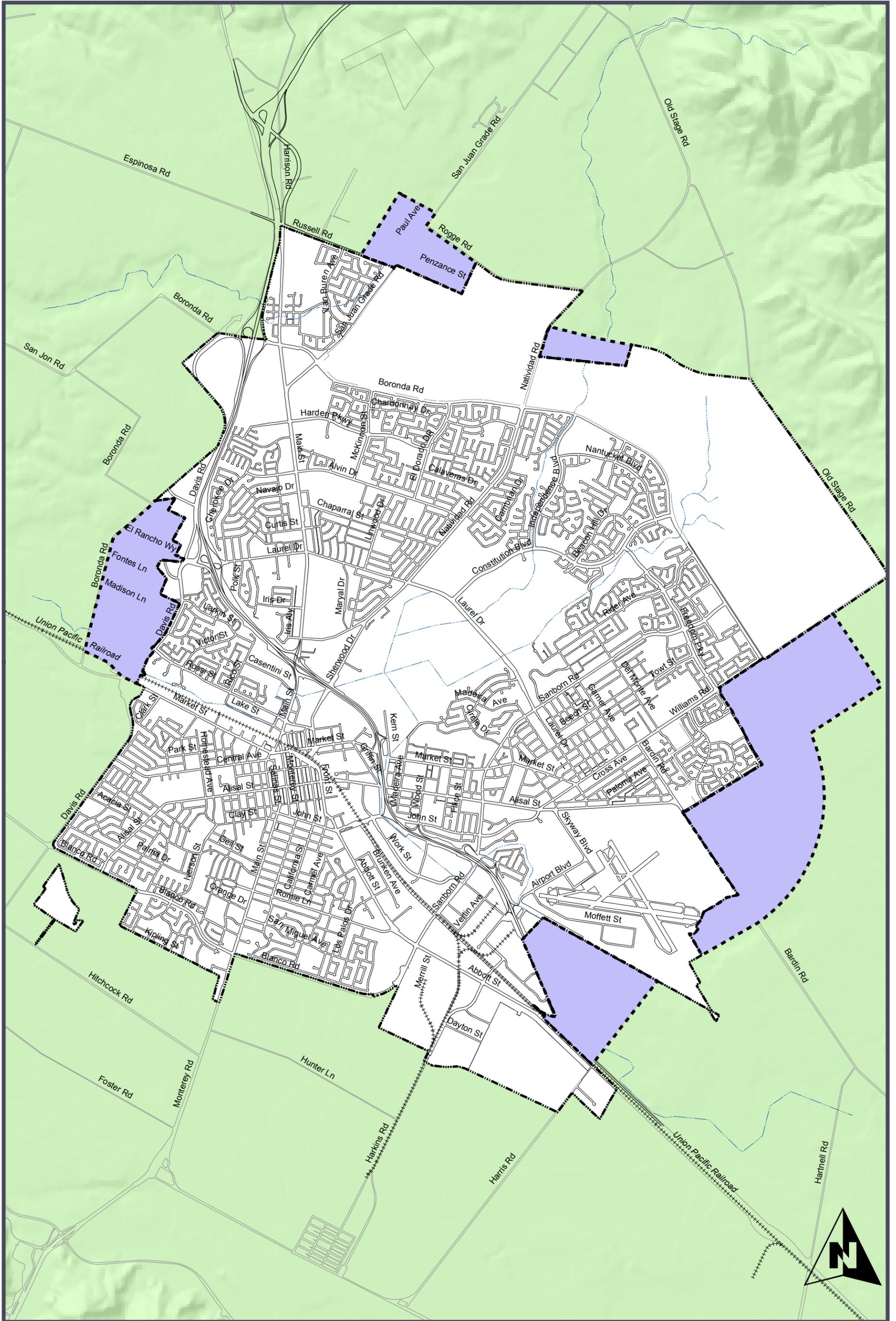
² 5 years as a percentage of 23-year build out (2012-2035)

³ 5-year revenue estimate = projected fee revenue x 5-year revenue percentage

⁴ Study cost is the cost for recreation impact fee only

⁵ Study cost as a percentage of projected 5-year revenue = study cost / 5-year revenue

Appendix A



———— City Boundary

----- Sphere of Influence

February 2014