



2009 Parks & Recreation Public Facilities Fee Updates

Final Report

Prepared for:

City of Galt

Prepared by:



**2009 PARKS & RECREATION
PUBLIC FACILITIES FEE UPDATES**

**PREPARED FOR:
CITY OF GALT
495 INDUSTRIAL DRIVE
GALT, CA 95632**

**PREPARED BY:
OMNI-MEANS, LTD.
ENGINEERS & PLANNERS
943 RESERVE DRIVE, SUITE 100
ROSEVILLE, CA 95678
916.782.8688**

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I. INTRODUCTION

In 2006, the City of Galt contracted with OMNI-MEANS to prepare comprehensive updates to the Citywide Traffic Capital Improvement Program (TCIP) and the Northeast Area (NEA) Public Facilities Program. The 2006 fee updates were adopted by the City through Resolutions 2006-64, 2006-65, 2006-66, and 2006-67.

In 2009, the City of Galt completed an update to their General Plan. To bring into consistency the Citywide fee programs with the recently updated General Plan, the City of Galt contracted with OMNI-MEANS, in association with Goodwin Consulting Group, to perform updates to the Citywide traffic-related fees, the NEA fee program and the other existing Capital Facilities Fees charged in the City (TCIP/NEA/CFE Update Report). For the update to the TCIP and associated traffic fees, this process included re-evaluation of all traffic improvement needs based on the updated General Plan travel demand model projections. For the NEA fee program and the other City Capital Facilities Fees, the other public infrastructure capital improvements have been updated based the change in need and demand created by the General Plan update. Goodwin Consulting Group (GCG) has prepared the updates to the existing Capital Facilities Fees that will include the following public facilities:

- City Hall
- Administration Building(s)
- Police Facilities
- Police Technical/Communications Equipment
- Municipal Service Center/City and Parks Corporation Yards
- Library (new)
- Northeast Area Water and Drainage
- Capital Equipment
- Fee Program Administration

On March 2, 2010, City Council adopted the TCIP, the NEA and other public facilities update report excluding the Parks & Recreation facilities and fees. Staff was directed to bring those facilities back for further consideration once the Park Master Plan and associated CEQA analysis was completed. This report is a stand-alone document addressing just the Parks & Recreation facilities and recommended fee updates.

PURPOSE OF STUDY

The primary reason for this update is to bring the City's recreation impact fees up to date to reflect the recently updated General Plan. The fees in this report have been updated pursuant to the Mitigation Fee Act, as set for in Sections 66000 et seq. of the California Government Code (Assembly Bill 1600).

The Mitigation Fee Act was enacted by the California State legislature in 1987 and requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

1. Identify the purpose of the fee;
2. Identify the use to which the fee will be put;
3. Determine that there is a reasonable relationship between the fee's use and the type of development on which the fee is imposed;
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development on which the fee is imposed; and,
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The “reasonable relationship” test was supplemented by a test of “rough proportionality” in the 1994 United State Supreme Court decision *Dolan v. City of Tigard*. In this decision, the Court opined that, when a public agency requires an exaction from new development, the agency cannot rely solely on a general, qualitative relationship between a land use and required facility but must make a finding that the exaction is related to the proportional impact of that land use. The Court specifically stated in its opinion that “no precise mathematical calculation is required, but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development.” This decision effectively added an additional finding that there is a rough proportionality between the amount of the fee and the impact of the development on which the fee is imposed.

As required by Government Code Section 66000 et seq. and subsequent court rulings, this report will show that a reasonable relationship exists between the calculated fee amounts and development land uses on which they are imposed. Additionally, it will be demonstrated that a rough proportionality exists between the impact of a land use on a facility and amount of the fee imposed on it. The following section details the organization of this Report.

ORGANIZATION OF REPORT

The remainder of this Report has been organized into the following sections:

Section II	Discusses historical growth within the City as well as the vacant land and development potential within the City of Galt based on the updated General Plan
Section III	Establishes the nexus required by Government Code 66000 et seq. and provides a detailed explanation of the methodology used to calculate the traffic fee for the various land use categories
Section IV	Provides information regarding implementing the updated fees and the annual and five-year reporting requirements required by law
Table 1	Vacant Land within the City of Galt General Plan Boundary
Table 2	Recommended Park & Recreation fee calculator.

II. GROWTH AND LAND USES

The City of Galt has experienced sharp population growth from 2000 to 2009. According to the U.S. Census Bureau, Year 2000 population was estimated around 19,500. According to the City of Galt website, the current population is estimated between 24,000 and 25,000, indicating an increase of about 5,000 over 9 years, or about 3% per year average between 2000 and 2009. Looking specifically between 2007 and 2009, up to 1,079 new residents have moved to Galt from a 2007 U.S. Census Bureau population base of 23,924. This indicates a slight slowing in the growth trend from the 9 year average of 3% to about 2.25% a year between 2007 and 2009.

CITY OF GALT – DEVELOPABLE LAND

The City’s General Plan build-out, based on its recent update, will accommodate 51,291 total residents. The vacant General Plan land-uses would allow for a planned 26,472 population growth, more than doubling today’s population. The City’s current vacant land inventory includes 5,751 single-family dwelling units and 3,073 multi-family dwelling units within the City General Plan Boundary. Assuming single family construction continues at around 300 units per year, the City’s single family vacant land inventory would accommodate about twenty (20) years of single-family unit development. Vacant non-residential land would provide for about 27,177 new employees upon General Plan buildout.

Table 1 below identifies the vacant land within the City of Galt General Plan Boundary by zoning designation. Approximately 2,725 acres of vacant land are zoned for residential development, and about 1,170 acres of vacant land are zoned for non-residential development.

**TABLE 1
VACANT LAND WITHIN THE CITY OF GALT GENERAL PLAN BOUNDARY**

Residential Land Uses	Acreage	Estimated Units	Estimated Population (3)
Single Family Zoning	2,545	5,751	17,253
Multifamily Zoning	180	3,073	9,219
Subtotal - Residential	2,725	8,824	26,472
Non-Residential Land Uses	Acreage	Square Footage	Estimated Employees
Retail	516	5,619,240	12,487
Office	191	2,079,990	6,933
Industrial	463	5,042,070	7,757
Subtotal Non-Residential	1,170	12,741,300	27,177
Total Vacant Acreage	3,895	-	-

III. PARKS AND RECREATION FEE

Following is a detailed discussion of the nexus findings relative to the updated City of Galt parks and recreation fee.

IDENTIFY THE PURPOSE OF THE FEE

The purpose of the parks and recreation fee is to fund construction or purchase of City parks, trails, open space, and recreational facilities.

IDENTIFY THE USE OF THE FEE

The parks and recreation fee will be used to fund the construction or purchase of park and recreation facilities necessary to serve future development in the City and to fund the costs associated with updating the City's Parks Master Plan. The costs of these facilities are identified in Table 1.

REASONABLE RELATIONSHIP BETWEEN FEE'S USE AND THE TYPE OF DEVELOPMENT

The use of the fee to purchase or construct the park and recreation facilities identified as necessary to serve future development in the City will ensure that such facilities will be available to serve future residents in the City through buildout.

REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE FACILITY AND THE TYPE OF DEVELOPMENT

New park and recreation facilities will be needed as future residential development will generate additional residents and increase the demand for park and recreation facilities in the City.

REASONABLE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEE AND THE COST OF THE PUBLIC FACILITY OR PORTION ATTRIBUTABLE TO THE DEVELOPMENT

The park and recreation fee is set so that the fees collected offset the cost of constructing or purchasing the facilities necessary to serve future development in the City. Facilities required by the City's existing population are excluded from the calculation of the Parks and Recreation Fee. Future residential development only will be responsible for the fair-share portion of the total cost based on the average residents per unit.

EXISTING FACILITIES

Parks and recreation facilities in the City of Galt include parks, open space, and trails, as well as an aquatic center and community centers. These recreational facilities are an important contributor to the well being and enjoyment of residents of the City. A complete list of the City's current inventory of parks can be found in the City's Draft Parks Master Plan Update, dated March 2009 ("Parks Master Plan"). The sections below offer a brief summary of the size and functions of the current parks and recreation facilities in the City.

Parks, Open Space, and Trails. According to the Parks Master Plan Update, the City currently has enough active park land to service the current City population in order to meet their active park land standard. Open space and Class I trail deficits of 53.0 acres and 2.34 miles, respectively, do currently exist.

Aquatic Center. The City's existing Gora Aquatic Center has an eight-lane competition pool and a recreation pool area. In addition, the aquatic center features water slides, a beach-entry area, and a mushroom-shaped spray feature. The Gora Aquatic Center is also furnished with separate men's, women's, and family changing rooms. The Gora Aquatic Center currently runs at full capacity, and will be unable to serve the needs of future residents within the City.

Community Center. Two existing community centers totaling 17,168 square feet serve the City. The 8,228 square foot Chabolla Community Center and 8,940 square foot Littleton Center are available for public use. Due to their limited size, the City only considers there to be one existing community center to serve the City, even though there are two separate facilities. The Chabolla Community Center is reserved for youth and senior activities, while the Littleton Center is available for rent to the general public.

PLANNED FUTURE FACILITY NEEDS

Future development in the City will necessitate the improvement, construction, or expansion of additional park and recreation facilities. With the number of residents almost doubling by buildout of the General Plan, the number of parks and recreation facilities will need to increase as well. Below is a summary of the improvements necessary for the various park and recreation facilities.

Parks, Open Space, and Trails. Pursuant to the Parks Master Plan, the City should provide parks at a standard rate of 5.0 acres of parks and 5.0 acres of open space per 1,000 residents. In addition, the Parks Master Plan suggests a standard of 1.0 miles of trails per 4,000 residents. Based on these standards, a total of 132.3 acres of parks, 132.3 acres of open space, and 6.6 miles of trails will be required to serve future development. These acreage requirements are based on the estimated total growth in the City of 26,468 residents by buildout of the General Plan.

Aquatic Center. Because the current Gora Aquatic Center runs at full capacity, the Parks Master Plan states that a new aquatic center will be needed to serve future development.

Community Center. A new community center is also necessary to serve future development. Two existing community centers serve the current City population, however, the addition of 26,468 residents by buildout of the General Plan will necessitate an additional community center to accommodate these residents. The Parks Master Plan recommends an additional 30,000 square foot community center to serve future development and expand benefits available to current residents.

COST ALLOCATION METHODOLOGY

Based on the planned future facilities needs outlined above, the following sections outline the costs of the associated improvements. These costs are allocated between existing and future development in an equitable manner. In some cases, future development is responsible for the entire cost of a new facility, and in others, the cost is spread between existing and future development. In addition to the facilities outlined above, the cost of updating the City's Parks Master Plan is also included in the fee.

Parks, Open Space, and Trails. The Parks Master Plan estimates the cost of park development to be, on average, \$481,000 per acre. In addition, open space development costs are estimated to be \$30,000 per acre, which includes \$8,000 per acre for acquisition costs and \$22,000 per acre for planning and improvements. Finally, the development of trails is estimated at \$300,000 per mile. Applying these costs to the future facility needs outlined above, a total parks, open space, and trails cost of \$69.6 million is calculated to serve future development based on the improvement and land costs associated with each facility type, as shown in Table 1. Existing development will not be responsible for the construction of any of these new park facilities.

Aquatic Center. The new aquatic center that is needed to serve future development is estimated to cost \$3.0 million. The entire cost of the new aquatic center is allocated to future development, as the need for this additional facility is required to serve future development only.

Community Center. With the addition of the new community center mentioned above, a total of 47,168 square feet of community center building space will be available to the residents of the City. Dividing this total square footage between existing and future residents allocates 23,646 square feet to existing residents and 23,522 to future residents. Because future residents currently have access to the

17,168 square foot community center, 6,478 square feet of the new community center will represent existing development's fair share of the new community center. The new community center is estimated to cost \$10.0 million, or approximately \$333 per square foot. Therefore, the cost of the new community center allocated to existing development is \$2.2 million, while the remaining \$7.8 million cost represents future development's fair share portion of the new community center.

Parks Master Plan Update. It is estimated that the cost of updating the City's Parks Master Plan is \$175,000. This total cost is allocated between existing and future development based on population. The total cost allocated to existing development is \$88,000, while the remaining cost allocated to future development is \$87,000.

The total combined park and recreation facilities cost is \$82.8 million, of which \$80.5 million is incorporated into this fee update. The City will need to fund the remaining \$2.2 million from sources other than future fee revenues. An administration/contingency component equal to 5.0% of the total cost is added to the \$80.5 million facilities cost allocated to future development, for a total of \$84.6 million.

CALCULATION OF THE PARKS AND RECREATION FEE

Based on the total net future facilities cost of approximately \$84.6 million and a total additional 26,468 future residents within the City by buildout, a cost per future resident of \$3,195 is computed. The cost per resident is then applied to the persons per household rates assigned to the residential land use categories to arrive at a fee per unit.

Persons Served Rates

Residential Land Uses	Persons per Household
Single Family	3.40
Multi-Family	2.25
Non-Residential Land Uses	
	Employee Population Equivalent
Retail	n/a
Office	n/a
Industrial	n/a

Since the Parks and Recreation Fee is not dependent on the eventual service population, if less growth occurs, less fee revenue would be generated and presumably fewer facilities would be required. Alternatively, if more growth occurs, the additional fee revenue can be used to mitigate the additional impacts on recreation facilities.

The bottom section of Table 1 shows the calculation of the Parks and Recreation Fee. Applying the cost per resident served of \$3,195 to the persons per household rate assigned to the residential land use categories results in the following Parks and Recreation Fees:

- \$10,863 per unit for Single Family land uses
- \$7,189 per unit for Multi-Family land uses

IV. FEE IMPLEMENTATION AND ADMINISTRATION

FEE IMPLEMENTATION

According to California Government Code, prior to levying a new fee or increasing an existing fee, an agency must hold at least one open and public meeting. At least 10 days prior to this meeting, the agency must make data on infrastructure costs and funding sources available to the public. Notice of the time and place of the meeting, and a general explanation of the matter, are to be published in accordance with Section 6062a of the Government Code, which states that publication of notice shall occur, for 10 days in a newspaper regularly published once a week or more. The City may then adopt the new fees at the second reading.

The updated park & recreation fees should be adopted through a City ordinance or resolution. Any future increases to the fees resulting from annual inflation or minor adjustments could be adopted annually by resolution. Once the updated fees are adopted by the City Council, they shall become effective no sooner than sixty days later, unless an urgency measure is adopted. An urgency measure is an interim authorization that waives the sixty-day waiting period and allows the new fees to be collected immediately if a finding of a current and immediate threat to the public health, welfare, and safety can be demonstrated. The interim authorization requires a four-fifths vote of the City council and stays in effect for thirty days; no more than two extensions of the authorization can be granted.

EXISTING POLICE SERVICES FEE

Upon adoption of this fee program update, the City's existing Police Services Fee will be discontinued since the facilities currently funded by the Police Services Fee are now incorporated in the General Government Fee presented in this updated fee program.

ANNUAL ADMINISTRATIVE DUTIES

The Government Code requires the City to report every year and every fifth year certain financial information regarding the fees. The City must make available within 180 days after the last day of each fiscal year the following information for the prior fiscal year:

- (a) A brief description of the type of fee in the account or fund
- (b) The amount of the fee
- (c) The beginning and ending balance in the account or fund
- (d) The amount of the fee collected and the interest earned
- (e) An identification of each public improvement for which fees were expended and the amount of expenditures
- (f) An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project
- (g) A description of each interfund transfer or loan made from the account and when it will be repaid
- (h) Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee-related projects

The City must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

- (1) Identify the purpose to which the fee is to be put

- (2) Demonstrate a 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 any incomplete improvements
- (4) Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account

As with the annual disclosure, the five-year report must be made public within 180 days after the end of the City's fiscal year and must be reviewed at the next regularly scheduled public meeting. These findings must be made by the City otherwise the law requires that the City refund the money to the then current record owners of the development projects on a prorated basis.

INTERFUND TRANSFERS

It is recommended that the City adopt a policy that will allow for the transfer of fee revenues between fee funds. This will provide greater funding flexibility and facilitate the timely phasing of improvements by allowing fees to be combined and used as necessary. All interfund transfers must be repaid with interest.

INFLATION ADJUSTMENTS

All fees calculated in this 2009 Parks & Recreation Public Facilities Fee Report are reflected in year 2009 dollars. These fees should be adjusted in future years to reflect revised facility standards, receipt of additional funding from alternative sources (i.e., state or federal grants), revised replacement costs, or changes in demographics or the City's land use plan. In addition to such periodic adjustments, the fees should be inflated each year by a predetermined index, such as the Engineering News Record 20-City Construction Cost Index.

FEE CREDITS OR REIMBURSEMENTS

The City will provide fee credits or possibly reimbursements to developers who dedicate land or construct facilities that are shown in the 2009 Parks & Recreation Public Facilities Fee Report as being fee-funded. Fee credits or reimbursements may be provided up to the cost of the improvement, as shown in the 2009 Parks & Recreation Public Facilities Fee Report, subject to periodic inflation adjustments, or the actual cost paid by the developer, whichever is lower. For construction cost overruns, only that amount shown in the 2009 Parks & Recreation Public Facilities Fee Report, subject to periodic inflation adjustments, should be credited or reimbursed. The City will evaluate the appropriate fee credit or reimbursement based on the value of the dedication or improvement. Credits or reimbursements may be repaid based on the priority of the capital improvements, as determined by the City. In some cases, repayment for constructed facilities that have low priority, may be postponed. Fee credits and reimbursements will be determined by the City on a case-by-case basis.

PROJECT COSTS

Actual costs for a particular project may be more or less than the fee portion calculated for that project. It is expected that on average, the amount collected will be appropriate for financing the planned projects. Fee adjustments will need to be made during periodic updates to the 2009 Parks & Recreation Public Facilities Fee Report for differences based on actual costs incurred on project work completed and revised cost estimates for remaining projects.

**Table 2
Parks and Recreation Fee**

1. <u>Assumptions</u>	Year:	2009	Future Total
Estimated Galt Population		26,607	53,075
Total Residents		26,607	53,075
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2. <u>Park Facilities Cost Calculation</u>	Parks Master Plan Park Acres Req'd Per 1,000 Residents	Total Future Parks Required	
City's Park Standard For Future Development (1)			
Parks	5.0	132.3 acres	
Open Space	5.0	132.3 acres	
 Trails (miles per 4,000 residents)	 1.0	 6.6 miles	
Average Park Improvement Cost per Acre			\$481,000
Average Open Space Land Acquisition Cost per Acre			\$30,000
Average Trail Improvement Cost per Mile			\$300,000
Total Park Improvement Cost			
Total Park Improvement Costs			\$63,655,000
Total Open Space Land Acquisition Costs			\$3,970,000
Total Trails Improvement Costs			\$1,985,000
Total Cost			\$69,610,000
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3. <u>Recreation Facilities Cost Calculation</u>			
Estimated Aquatic Center Cost			\$3,000,000
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4. <u>Community Center Facilities Cost Calculation</u>			
Existing Community Center Building Square Footage			17,168
New Community Center Building Square Footage			30,000
Total Community Center Building Square Footage within City at Buildout			47,168
Estimated Community Center Cost			\$10,000,000
Estimated Community Center Cost Allocated to Existing Development			\$2,159,000
Estimated Community Center Cost Allocated to Future Development			\$7,841,000
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5. <u>Parks Master Plan</u>			
Total Parks Master Plan Cost			\$175,000
Estimated Parks Master Plan Cost Allocated to Existing Development			\$88,000
Estimated Parks Master Plan Cost Allocated to Future Development			\$87,000
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Subtotal Cost for all Parks and Recreation Facilities			\$82,785,000
Total Cost Allocated to Existing Development			\$2,247,000
Total Cost Allocated to Future Development			\$80,538,000
Administration/Contingency (5.0%)			\$4,027,000
Net Total Cost Allocated to Future Development			\$84,565,000
 Cost Per Future Resident			\$3,195
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6. <u>Parks and Recreation Fee Component</u>	Persons per Household	Cost per Person Served	Impact Fee per Unit
Residential			
Single Family	3.40	\$3,195	\$10,863
Multi-Family	2.25	\$3,195	\$7,189

(1) Based on the City of Galt Draft Parks Master Plan Update dated March 2009.

Source: Draft Parks Master Plan Update (March, 2009); Goodwin Consulting Group, Inc.