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CITY OF STOCKTON

BASIS FOR PUBLIC FACILITIES FEE

Prepared For:

The City of Stockton

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I. 1. INTRODUCTION

A concensus has evolved in Stockton that new development should be financially responsible for the public facilities required to accommodate it, though not for the cost of existing facility deficiencies. This principle was the basis for an earlier study, the Fiscal and Public Facilities Study, which provided a large amount of information about the facilities required to accommodate growth, especially for development north of the Calaveras River.

Upon receipt of this report the City Council directed its Development committee, chaired by the Mayor, to evaluate the study and then to prepare for Council consideration a system of financial mechanisms whereby new development would provide the funds for needed facilities. The Committee studied the information and the issues and recommended to the Council that it adopt an expanded impact fee program. The fees would be applicable city-wide, except for a "downtown" area where facilities appear to be already available adequate to accommodate the development anticipated.

The Committee recommended and the Council agreed that staff should develop additional information regarding the facilities needed and financing alternatives upon the completion of this phase of work. It is the city's intention that as soon as possible (1) the need for each type of facility (e.g. fire stations) will be assessed on a city subarea (rather than on a citywide) basis and (2) means for financing major front end costs (e.g. sewer systems) will be designed and integrated with the development fee program.

This report sets forth information developed for the Committee and the Council as a basis for the adoption of the fees. The information in the more extensive earlier report was also useful in the determination of appropriate fee levels, especially in its more extensive description of how the public services are provided and the factors determining the need for public facilities.

Framework for Analysis

The determination of appropriate fee levels follows from the projection of growth for a suitable time period, the identification of the facilities needed to accommodate that growth, the estimation of their costs and the allocation of that cost equitably among the projected development.

The period for the analysis of growth and its impacts is from 1987 to 2005. This time frame is reasonable because it is long enough to avoid distortions from allocating major costs to too little growth and not so long as to have uncertainty regarding the forecasts.

This report addresses the need for additional police station space, fire stations, city space, libraries, recreation centers, and street improvements. Most of the information regarding police stations, library, and street needs comes from studies undertaken for each of these service areas. Information on facilities needed in the other service areas was developed by Recht Hausrath & Associates and the departments involved over the last 18 months.

The identification of needed facilities depends on the city's standards. For example, the determination of the fee for the police station expansion depends on the policy that 171 square feet of gross building space should be provided for each employee in the department. The determination of appropriate standard was a key element in the development of the impact fee program.

The commitment to standards leads to recognition that in some service areas the standards are not met; there are existing deficiencies. For example, police station space is significantly below the standard determined to be appropriate. This deficiency must be cured if the space meeting the standard paid for by new development is not to be

partially used to accommodate existing service needs. The City Council action adopting the fees in principal therefore also committed the City to providing the facilities necessary to eliminate deficiencies.

The sources of the cost estimates for the facilities needed, both those to accommodate new development and those to eliminate existing deficiencies, were generally the same sources referenced above. Most of the major studies included cost estimates, though the RHA study developed the cost estimates for street improvements and libraries, as well as other service areas for which no facility studies existed. All of the costs were adjusted for inflation to mid-1988 cost levels.

The consultants and the departments involved gave extensive consideration to the question of appropriate ways to allocate the cost of facilities among new development. The Parks and Recreation Department, which operates the city's community recreation centers, was the only department to conclude that their facilities served only residential development and therefore non-residential development should not share in the cost. Population appears to be the best indicator of need for this type of facility and it was therefore decided to use population as the method to allocate the cost. Single-family, multiple-family and guestroom units were therefore allocated shares of the cost based on the projected average population in each type of unit.

All of the other departments concluded that both residential and non-residential activities created a need for the facilities for which the departments were responsible. The Public Works Department concluded that peak hour trips generated is the best approach to allocating traffic impacts. That method was therefore utilized for the street and intersection fee.

The other facilities, city office space, police station expansion, fire stations, and libraries do not have as convenient a measure of impacts as is available for the traffic fee. However, population is a reasonable surrogate for the need generated by residential development and employment for the need associated with non-residential development and the balance between population and employment is a reasonable measure of the relative impacts among the two types of development. The sum of population plus employment was thus selected as the equitable means to allocate the cost of these facilities.

The next section of this report sets forth the projections of development for which new facilities will be needed. Then each of the following sections is devoted to a single type of facility, summarizing the key information used in determining the appropriate fee for that type of facility.

2. DEVELOPMENT PROJECTIONS

The first step in consideration is to determine the anticipated development for which new facilities will be needed. The table below summarizes the results of the analysis. The projections for growth north of the Calaveras River are primarily from the Fiscal and Public Facilities report. The growth projections for the southern portion of the city are estimates based on Community Development Department information regarding available developable land and reflect assessments as to the rate at which their development would take place.

2005 PROJECTIONS
POPULATION, EMPLOYMENT AND RESIDENTIAL UNITS

	<u>NORTH OF THE CALAVERAS RIVER</u>	<u>SOUTH OF THE CALAVERAS RIVER</u>	<u>TOTAL</u>
Population	57,100	22,000	79,100
Employment	24,200	20,500	44,700
Population + Employment	81,300	42,500	123,800
Single-Family Units	11,700	6,200	17,900
Multiple-Family Units	12,800	2,100	14,900
Total Units*	24,500	8,300	32,800
Persons per Unit	2.33	2.66	2.41
Persons per SF Unit	2.97	2.97	2.97
Persons per MF Unit	1.75	1.75	1.75
Persons per GR Unit	1.25	1.25	1.25
Office			
Employees	18,240	4,640	22,880
Square Feet per Employee	300	300	300
Square Feet	5,472,000	1,392,000	6,864,000
Retail			
Employees	4,560	1,160	5,720
Square Feet per Employee	500	500	500
Square Feet	2,280,000	580,000	2,860,000
Warehouse/Industrial			
Employees	1,340	14,600	16,000
Square Feet per Employee	700	700	700
Square Feet	938,000	12,220,000	11,158,000
Total			
Employees	24,200	20,400	44,700
Square Feet	8,690,000	12,192,000	20,882,000

* Since only a relatively small number of guestrooms (motels, etc.) are anticipated, they are not projected.

3. CITY OFFICE SPACE

Additional city office space is planned to accommodate the additional employees necessary to maintain the present level of service as the city grows. It is anticipated that the space would be located in a block adjacent to City Hall, similar to (or an expansion of) the space occupied by the Community Development Department.

Space Needed

Current employment in the departments using city office space (excluding police, fire department staff in stations, etc.) is about 1.35 employees per 1,000 residents and employees in the city. City office employment is projected to increase at one-half the rate of population and employment growth. It is assumed that 200 square feet are required per employee.

$$\frac{\text{One half of 1.35 city employees}}{1,000 \text{ population} + \text{employment}} * 200 \text{ sq.ft.} = \frac{135 \text{ square feet}}{1,000 \text{ population} + \text{employment}}$$

Given a projected growth of 123,800 population plus employment, the space needed is 16,700 square feet.

Cost

The cost is estimated at \$141 per square foot of office space.

	<u>Cost per Square Foot of Building</u>
Land and Landscaping	\$ 31
Building Construction	100
Furnishings and Equipment	<u>10</u>
	\$141

The cost for office space to accommodate new development to the year 2005 is therefore estimated to be \$2.36 million.

Fee Determination

The \$141 per square foot cost times the 135 square feet per 1000 population plus employment equals \$19.00 per resident or employee. The fees are therefore as follows:

Single-Family	\$19 * 2.97 residents	= \$56 per unit
Multiple-Family	\$19 * 1.75 residents	= \$33 per unit
Guestrooms	\$19 * 1.25 occupants	= \$24 per unit
Office	\$19 * $\frac{1 \text{ employee}}{300 \text{ square feet}}$	= 6.3¢ per sq. ft.
Retail	\$19 * $\frac{1 \text{ employee}}{500 \text{ square feet}}$	= 3.8¢ per sq. ft.
Industrial/Warehouse	\$19 * $\frac{1 \text{ employee}}{700 \text{ square feet}}$	= 2.7¢ per sq. ft.

Existing Deficiencies

There is no deficiency in office space at present.

4. FIRE STATIONS

Need for Stations

The City of Stockton fire department's standard of emergency response is that 80 percent of calls will have a response time of 3.5 minutes or less. The stations are located and new ones added with this standard in mind. Given this standard the department has identified the need for one additional fire station each in northwest and northeast Stockton to accommodate growth in north Stockton. An additional ladder company would also be needed. The need in south Stockton has not been as extensively analyzed. However, a preliminary assessment indicates a need for stations at two locations, though at least one (and possibly both) can be occupied by companies relocated from existing stations.

Cost

The cost of each of the north-Stockton stations is as follows:

Land (one acre)	\$130,000
Construction	468,000
Engine	<u>172,000</u>
Total	\$770,000

In addition a ladder truck costing \$416,000 will be needed, though half of the cost of this truck is the responsibility of post-2005 development. On the other hand, ten percent of the costs (10% of \$1,540,000 + \$416,000, or \$196,000) is an existing deficiency.

Two fire stations	\$1,540,000
Half of ladder truck	208,000
Existing deficiency	<u>(196,000)</u>
Total	\$1,552,000

Fee Determination

The sum of population and employment growth in north Stockton is projected to be 81,300 persons. The \$1.54 million cost of the stations apportioned among this growth yields an allocation of \$19 per person. The fees are thus as follows:

Single-Family	$\$19 * 2.97 \text{ residents} = \56 per unit
Multiple-Family	$\$19 * 1.75 \text{ residents} = \33 per unit
Guestrooms	$\$19 * 1.25 \text{ occupants} = \24 per unit
Office	$\$19 * \frac{1 \text{ employee}}{300 \text{ square feet}} = 6.3\text{¢ per sq. ft.}$
Retail	$\$19 * \frac{1 \text{ employee}}{500 \text{ square feet}} = 3.8\text{¢ per sq. ft.}$
Industrial/Warehouse	$\$19 * \frac{1 \text{ employee}}{700 \text{ square feet}} = 2.7\text{¢ per sq. ft.}$

It is probable that there will be a need for two stations in south Stockton and the amount of development among which the cost can be shared will be less than in north Stockton. It is therefore reasonable to use an assumption of \$19 per resident or employee for fire station costs in south Stockton as the fees allocated will not exceed the cost of the facilities.

Existing Deficiencies

Because the northwest area already has some development whose distance from a station exceeds the department's standard, 20 percent of the cost of that station (\$154,000) is an existing deficiency. Ten percent of the cost of the ladder truck (\$42,000) is also charged as a present deficiency.

5. POLICE STATION SPACE

The Police Department plans to house the additional staff required to serve new development in an addition to the present central police station. Almost half of the space in the new building is needed because of existing overcrowding in the present building.

Space Needed

Mounce Associates prepared a plan for police department space needs. The Mounce facility provided 171 square feet per department employee.

This standard is 50 percent greater than the present 113 square feet per employee, but less than the 195 square feet per employee at the time the existing station was constructed.

The current staff totals 392 employees (per the Fiscal and Public Facilities Report). The space needed for this staff at a standard of 171 square feet per employee is 67,000 square feet. Since the existing facility contains only 44,400 square feet, there is an existing deficiency of 22,600 square feet.

An additional 141 employees are projected to serve new development in North Stockton. These employees will require 24,100 square feet of space. The total amount of new space needed is thus 46,700. This is approximately the space provided in the Mounce design. Fifty-two percent of the space is needed to accommodate new development; 48 percent of the space is to cure the existing deficiency.

Additional police staff will be needed to serve South Stockton, thus in actuality requiring a station larger than the Mounce design.

Cost

The Mounce study estimated the cost of their recommended facility. Adjusted to 1988 construction costs and for a 46,700 square foot size, the costs are as follows:

Site work	\$ 420,000
New Building	6,880,000
Utility Buildings	430,000
Furnishings & Equipment	1,110,000
Plans & Construction Management	1,610,000
Remodel Existing Building	<u>1,100,000</u>
Subtotal	\$11,550,000
Underground Garage	1,170,000
Supplemental Parking	<u>2,540,000</u>
Subtotal	\$ 3,710,000
Total	\$15,260,000

New development is assigned the financial responsibility for all of the parking cost (\$3.7 million) plus 52 percent of the building costs (\$6.0 million). The total cost on which the development fee is based is thus estimated to be \$9.7 million.

Additional analysis is necessary to determine the cost of a station larger than the Mounce design. It will involve additional parking, making it likely to be at least as expensive per square foot of station space as the Mounce building.

Fee Determination

The Fiscal and Public Facilities Study concluded that police staff needs were best projected on the basis of a total of population plus employment. Apportioning the \$9.7 million cost among new development yields a cost of \$78 per resident or employee.

$$\frac{\$9.7 \text{ million cost}}{123,800 \text{ new residents and employees}} = \$78 \text{ per new resident or employee}$$

The additional space required to accommodate south Stockton growth is projected to be proportional to the number of residents and employees served. It is thus reasonable to use the \$78 per capita figure throughout the city.

The fee amounts can be calculated as follows:

Single-Family	$\$78 * 2.97 \text{ residents} = \232 per unit
Multiple-Family	$\$78 * 1.75 \text{ residents} = \136 per unit
Guestrooms	$\$78 * 1.25 \text{ occupants} = \98 per unit
Office	$\$78 * \frac{1 \text{ employee}}{300 \text{ square feet}} = 26.0¢ \text{ per sq. ft.}$
Retail	$\$78 * \frac{1 \text{ employee}}{500 \text{ square feet}} = 15.6¢ \text{ per sq. ft.}$
Industrial/Warehouse	$\$78 * \frac{1 \text{ employee}}{700 \text{ square feet}} = 11.1¢ \text{ per sq. ft.}$

Existing Deficiencies

Bringing the existing building up to standard, primarily with regard to seismic safety, is budgeted at \$1.1 million (in addition to the \$1.1 million allotted for remodeling to allow the building to function efficiently in conjunction with the new building). Furthermore, almost half (48 percent) of the space planned results from increasing the space standard to 171 square feet per existing employee from the 113 square feet currently provided. This cost, 48 percent of the total cost (not including the parking), is estimated at \$5.5 million, for a total existing deficiency of \$6.6 million.

6. LIBRARIES

The library Master Plan study anticipates the need for two additional branch libraries in the northern portion of the city, one each in the northwest and northeast areas. It similarly identifies the need for a library in south Stockton, and perhaps a second smaller facility will be necessary to have library facilities accessible to all of the residents.

Space Needs

The need for library space is projected at 0.26 square feet per resident or employee. Employees are included because of the extensive business use of library services. The projected 123,800 residents and employees results in a need for 32,200 square feet of additional space. A standard of 1.15 books per person, equivalent to 1.8 books per resident, indicates a need for 223,000 additional books.

In addition, 25,000 square feet of library space is needed to cure existing deficiencies in north Stockton. The current supply of books meets the standard.

Cost

The cost estimates are based on the following standards. The amount of land needed is 2.75 times the library floor area. Its cost is \$130,000 per acre. Building space, including furnishings, is estimated at \$144 per square foot. New books cost \$28 per volume, based on the library's current cost.

The costs can be summarized as follows:

	<u>For New Development</u>	<u>Existing Deficiencies</u>	<u>Total</u>
Land \$130,000 per acre	\$0.26 million	\$0.20 million	\$0.46 million
Buildings and Furnishings \$144 per sq. ft.	4.64 million	3.60 million	8.24 million
Books \$28 per volume	<u>3.99 million</u>	<u>0</u>	<u>3.99 million</u>
Total	\$8.89 million	\$3.80 million	\$12.69 million

Fee Determination

The \$8.89 million cost apportioned among 123,800 persons results in a per person cost of \$72. The fees therefore are as follows:

Single-Family	$\$72 * 2.97$ residents	= \$214 per unit
Multiple-Family	$\$72 * 1.75$ residents	= \$126 per unit
Guestrooms	$\$72 * 1.25$ occupants	= \$90 per unit
Office	$\$72 * \frac{1 \text{ employee}}{300 \text{ square feet}}$	= 24.0¢ per sq. ft.
Retail	$\$72 * \frac{1 \text{ employee}}{500 \text{ square feet}}$	= 14.4¢ per sq. ft.
Industrial/Warehouse	$\$72 * \frac{1 \text{ employee}}{700 \text{ square feet}}$	= 10.3¢ per sq. ft.

Existing Deficiencies

As indicated above, the cost of curing existing deficiencies is \$3.8 million.

7. COMMUNITY RECREATION CENTERS

Two community recreation centers are planned for north Stockton, one located in Panella Park and another located to serve developments in the northcentral and northwest areas. This will result in three centers in the north Stockton area in 2005, each serving a population of about 50,000 persons.

It is anticipated that the principal components of each center will be a gym/assembly room and several smaller meeting rooms, the latter designed for uses such as senior citizen activities, arts and crafts, instruction programs, teen activities, and meetings of community organizations.

Cost

The cost of each center has been preliminarily estimated at \$1,820,000.

Fee Determination

The centers are each planned to serve a population of 50,000 persons. Given a cost of \$1,820,000, the cost is \$36 per person. The fees are therefore as follows:

Single-Family	\$36 * 2.97 residents	= \$106 per unit
Multiple-Family	\$36 * 1.75 residents	= \$ 62 per unit
Guestrooms	\$36 * 1.25 occupants	= \$ 45 per unit

Existing Deficiencies

An existing deficiency exists in that north Stockton only has one center to serve an existing population of almost 100,000 persons. The City will therefore be contributing 96 percent of the cost of one center.

8. STREETS AND INTERSECTIONS

The city will continue to require the provision of streets adjoining new development. The developer must provide half of a median strip, a traffic lane, a parking lane, curb, gutter, sidewalk, and associated intersection improvements, unless these are already provided.

This fee is for the purpose of providing additional lanes when a wider street is required and for improvements not adjacent to development sites needed to accommodate the traffic from new development.

Facilities Needed

A series of reports prepared by the Omni-Means transportation consulting firm has identified the street and intersection improvements needed to accommodate the projected growth. This list is included in the Appendix.

Cost

The cost of the facilities has been estimated for those located north of Charter Way. These costs (in 1987 dollar values) are given in the Appendix. (The costs have not yet been estimated for the improvements south of Charter Way.) These costs were then reduced by the share the developers would incur in building their required portion of adjacent streets. The resulting costs totaled \$25 million (in 1988 dollar values).

Fee Determination

The fee for the present has been determined based on the situation in north Stockton. The \$25 million cost of improvements was allocated among new development, with peak hour trips used as the basis for

distributing costs. Peak hour trips are calculated based on the following trip generation assumptions:

	<u>Peak-hour Trips</u>
Single-Family (per unit)	1.0
Multiple-Family (per unit)	0.7
Retail (per 1,000 sq. ft.)	3.2
Office (per 1,000 sq. ft.)	2.4
Industrial (per 1,000 sq. ft.)	1.3

Notwithstanding the above, retail trips will be adjusted downward for mid-trip stops. The percentage of mid-trip stops will be based on national data and vary by type of retail. For the purpose of determining the fee, mid-trip stops were assumed to average 25 percent of all retail trips.

The total number of daily peak hour trips after adjusting the retail component is projected to be 38,100. The \$25 million cost thus equates to \$660 per trip.

The road improvements necessary to accommodate development south of Charter Way appear to cost more than \$660 per trip. The use of the \$660 fee until more information is available will not produce revenues in excess of the costs.

Existing Deficiencies

The Omni-Means study of traffic north of Charter Way also identified the streets and intersections currently deficient in this area. They are listed in the Appendix. The cost of curing these deficiencies is preliminarily estimated at \$6-8 million.