



CITY CLERK
CITY OF STOCKTON

PUBLIC FACILITIES FEE UPDATE
FOR THE CITY OF STOCKTON
STREET IMPROVEMENTS (TRAFFIC) FEE

BELONGS TO:
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January 31, 1991

STREET IMPROVEMENTS FEE UPDATE

The City of Stockton operates under a policy that existing residents and businesses should not pay for the capital facility improvements required to accommodate new development. The City Council adoption of a comprehensive development fee program on July 11, 1988 was a key component in the implementation of this policy. The program reflected extensive analysis, but was considered interim because it was intended that further studies and analysis would be undertaken. The program included a Street Improvements (traffic) fee of \$660 per peak hour trip end generated, a figure which has since been adjusted to \$708 based on an inflation index.

This report, with the reports appended and included by reference, provides the basis for an update of the Streets Improvement component of the interim program adopted in 1988. It reflects the information developed in a long process of study and review. Even before the adoption of the interim fee, the City had contracted with Omni-Means to prepare a comprehensive city-wide traffic study. This study has served as the basis for both the General Plan update and this update of the street improvements fee. It was completed in July 1989 and is incorporated herein by reference.

After adoption of the General Plan in January 1990, a staff analysis was prepared and submitted to the Council in April and discussed at a May workshop. The information considered in the review process is summarized in the January 17, 1991 memo from the City Manager to the Council. It is appended to this summary report as Exhibit A. This report consists of a brief summary and with the other reports provides the information for Council and Community consideration of an updated street improvements fee.

The cost of street improvements to be funded by the fee consist of three components:

- (1) the cost of street improvements, excluding freeways,
- (2) the cost of freeway improvements and
- (3) the cost of present and future street studies.

For the purpose of analyzing the use of these improvements, the City was apportioned into three zones:

- Zone A - Fee areas 1 and 2; these two fee areas include all properties north of the Calaveras River.
- Zone B - Fee areas 3 and 4; these two fee areas include all properties between the Calaveras River and Charter Way, including all properties having Charter Way Frontage.
- Zone C - Fee areas 5 and 6; these two fee areas include all properties south of the Charter Way and not having Charter Way Frontage.

It is necessary to express the projected amount of new development in each of these three zones in terms of a common measurement of the demands they will place on Stockton street system. The City's calculations utilize the Dwelling Unit Equivalent (DUE) as the basis. The DUE is the demand created by development of a single family home. Units of other types of development (in terms of DUEs) are measured equal to the number (or fraction) of single-family homes that have an equivalent impact. For example, 1,000 square feet of general office space is measured at 1.3 DUE, or 1.3 times the impact of a single family home. The DUEs reflect several factors. The most important is the PM peak hour generation rate; other factors include trip length, the effect of pass-by trips and trip purpose.

The General Plan forecasts of growth were used to determine the improvements needed. The growth in the three zones expressed in terms of DUEs is as follows:

Zone A	58,903 DUEs
Zone B	3,669 DUEs
Zone C	28,708 DUEs
City-wide	91,280 DUEs

It is this growth among which the cost of the improvements is to be allocated.

The improvement costs of the road improvements needed to accommodate new development total \$157 million. They are allocated among the zones as follows:

Zone A	\$ 98,153,577
Zone B	\$ 8,439,055
Zone C	<u>\$ 50,856,711</u>
TOTAL	\$157,449,343

The study also identified \$12.9 million improvements required to eliminate existing deficiencies. The large majority of these improvements are located in Zone A (North Stockton).

The improvements in each zone are not utilized solely by development in that zone; they are also utilized by trips from and to other zones. The traffic model used in the traffic study identified the portion of the trips in each zone generated by development in each of the zones. This information allows for the equitable allocation of costs of improvements in each zone across the development in all of the zones. This information is used in the table below to calculate the appropriate fee.

FEE CALCULATIONS

ZONE A

Zone A's contribution to Zone A needs:		
	83.8% of \$ 98,153,577 =	\$ 82,252,698
Zone A's contribution to Zone B needs:		
	41.55% of \$ 8,439,055 =	\$ 3,506,427
Zone A's contribution to Zone C needs:		
	24.45% of \$ 50,856,711 =	<u>\$ 12,434,466</u>
Zone A's total responsibility	=	\$ 98,193,591
Zone A's new DUE	= 58,903	
Zone A's cost per DUE = \$ 98,193,591/58,903 DUE	=	<u>\$ 1,667.04</u>

ZONE B

Zone B's contribution to Zone A needs:		
	2.2% of \$ 98,153,577 =	\$ 2,159,379
Zone B's contribution to Zone B needs:		
	6.7% of \$ 8,439,055 =	\$ 565,417
Zone B's contribution to Zone C needs:		
	3.1% of \$ 50,856,711 =	<u>\$ 1,576,558</u>
Zone B's total responsibility	=	\$ 4,301,354
Zone B's new DUE	= 3,669	
Zone B's cost per DUE = \$ 4,301,354/3,669 DUE	=	<u>\$ 1,172.35</u>

ZONE C

Zone C's contribution to Zone A needs:		
	14.0% of \$ 98,153,577 =	\$ 13,741,501
Zone C's contribution to Zone B needs:		
	51.75% of \$ 8,439,055 =	\$ 4,367,210
Zone C's contribution to Zone C needs:		
	72.45% of \$ 50,856,711 =	<u>\$ 36,845,687</u>
Zone C's total responsibility	=	\$ 54,954,398
Zone A's new DUE	= 28,708	
Zone A's cost per DUE = \$ 54,954,398/28,708 DUE	=	<u>\$ 1,914.25</u>

The second component of street improvement costs are for freeways. These costs were determined by the Omni-Means study to be \$94.8 million. Assuming that one half of the costs would be paid by state funding and deducting the local costs to be paid by Measure K, the figure is reduced to \$31.4 million. Since the freeways will benefit all zones, the cost is allocated across all new development equally. The cost is \$329.69 per DUE for freeway/interchange improvements. The last cost to be included in the fee is for studies. A total cost of \$1 million is estimated to fund the present traffic study, the capital SR-99 Corridor Study and project study reports for the identified freeway improvements. The study costs add \$10.96 per DUE.

The total Street Improvement cost per DUE with the inclusion of the "Freeway" portion and the additional funds for "studies" would be as follows:

Zone A (Fee Areas 1 & 2) - \$2,007.60
Zone B (Fee Areas 3 & 4) - \$1,512.91
Zone C (Fee Areas 5 & 6) - \$2,254.81

The Fee will be assessed based on the following general land use categories only and their associated DUE's:

Single Family Residential	1.00 DUE per DU
Multi-Family Residential	0.73 DUE per DU
Lodging	0.78 DUE per Guestroom
General Office	1.23 DUE per 1,000 sq. ft.
Industrial and Warehousing (Office use not to exceed 25% of gross floor area)	0.475 DUE per 1,000 sq. ft.
General Commercial & Office (Downtown area as defined in the in the General Plan)	1.33 DUE per 1,000 sq. ft.
	0.82 DUE per 1,000 sq. ft.

Street Improvements Fee Update

The recommended Street Improvement Fee for each land use in each fee area is presented in the following table:

LANE USE CATEGORY	FEE AMOUNT by FEE AREAS (FA)		
	FA 1 & 2	FA 3 & 4	FA 5 & 6
<u>Residential</u>			
Single Family Detached Per Dwelling Unit	2,007.60	1,512.91	2,254.81
Multi-Family (Attached) Per Dwelling Unit	1,465.55	1,104.42	1,646.01
Lodging Per Guestroom	1,565.93	1,180.07	1,758.75
<u>Non-Residential</u>			
General Office per 1,000 sq. ft.	2,469.35	1,860.88	2,773.42
Industrial and Warehousing per 1,000 sq. ft.	953.61	718.63	1,071.03
General Commercial per 1,000 sq. ft.	2,670.11	2,012.17	2,998.90
Downtown Commercial and Office per 1,000 sq. ft.	N/A	1,240.59	N/A

January 17, 1991

TO: Council Community Development and Planning Committee
FROM: Alan N. Harvey, City Manager
SUBJECT: REVISION TO THE STREET IMPROVEMENT FEES AND
PRESENTATION OF THE ADMINISTRATIVE GUIDELINES

DISCUSSION

Background

In 1985 and 1986, seven land use ballot measures were approved by the voters. The developers of all of these projects were required to prepare Environmental Impact Reports. The six developers in north Stockton hired Recht, Hausrath and Associates to prepare a comprehensive fiscal analysis and infrastructure study of the impacts of the six developments on the area north of the Calaveras River. The report identified, among other things, the necessary impact fees that new development would have to pay to fund such public facilities as fire stations and roadways. The traffic portion of the report was prepared by Omni-Means and identified street improvements needed because of the six ballot measure developments.

This report was completed and transmitted to the Council in December 1987. Portions of this report were included in the EIRs for each of the projects and the entire report was a reference document cited by the EIRs.

Based on the Recht study, the Council on July 11, 1988, established Interim Public Facilities Fees for all development in Stockton. The fees were "interim" because they were based on the work by Omni-Means and Recht for that portion of the City north of the Calaveras River.

On November 9, 1988, the City began collecting the Interim Public Facilities Fees with each new building permit that was issued. The Street Improvement (Traffic) portion of the Fee was based on the needed improvements north of the Calaveras River to accommodate the development of the six ballot measure projects and was set at \$660 for the entire City. (The \$660 figure has since been adjusted to \$708 to account for inflation.) It was assumed that the same type and level of improvements would be needed City-wide based on the study of north Stockton. This assumption was made with the understanding that the improvements and their cost would be evaluated in detail and the Interim Fees revised appropriately prior to becoming permanent.

BASIS FOR PUBLIC FACILITIES FEE

Prepared For:

The City of Stockton

Prepared By:

**RECHT HAUSRATH & ASSOCIATES
URBAN ECONOMISTS
1212 Broadway, Suite 1700
Oakland, California 94612**

August, 1988

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
Mini-Mart	0.1 (45% reduction = 0.0525)

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.

APPENDIX A

STREETS AND INTERSECTIONS

The fee revenue is to be used to construct designated arterial streets and intersections. The initial list of improvements is as follows:

INTERSECTIONS

<u>Intersection</u>	<u>Cost</u>
Kelly Dr/Hammer Lane	\$ 98,447
Thornton/Hammer Lane	11,258
L. Sacramento/Hammer Lane	24,646
El Dorado St/Hammer Lane	41,493
West Lane/Hammer Lane	176,849
I-5 NB Ramps/March Lane	578,948
Pershing Ave/March Lane	54,608
Pacific Ave/March Lane	184,805
West Lane/March Lane	724,709
Feather River/Brookside	100,000
Pacific Ave/Alpine Ave	40,093
West Lane/Harding Way	225,943
I-5 SB Ramps/Eight Mile Rd	206,564
I-5 NB Ramps/Eight Mile Rd	204,057
Thornton Rd/Eight Mile Rd	100,000
Holman/Eight Mile Rd	378,441
Sacramento/Morada Lane	542,863
West Lane/Morada Lane	473,259
Holman/Morada Lane	653,463
Pershing Ave/Hammer Lane	127,693
L. Sacramento/Hammer Lane	218,036
El Dorado St/Hammer Lane	107,929
West Lane/Hammer Lane	330,385
Holman/Hammer Lane	327,352
W. North 99 FRT/Hammer Lane	174,741
Feather River/March Lane	280,769
I-5 SB Ramps/March Lane	50,480
Pershing Ave/March Lane	402,450
Pacific Ave/March Lane	609,145
El Dorado St/March Lane	550,678
West Lane/March Lane	136,664
Holman/March Lane	745,082
Pacific Ave/Alpine Ave	49,125
West Lane/Alpine Ave	768,415
Pacific Ave/Harding Way	42,876

INTERSECTIONS (cont'd)

<u>Intersection</u>	<u>Cost</u>
Eighth St/El Dorado St	*
Airport Way/Industrial Dr	
Industrial Dr/W.99 Frontage Rd	
I-5 SB Ramps/French Camp Rd	
I-5 NB Ramps/French Camp Rd	
Sperry Rd/French Camp Rd (Future)	
El Dorado St/Sperry Rd (Future)	
Airport Way/Arch-Airport Rd	
B St/Arch-Airport Rd (Future)	
Pock Lane/Arch-Airport Rd (Future)	
W. 99 Frontage Rd/Arch-Airport Rd	
E. 99 Frontage Rd/Arch-Airport Rd	
El Dorado St/French Camp Rd	
S.R. 99 SB Ramps/Arch-Airport Rd (Reconstructed Interchange)	
S.R. 99 NB Ramps/Arch-Airport Rd (Reconstructed Interchange)	
El Dorado St/Downing Ave	

* The costs have not yet been estimated for the improvements in south Stockton.

STREETS

<u>Roadway</u>	<u>From</u>	<u>To</u>	<u>Cost</u>
West Lane	Morada Lane	Hammer Lane	\$1,059,176
Morada Lane	Lower Sacramento Rd	West Lane	2,006,978
March Lane	Quail Lakes Dr	Highway 99 FRT	3,803,984
Hammer Lane	Kelly	Highway 99 FRT	4,692,812*
Feather River	Driftwood	Seagull	1,888,926
West Lane	Alpine Ave	Harding Way	768,525
March Lane	Feather River	I-5	2,398
Pacific Ave	Lower Sacramento	Benjamin Holt	648,475
Pacific Ave	March Lane	Bianchi Rd	86,464
Holman Rd	Eight Mile Rd	March Lane	5,089,385
Benjamin Holt	Plymouth	Gettysburg	330,722
Thornton Rd	Future Rd A	Hammer Lane	2,845,584
Eight Mile Rd	West of I-5	I-5	1,047,989
Arch Rd	E City Limits	E 99 FRT Rd	**
Arch Road	E 99 FRT Rd	W 99 FRT Rd	
Arch-Airport	W 99 FRT Rd	Airport Way	
Sperry Rd	Airport Way	French Camp Rd	
French Camp Rd	Sperry Rd	I-5 SB Ramps	
El Dorado	McKinley Ave	I-5	
Airport Way	Sperry Rd	Charter Way	
Pock Lane	Ninth St	W 99 FRT Rd	
B Street	Ralph Ave	Arch-Airport Rd	
Industrial Dr	Airport Way	W 99 FRT Rd	
State Rt 99	Arch-Airport Rd	Charter Way	
Interstate 5	Downing Ave	Charter Way	
Downing Ave	I-5	El Dorado St	
Eighth St	El Dorado St	Airport Way	

*Includes \$1 million for stormwater pumping plant.

** The costs have not yet been estimated for the improvements in south Stockton.

EXISTING DEFICIENCIES*

<u>Intersection</u>	<u>Mitigation Measure</u>	<u>Mitigation Cost</u>
West Lane/ Hammer Lane	Dual eastbound left turn lanes	\$98,447
Pershing Ave./ March Lane	Exclusive northbound and southbound right turn lanes	\$174,083
Pacific Ave./ March Lane	Exclusive northbound	\$57,558
El Dorado Ave./ March Lane	Northbound thru lane	\$71,795
Pacific Ave./ Alpine Ave.	Exclusive westbound right turn lane	\$5,000
El Dorado Ave./ Alpine Ave.	Exclusive westbound right turn lane	\$132,954
West Lane/ Alpine Ave.	Northbound through lane; exclusive westbound right turn lane	\$22,212
Lower Sacramento/ Eight Mile Rd.	Signalize (2 Phase)	\$100,000
West Lane/ Morada Lane	Signalize (3 Phase)	\$100,000
E. North 99 FRT/ Hammer Lane	Signalize (2 Phase)	\$100,000
Pershing Ave./ Park Street	Signalize (3 Phase)	\$100,000
Pershing Ave./ Fremont Street	Signalize (3 Phase)	\$100,000

<u>Roadway</u>	<u>Expand to Six Lanes</u>		<u>Cost</u>
	<u>From</u>	<u>To</u>	
El Dorado Street	Swain Road	Cleveland St.	\$2,464,205
West Lane	Hammertown Lane	Alpine Ave.	2,593,900
March Lane	Grouse Run Dr.	Pershing Ave.	25,182
Pacific Avenue	Bianchi Road	President Dr.	475,548

* Existing deficiencies south of Charter Way have not yet been identified.