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ABSENT: Council Member ADAMS

  
THOMAS E. CROWDER, Mayor

ATTEST:

  
MARY JANE CANTRELL, CMC, City Clerk



**BARTLE WELLS ASSOCIATES**  
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**TO:** David Chase, Joe Donabed, and Barry Siebe  
**FROM:** Doug Dove and Adam Lynch  
**DATE:** July 18, 2006  
**SUBJ:** Update of Hughson's Development Impact Fees

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### **Introduction**

Bartle Wells Associates was engaged by the City of Hughson to analyze existing development impact fees and, if necessary, recommend adjustments. Our analysis was based on the Mitigation Fee Act (California Government Code Section 66000 et seq.) which sets guidelines for local governments when setting and administering impact fees. The act requires that governments:

1. Identify the purpose of the fee;
2. Identify the use of fee revenues;
3. Determine a reasonable relationship between the fee's use and the type of development paying the fee;
4. Determine a reasonable relationship between the need for the fee and the type of development paying the fee; and
5. Determine a reasonable relationship between the amount of the fee and the cost of the facility attributable to development paying the fee.

More generally, a fee may not exceed the cost of the facilities needed to accommodate the new development paying the fee, and fee revenues can only be used for the construction of the facilities identified in the fee calculation.

### **Existing Fees**

Table 1 outlines the existing development impact fees for the City of Hughson. The City collects a public facilities fee to support the cost of providing civic buildings and facilities such as City Hall. It collects a storm drain fee to recover costs associated with the provision of stormwater facilities for new development. The sewer and water fees are assessed in order to recoup both a share of the value of the existing facilities to be shared by all users, as well as the cost associated with the required expansion projects necessary to support new development. The street improvement fee is collected in order to offset the costs of providing new streets and traffic infrastructure to new residents. Finally, there are two parks fees; the park "in-lieu" fee is based on the Quimby Act, which requires that for every 1,000 new residents, at least 3 to 5 acres of park land is set aside. Developers can either set aside this land themselves, or pay the "in-lieu" fee which allows the City to purchase the required parkland on their behalf. The parks development

fee is collected in order to provide the required infrastructure for the development of these parklands.

### **Growth Projections**

We used growth projections included in the 2005 Hughson Municipal Service Review, along with comments and feedback from City staff and local developers, in order to develop our allocation percentages. BWA estimates that there are currently 1,836 residential dwelling units within the City limits (single and multi-), along with approximately 1,032,000 square feet of commercial, industrial, and public/quasi public facilities development. Future development within the City limits will add 478 residential units to this amount, 125 of which will be multi-family housing. The City will also add approximately 637,000 square feet of commercial/industrial/public structures. These growth projections form the foundation of our allocation methodology, allowing us to determine which capital costs should be met by current residents, and which can justifiably be met by future development.

Importantly, some fees require that we allocate costs to **both** residential development and commercial. In some cases (such as with the street, storm drainage, water, and sewer fees) we have detailed master plans, engineering studies, and standardized conversion factors that allow us to estimate current use and project future growth. In other cases (such as with the public facilities and community enhancement fees), in order to facilitate the allocation, it is necessary to convert both dwelling units and commercial development (in square feet) to some common unit. For the purposes of this analysis, we convert into Equivalent Dwelling Units (EDUs). In this case, a single family residence represents one EDU; a multi-family residence 0.6 EDUs. For commercial/retail development, 1,700 square feet is equated with one EDU; for industrial, 3,000 square feet is one EDU; for public and quasi-public facilities, 2,000 square feet equals one EDU.

Table 2 outlines growth projections for the City of Hughson.

### **Capital Improvements**

As a rapidly growing community, the City of Hughson will require significant capital improvements over the next ten years. The current ten-year Capital Improvement Program (CIP) includes over \$55 million in proposed improvements to the streets, sewers, water system, parks, and public facilities. A portion of these costs will be met by current residents of the City, and should be funded through existing departmental budgets. Yet at the same time, a large portion of these improvements are due, directly or indirectly, to the influx of new development in the community, and so a portion of these costs will be met by new growth, through development impact fees.

Table 3 is the current Ten-Year Capital Improvement Program for the City. It includes preliminary project budgets, as well as project-by-project allocations between existing residents and future growth. Generally speaking, replacement projects (such as water main replacements) are allocated completely to existing users, while expansion projects

(such as the proposed upgrade to the wastewater system) are allocated primarily or exclusively to growth.

### **Existing Assets**

In order to estimate the value of existing capital assets in the City, we reviewed the Insured Property Schedule provided by the City. The total value of insured capital assets in the City is \$8.5 million. Approximately \$1.7 million of that total are classified as public facilities, \$2.0 million as water facilities, \$4.5 million as sewer facilities, \$100,000 as streets, \$100,000 as parks, and \$100,000 as storm drainage.

Table 4 is a listing of insured capital assets in the City of Hughson.

### **Public Facilities Impact Fee**

The public facilities impact fee is designed to recover the costs of providing general civic facilities such as City Hall and community centers. Based on the insured values, the existing value of public facilities is approximately \$1.745 million. Future improvements, in the form of new buildings, along with extensive renovations and remodeling, are expected to cost another \$7.295 million (from Table 3). Taken together, the total value—existing and future—of public facilities is estimated at \$9.040 million. Using our weighted growth projections from Table 2, we estimate that 25% of this amount can be recovered from new development. With total weighted growth of 744 EDUs, the cost for one EDU (or one single family residence) is estimated at \$3,050.

Table 5 details the calculation of the public facilities fee and lists the full fee schedule for the public facilities fee.

### **Storm Drainage Impact Fee**

The storm drainage impact fee is designed to recover the costs associated with the provision and expansion of storm drainage infrastructure. One common way to calculate this fee is based on the “impervious area” (or, put another way, the area of roofs and parking lots) added during development. We use standard conversion factors to develop our allocation methodology. A single family residence adds 4,500 square feet of impervious area, a multi-family adds 3,500 square feet, a commercial unit adds 5,231 square feet of impervious area per 1000 square feet of indoor space, and industrial development adds 2,848 square feet of impervious area for every 1,000 square feet of indoor space. These conversion factors are included in Table 6.

Using these values, we estimate that the City of Hughson can be expected to add approximately 4.743 million square feet of impervious area due to new development (See Table 7).

Table 8 summarizes the City’s draft 2005 Stormwater Master Plan projects. Table 9 details the calculation of the storm drain impact fee. We estimate that the total value (existing and future) of storm drainage facilities is approximately \$10,200,000.

Approximate 29% of that amount is allocable to future development. The unit cost is \$0.625 per square foot of new impervious area. For a single family residence, the storm drainage impact fee would be \$2,814.

### **Sewer Impact Fee**

The sewer impact fee is assessed in order to recover the costs of building the infrastructure necessary to extend sewer service to new development. We estimate the current value of existing wastewater infrastructure to be \$14.40 million. Future capital improvements will add another \$14.45 million to this amount.

Importantly, the allocation methodology for this fee differs slightly from others. Because the City anticipates extending wastewater service beyond the City limits to serve future customers, the growth projections are much more robust. In fact, the current sewer system master plan estimates that sewer capacity will have to more than double to meet future demand. As such, 49% (see Table 10) of existing assets are allocated to future development. Moreover, the required capital improvements include over \$10.6 million for expansion of the wastewater treatment plant. These costs should not be born by current ratepayers or residents, as they are due solely to the need to provide capacity for new users. As such, approximately 91% of these future capital improvements are allocated to future development. Table 11 details the calculation of the sewer impact fee.

In total, we estimate that \$20.245 million is allocable to future development. With an estimated addition of 3,545 EDUs, this makes the impact fee for a one EDU single family residence \$5,710.

### **Water Impact Fee**

The water impact fee is assessed in order to recover the costs of building the infrastructure necessary to extend water service to new development. We estimate the existing value of water facilities in the City to be approximately \$7.057 million, with an additional \$17.645 million of future capital improvements (see Table 3). Table 12 summarizes the existing water system assets as of 1991. The 1991 CIP also included \$4.75 million of new water projects.

We allocate these costs in much the same way as with sewer, using growth estimates provided by the water system master plan. In this case, we estimate that 46% of this total value can be recovered from future development.

For the purposes of calculating the fee, we assess the fee based on projected future flows. With a unit cost of \$4.61 per gpd, a single family residence, with an estimated 825 gpd demand, would be assessed a fee of \$3,803. This SFR fee is then escalated based on the size of the water meter installed in new development, using AWWA approved meter ratios. Table 13 outlines the details of the calculation and provides the full proposed fee schedule.

### **Street Improvement Impact Fee**



The street improvement impact fee is assessed to recover the costs associated with providing street and traffic improvements to new development. Table 14 shows that the existing value of the street network in Hughson (depreciated) is approximately \$8.140 million. Future street and traffic projects add another \$7.879 million to this amount, giving a total street valuation of approximately \$16.115 million.

To allocate this value among existing and future users of the system, we use trip generation rates provided by the Institute of Transportation Engineering. These rates allow us to estimate how many Trips per Day are generated by different types of development. Using these rates (included in Table 15), we estimate the total annual trips generated by existing development (both residential and commercial) and future development. These total annual trips, and the resultant allocation is included in Table 16. Our analysis shows that there are a total of approximately 13,660,000 trips per year in the City of Hughson. The total value per trip is \$1.180. As such, the proposed street improvement impact fee for a single family residence is \$4,101. A detailed schedule of street improvement fees is included in Table 16.

#### **Park Development Impact Fee**

The park development impact fee is assessed in order to recover the costs of providing parks for future residents. Based on conversations with City staff, and criteria outlined in the Quimby Act, we estimate that the City of Hughson will add 3 acres of developed park for every 1,000 new residents.

Using the growth figures outlined in Table 2, we estimate that the City will add approximately 1,419 new residents within the City limits. At this desired ratio, this means the City will need to provide approximately 4.26 acres of new parks for these residents. Rough cost estimates from a landscape design firm retained by the City suggest that the cost of developing these parks (exclusive of the cost of purchasing land, see Park In-Lieu Impact Fee), will average around \$500,000 to \$700,000 per acre. This means total park development costs could approach \$2.34 million. Approximately \$1.14 million of this amount is allocable to future development.

These parks will be used almost exclusively for the purposes of providing recreation to City residents and as such, are not allocable to commercial development. Divided among the estimated 428 residential EDUs expected within the City limits (with multi-family residences being assessed the fee at 0.6 EDU), the single family residential park development impact fee is \$2,667. Table 17 details the park development fee calculation.

#### **Park In-Lieu Impact Fee**

The Quimby Act allows the City to require that new development set aside some amount of land (between 3 and 5 acres / 1,000 people) for the purposes of providing park land. Developers have the choice of physically securing suitable land for this set-aside, or paying a park "in-lieu" fee calculated such that the City can use those funds to procure the land itself. For the purposes of this study, we estimate that the cost of providing this

land, in-lieu of dedicating it directly, would be approximately \$200,000 per acre. Using the calculation described above, we estimate that 4.26 acres of park land would cost approximately \$852,000. With 428 new residential EDUs being added, the cost per EDU is \$1,991. Table 18 outlines this calculation.

### **Community Enhancement Impact Fee**

The City does not currently collect a community enhancement impact fee. The purpose of such a fee would be to fund improvements to the City's visual and aesthetic appeal. In particular, it would be collected so that the City can provide new landscaping, signs, statues, and other visible improvements that bring older areas of the City more in line with the newly developed sections.

Preliminary estimates provided by City staff indicate that community enhancement capital improvements could approach \$750,000 over the next five years. With 744 weighted EDUs (residential and commercial) expected within the City limits, the per EDU fee is \$1,008. Table 19 details the calculation of the community enhancement impact fee.

### **Updating the Fees**

BWA recommends that all development impact fees be updated annually to account for changes in the cost of materials and labor. The standard method for updating fees is to index them to changes in the Engineering News Record-Construction Cost Index (ENR-CCI). This index measures changes in the relative cost of building public infrastructure such as roads, sewers, and water systems. The ENR-CCI for the Bay Area as of June 2006 is 8440.73. To calculate the change, City staff should review the ENR-CCI for the Bay Area every June, and adjust the development impact fees by the percent change in the index from the previous June.

### **Implementation**

In a memo dated June 7, 2006, the law firm of Neumiller and Beardslee laid out the steps the City must take in order to pass new development impact fees. They include:

1. At least **14 days** prior to the meeting, notice of the time and place of the meeting must be mailed to any interested party who filed within the past year a written request for mailed notice of any new or increased fees. This mailed notice must contain the following:
  - (a) The date and time of the meeting.
  - (b) A general description of the matter to be considered at the meeting.
  - (c) A statement that the data required by Government Code section 66016 (discussed in item 2 below) regarding the proposed fee is available to the public.
2. At least **10 days** prior to the meeting, data regarding the fee must be



available to the public including the following:

- (a) The amount of cost, or estimated cost, required to provide the service for which the fee is being imposed.
  - (b) The revenue sources anticipated to provide the service, including any General Fund revenue.
3. At least **10 days** prior to the meeting, notice of the date and time of the meeting and a general explanation of the matter to be considered must be published in a newspaper regularly published once a week or oftener.
4. At least **5 days after the above notice** another notice must be published in the same newspaper.
5. The meeting must be a public hearing and must occur during a “regularly scheduled meeting.”
6. DIFs may be imposed through a resolution as long as no city ordinance requires otherwise.
7. The fees are effective 60 days after action by council adopting the fees. (Gov. Code § 66017)

### **Conclusion**

Our analysis recommends adjustments to all seven of the development impact fees currently in place, as well as the addition of a new community enhancement impact fee. The public facilities fee was reduced from \$3,882 to \$3,050. The park development fee also decreased, from \$3,000 to \$2,667. The other fees saw moderate to large increases, primarily due to significant capital improvements that will be required over the next ten years, and new development's share of those improvements. On the whole, a single family residence would now pay total development impact fees of \$25,143, up from a current total of \$16,832.

Table 1

City of Hughson  
Existing Development Impact Fees\*

Fee type	Development Class					
	Residential		Retail	Office	Service	Industrial
	Single Family (per unit)	Multi Family (per unit)				
Public facility	\$3,882	\$2,342	\$5.86	\$3.59	\$2.39	\$1.92
Storm drain	1,233	959	1.13	0.85	1.73	0.71
Sewer	2,357	1,359	2.06	1.27	1.19	1.11
Water	1,902	1,097	1.66	1.03	0.96	0.90
Street improvement	3,191	1,396	10.37	2.99	2.57	1.45
Park development	3,000	0	0.00	0.00	0.00	0.00
Park "In-lieu"	1,267	0	0.00	0.00	0.00	0.00
Total	\$16,832	\$7,153	\$21.08	\$9.73	\$8.84	\$6.09

\*Table reflects fees most usually charged under recent Development Agreements; fee schedule adopted by resolution specifies lower fees, but is disused.

Source: City of Hughson Municipal Service Review, 2005.

Table 2  
City of Hughson  
Existing and Projected Development<sup>1</sup>

	Existing Development			Projected New Development			Total Projected Development		
	Dwelling Units	Square Feet	EDUs <sup>2,3</sup>	Dwelling Units <sup>4</sup>	Square Feet	EDUs <sup>3</sup>	Dwelling Units	Square Feet	EDUs <sup>3</sup>
Single family / mobile home	1,635		1,635	353		353	1,988		1,988
Multi-family	201		121	125		75	326		196
General commercial / retail		237,000	139		397,000	234		634,000	373
Service commercial		0	0		0	0		0	0
Industrial		435,000	145		225,000	75		660,000	220
Public / quasi-public		<u>360,000</u>	<u>180</u>		<u>15,000</u>	<u>8</u>		<u>375,000</u>	<u>188</u>
Total	1,836	1,032,000	2,220	478	637,000	744	2,314	1,669,000	2,964
Proportion	79.3%	61.8%	74.9%	20.7%	38.2%	25.1%	100%	100%	100%

1- Includes only development within City limits.

2 - Single family @ 1 D.U. = 1 EDU; Multi-family @ 1 D.U. = .6 EDUs

3- General commercial/retail @ 1,700 sq. ft. = 1 EDU; Industrial @ 3,000 sq. ft. = 1 EDU.; public @ 2,000 sq. ft. = 1 EDU

4- Less prorated share of replaced existing EDUs; MDR and HDR development included in multi-family.

Source: City of Hughson Municipal Service Review, 2005.

Table 3 City of Hughson 2005-15 Draft Capital Improvement Program												
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Project allocation	
											Total	Existing users
<b>Streets</b>												
Pavement management	\$340,000	\$50,000	\$70,000	\$120,000	\$70,000	\$73,000	\$76,000	\$79,000	\$82,000	\$85,000	\$1,045,000	68%
Hughson Ave TE Projects		\$178,000	\$98,000	\$152,000	\$164,000	\$131,000	\$152,500	\$152,000			\$1,027,500	69%
SR2S Grant Projects			\$204,000	150,000							\$204,000	69%
Sidewalk infill projects	248,000	32,000									430,000	68%
Charles Street project	873,000										873,000	68%
Lebright sidewalk	40,000										40,000	68%
Euclid bridge	300,000	1,500,000									1,800,000	32%
Intersection signalizations			300,000		300,000		300,000		300,000		1,200,000	32%
Whitmore Widening		20,000		750,000							750,000	31%
Traffic grant survey											20,000	68%
Street Master Plan			489,000								489,000	69%
Total streets projects	1,801,000	1,780,000	1,161,000	1,172,000	534,000	204,000	528,500	231,000	382,000	85,000	7,878,500	31%
<b>Water System</b>												
Main replacements	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	\$1,000,000	100%
Water treatment system	100,000	1,500,000	3,000,000	3,000,000							7,600,000	57%
Well 2 replacement	250,000					3,919,700				500,000	4,169,700	0%
Wells 7, 8, 9 installation					1,000,000		1,000,000				1,500,000	100%
Storage tank	1,000,000										2,000,000	57%
Security upgrades		10,000									10,000	43%
System reliability upgrades		125,000	125,000	25,000	25,000	25,000					325,000	57%
TID intertie		50,000	500,000		50,000	50,000					550,000	57%
AMR Meter System		50,000	50,000	50,000	50,000						250,000	43%
Water system master plan	240,600										240,600	57%
Total water system projects	1,690,600	1,835,000	3,775,000	3,175,000	1,175,000	4,094,700	1,100,000	100,000	100,000	600,000	17,645,300	43%
<b>Wastewater System</b>												
Lift station upgrades		50,000	250,000								300,000	49%
Treatment plant upgrades¹	1,500,000	11,300,000									12,800,000	94%
WWTP pre-design report	146,600										146,600	6%
Final Design		850,000									850,000	51%
WWTP master plan		62,000									62,000	49%
Sewer system master plan	296,900										296,900	51%
Total wastewater system projects	1,943,500	12,262,000	250,000								14,455,500	49%
<b>Parks &amp; Recreation</b>												
Slam Park concession	5,000	100,000									105,000	25%
Parks master plan		90,000									90,000	16%
Total parks projects	5,000	190,000									195,000	
<b>Public Facilities</b>												
New buildings and facilities			500,000	1,500,000	3,000,000						5,000,000	75%
Major remodeling & renovation			30,000								30,000	25%
Facility master plan & Design		35,000	250,000								285,000	75%
Gateways		330,000	330,000	330,000	330,000	330,000	330,000				1,980,000	75%
Total facilities		35,000	780,000	1,500,000	3,000,000						7,295,000	25%
Total CIP	\$5,440,100	\$16,102,000	\$5,966,000	\$5,847,000	\$4,709,000	\$4,298,700	\$1,628,500	\$331,000	\$482,000	\$685,000	\$45,489,300	

Source: City of Hughson  
1- Costs and allocations based on Carollo Engineers Dec 2004 Tech Memo, Table 24.

Table 4  
City of Hughson  
Summary Insured Capital Assets

	Insured Value
<b>Public Facilities</b>	
City Hall / Police department	\$928,942
Computer equipment & telephone system	128,321
Senior center	676,554
Storage sheds and other	<u>11,367</u>
Total facilities	\$1,745,184
<b>Water</b>	
Public works garage (1)	39,644
Water tower	181,626
Pump house	136,638
Wells	1,443,675
SCADA system	104,215
Contractor's equipment (1)	7,196
Vehicles (1)	<u>48,940</u>
Total water	\$1,961,934
<b>Sewer</b>	
Public works garage (1)	39,644
Admin & lab building	265,800
Chlorine contact building and equipment	257,285
Generator building	117,415
Sludge building	95,182
Headworks	356,044
Shop buildings	269,690
Clarifier	676,791
Aeration basin	1,541,646
Drying beds	39,622
RAS pump station	404,329
Lift stations	415,868
Contractor's equipment (1)	7,196
Vehicles (1)	<u>48,940</u>
Storage sheds and other	<u>1,911</u>
Total sewer	\$4,537,363
<b>Streets</b>	
Public works garage (1)	39,644
Contractor's equipment (1)	7,196
Vehicles (1)	<u>48,940</u>
Total streets	\$95,780
<b>Parks</b>	
Public works garage (1)	39,644
Contractor's equipment (1)	7,196
Vehicles (1)	<u>48,940</u>
Total parks	\$95,780
<b>Storm Drainage</b>	
Public works garage (1)	39,644
Contractor's equipment (1)	7,196
Vehicles (1)	<u>48,940</u>
Total storm drainage	\$95,780
Total insured value of insured capital assets	\$8,531,819

1- Allocated 20% each to sewer, water, storm drainage, streets, and parks.

Source: PEPIP-CA Property Schedule, 2005.

Table 5  
City of Hughson  
Public Facilities Impact Fee

<b>Existing facilities</b>		
Insured value of existing facilities		\$1,745,000
<b>Future planned facilities</b>		
Draft CIP planned facilities		<u>7,295,000</u>
Total value of public facilities		\$9,040,000
<b>Fee Calculation</b>		
Portion of public facilities allocable to future users	25%	\$2,269,000
Projected future total EDUs <sup>1</sup>		744
Proposed public facilities impact fee (per EDU)		\$3,050
Single family residence		\$3,050
Multi-family residence		\$1,830
Commercial/retail, per 1000 square feet		\$1,794
Industrial/office, per 1000 square feet		\$1,017

1- Costs allocated to both residential and commercial by weighted EDUs; See Table 2



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Table 6

City of Hughson

Proportion of Impervious Surface Area

Development type	Unit	Estimated Impervious Area per Unit (sq. ft)
Single family residential	per dwelling unit	4,500
Multiple family residential	per dwelling unit	3,500
Commercial / retail	per 1,000 square feet	5,231
Industrial / office	per 1,000 square feet	2,848

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Source: 1991 Capital Improvements Program and Funding Study.

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City of Hughson  
Existing and Projected Impervious Area<sup>1</sup>

1- Includes only development within City limits.

3- Less prorated share of replaced existing EDUs; MDR and HDR development included in multi-family.

Source: City of Hughson Municipal Service Review, 2005.

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Table 8  
City of Hughson  
Summary of Draft 2005 Stormwater Master Plan

Project	Projected Cost
Tully Road South	\$228,542
Tully Downtown sub-area	444,825
Euclid North	1,937,073
Euclid South	<u>3,327,450</u>
Total	\$5,937,890

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Source: Draft 2005 Master Storm Drain Plan,  
Hawkins & Associates Engineering.

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Table 9

## City of Hughson

## Storm Drainage Impact Fee

	Acquisition Cost	Acquisition Date <sup>1</sup>	Inflation Factor <sup>2</sup>	Replacement Cost New	Accumulated Depreciation <sup>3</sup>	Current Value
<b>Existing facilities</b>						
1991 CIP projects	3,851,000	1995	1.290	4,968,000	994,000	\$3,974,000
Insured value of existing facilities						96,000
<b>Future planned facilities</b>						
Stormwater meter plan						192,700
Draft master storm drain plan 2005 planned facilities						<u>5,938,000</u>
Total value of storm drainage facilities						\$10,200,700
<b>Fee Calculation</b>						
Portion of storm drainage facilities allocable to future users <sup>4</sup>					29%	\$2,967,000
Fee per square foot of new impervious area				4,744,000 sq. ft.		\$0.625
<b>Proposed Storm Drainage Impact Fees</b>					Impervious area	Fee
Single family residential, per dwelling unit					4,500	\$2,814
Multiple family residential, per dwelling unit					3,500	2,189
Commercial / retail, per 1,000 square feet					5,231	3,272
Industrial / office, per 1,000 square feet					2,848	1,781

1- Estimated weighted-average acquisition date.

2- Calculated from ENR construction cost index (CCI).

3- Estimated based on assumed 50-year useful life.

4- Based on projected impervious area due to new development; see table 7.

Table 10  
City of Hughson  
Existing and Projected Water and Wastewater Capacity

<b>Water</b>	Average Water Demand (gpd)		
	Current	Growth	Build-out
Residential	1,301,000	952,000	2,253,000
Commercial / Industrial	<u>509,000</u>	<u>1,491,000</u>	<u>2,000,000</u>
Total	1,810,000	2,443,000	4,253,000
Proportion	43%	57%	100%

<b>Wastewater</b>	Current	Growth	Build-out
Average flow (mgd)	0.82	0.78	1.6
EDUs <sup>1</sup>	3,727	3,545	7,273
Proportion	51%	49%	100%

1- Assumes 220 gpd per EDU.

Sources:

Water System Master Plan, 2003 (Thompson-Hysell)  
Wastewater Treatment Plant TM, Carollo Engineers, 2004.

Table 11

City of Hughson  
Sewer Impact Fee

	Value	Allocation to Growth <sup>2</sup>	Allocated Value
<b>Existing facilities</b>			
Existing assets <sup>1</sup>	\$14,400,000	49%	\$7,020,000
<b>Future planned facilities</b>			
Draft CIP planned facilities <sup>3</sup>	<u>14,455,500</u>	91%	<u>13,225,000</u>
Total value of wastewater facilities	\$28,855,500	70%	\$20,245,000
<b>Fee Calculation</b>			
Allocated value per EDU of growth		3,545 EDUs	\$5,710
<b>Proposed Sewer Impact Fee</b>			
<u>Type of connection</u>	<u>Unit</u>	<u>EDUs</u>	<u>Sample Connection</u>
Residential	Dwelling Unit	1.00	1
Business/Government	Each 10 employees	1.00	1
Restaurants	Each seat	0.04	80
Supermarkets	Each business	5.00	1
Self-service laundry	Each washing machine	0.47	15
Church 1-100	Each church	1.00	1
Church 100+	Each church	1.20	1
Elementary/Junior High Schools	Average attendance	0.02	150
High Schools	Average attendance	0.04	500
			\$5,710
			\$5,710
			\$18,272
			\$28,551
			\$40,256
			\$5,710
			\$6,852
			\$17,130
			\$114,203

1- Based on Carollo Technical Memorandum, December 2004.

2- Based on allocations shown in Table 3.

3- See Table 3.



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Table 12  
City of Hughson  
Summary of Existing Water Assets - 1991 Replacement Costs

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Trunk Lines	\$464,000
Wells	560,000
Standby Power	45,000
Engineering & Contingencies	<u>432,000</u>
Total	\$1,501,000

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Source: 1991 Capital Improvements Program

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Table 13

## City of Hughson

## Water Impact Fee

	Acquisition Cost	Acquisition Date <sup>1</sup>	Inflation Factor <sup>2</sup>	Replacement Cost New	Accumulated Depreciation <sup>3</sup>	Current Value	Allocation to Growth <sup>4</sup>	Allocated Value
<b>Existing facilities</b>								
1991 CIP projects	4,754,000	1995	1.290	6,133,000	1,227,000	\$4,906,000	57%	\$2,818,000
1991 existing assets	1,501,000	1991	1.360	2,041,000	408,000	1,633,000	57%	938,000
Insured value of existing facilities <sup>5</sup>						518,000	57%	298,000
<b>Future planned facilities</b>								
Draft CIP planned facilities						<u>17,645,000</u>	41%	<u>7,207,000</u>
Total value of water facilities						\$24,702,000		\$11,261,000
<b>Fee Calculation</b>								
Allocated value per gpd water demand						Projected new flow (gpd)		Fee per gpd
						2,443,000		\$4.61

## Proposed Water Impact Fees

Meter Size	Factor	Fee
5/8 x 3/4 <sup>6</sup>	1	\$3,803
3/4	1.5	\$5,705
1	2.5	\$9,508
1 1/2	5	\$19,015
2	8	\$30,424
3	15	\$57,045
4	25	\$95,075
6	50	\$190,150
8	80	\$304,240
10 & 12	115	\$437,345

1- Estimated weighted-average acquisition date.

2- Calculated from ENR construction cost index (CCI).

3- Estimated based on assumed 50-year useful life.

4- Based on allocations shown in Table 3.

5- Excludes wells, which are included in 1991 existing asset value.

6- Assumes 825 gpd residential water demand on a 5/8" x 3/4" meter (250 gpd / capita x 3.3 person / DU)

Table 14  
City of Hughson  
Valuation of Street Network

Road type	Replacement Value <sup>1</sup>	Square Feet <sup>2</sup>	Undepreciated Value
Arterial	\$3.89	1,043,501	\$4,058,000
Collector	3.33	1,097,239	3,657,000
Residential / local	<u>2.78</u>	<u>1,028,475</u>	<u>2,857,000</u>
Total	3.34	3,169,215	\$10,572,000

Assessed street network condition <sup>3</sup>	77
Depreciated existing street network value	\$8,140,000
Planned future street expansion projects <sup>4</sup>	7,878,500
Insured street-related assets <sup>5</sup>	<u>96,000</u>
<b>Total existing and planned street network valuation</b>	<b>\$16,114,500</b>

1- Per square foot, as reported in Nichols 2002 Pavement Management System report.

2- As reported in Nichols 2002 Pavement Management System report.

3- Network condition scored on a 100-point scale.

4- From 2005 Draft CIP; see Table 3.

5- See Table 4.

Table 15  
City of Hughson  
Traffic Trip Generation Rates

		Daily Trips per Unit*	Days per Week	Total Annual
Development type	Unit			Trips per Unit
Single family residential	per dwelling unit	9.55	7	3,476
Multiple family residential	per dwelling unit	6.47	7	2,355
Commercial / retail	per 1,000 square feet	18	6	5,616
Industrial / office	per 1,000 square feet	9	5	2,340

\*From ITE Trip Generation Manual. Commercial and industrial trip rates can vary widely; these are average rates for these development classes.

Table 16

City of Hughson  
Street Network Impact Fee

	Existing Development		Future Development		Total Development	
	Units	Annual Trips Generated <sup>1</sup>	Units	Annual Trips Generated <sup>1</sup>	Units	Annual Trips Generated <sup>1</sup>
Single family residential	1,635	5,683,000	353	1,227,000	1,988	6,910,000
Multiple family residential	201	473,000	125	294,000	326	767,000
Commercial / retail	237	1,331,000	397	2,230,000	634	3,561,000
Industrial / office <sup>2</sup>	795	1,860,000	240	562,000	1,035	2,422,000
<b>Total</b>		<b>9,347,000</b>		<b>4,313,000</b>		<b>13,660,000</b>
Total existing and planned street network valuation						\$16,114,500
Valuation per annual trip generated						\$1.180
<b>Proposed Street Network Impact Fees</b>						
Single family residential, per unit						\$4,101
Multiple family residential, per unit						2,778
Commercial / retail, per 1,000 square feet						6,625
Industrial / office, per 1,000 square feet						2,760

1- From annual trip rates as shown in Table 15.

2- Includes public / quasi-public development.

Table 17  
City of Hughson  
Park Development Impact Fee

	<u>Area</u>	<u>Cost / acre<sup>1</sup></u>	<u>Total cost</u>	<u>Allocation to growth</u>
<b>Future Park Development</b>				
Parks master plan	N/A	N/A	90,000	16%
Euclid North	1.36	500,000	\$680,000	50%
Fontana Ranch	0.45	775,000	348,750	50%
Future park development	<u>2.45</u>	500,000	<u>1,225,000</u>	<u>50%</u>
	4.26		2,343,750	
Total allocated value to growth <sup>2</sup>				\$1,141,275
Projected future residential EDUs <sup>3</sup>				428
Projected parks development fee (single family residence)				\$2,667
Projected parks development fee (multi-family residence)				\$1,600

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1 - Estimated based on May 2006 memo from Design, Community & Environment, the firm that developed the City's 2005 General Plan

2 - Park development costs allocable 100% to future residential development

3 - See Table 2, includes multi-family units at .6 EDUs per unit

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Table 18  
City of Hughson  
Park In-Lieu Fee

	Area	Cost / acre*	Total Cost	Allocation to growth
<b>Future Park Land Requirements</b>				
Euclid North <sup>1</sup>	1.36	\$200,000	\$272,000	100%
Fontana Ranch <sup>1</sup>	0.45	200,000	90,000	100%
Future park land purchases <sup>2</sup>	<u>2.45</u>	200,000	<u>490,000</u>	<u>100%</u>
	4.26		\$852,000	100%
Total allocated value to growth <sup>3</sup>				\$852,000
Projected future residential EDUs <sup>4</sup>				428
Projected park in-lieu fee (single family residence)				\$1,991
Projected park in-lieu fee (multi-family residence)				\$1,194

\* Estimated by Bartle Wells based on anecdotal evidence

1 - Costs from May 2, 2006, DCE Memo

2 - Assumes population growth in city limits of 1,224 and desired ratio of 3 acres/1,000 residents

3 - Park in-lieu costs allocable 100% to future residential development

4 - See Table 2, includes multi-family housing at .6 EDUs per unit

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Table 19  
City of Hughson  
Community Enhancement Fee

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Preliminary estimate community enhancement costs <sup>1</sup>	\$750,000
Projected future total EDUs <sup>2</sup>	744
Proposed Community Enhancement Fee (per EDU)	\$1,008
Single family residence	\$1,008
Multi-family residence	\$605
Commercial/retail, per 1000 square feet	\$593
Industrial/office, per 1000 square feet	\$336

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1 - Estimated by BWA based on descriptions in the City of Hughson General Plan Dated May 27, 2005, pages LU-1 through LU-8.

2 - Costs allocated to both residential and commercial by weighted EDUs; See Table 2

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Table 20  
City of Hughson  
Summary of Development Impact Fees for Single Family Residence

<b>Fee type</b>	<b>Current</b>	<b>Proposed</b>
Public facility	\$3,882	\$3,050
Storm drainage	1,233	2,814
Sewer	2,357	5,710
Water	1,902	3,803
Street improvement	3,191	4,101
Park development	3,000	2,667
Park in-lieu	1,267	1,991
<u>Community enhancement</u>	<u>0</u>	<u>1,008</u>
<b>Total</b>	<b>\$16,832</b>	<b>\$25,143</b>

# Affidavit of Publication

STATE OF CALIFORNIA } ss.  
County of Stanislaus

RUTH REYES

Here-un-to being first duly sworn, deposes and says that all time hereinafter mentioned he/she was a citizen of the United States over the age of twenty-one (21) years, and doing business in said county, not interested in the matter of the attached publication, and is competent to testify in said matter, that he/she was at and during all said time the principal clerk to the printer and publisher of the

HUGHSON CHRONICLE/DENAIR DISPATCH

a legal newspaper of general circulation published weekly in Hughson in said County of Stanislaus, State of California: that said

HUGHSON CHRONICLE/DENAIR DISPATCH

is and was at all times herein mentioned, a newspaper of general circulation as that term is defined by Section 6000 of the Government Code, and as provided by said section and so adjudicated by Decree No. 41926 by the Superior Court of Stanislaus County, State of California, is published for the dissemination of local and telegraphic news and intelligence of a general character, have a bonafide subscription list of paying subscribers, and is not devoted to the interest, or published for the entertainment or instruction of a particular class, profession, trade, calling, race or denomination: or for the entertainment and instruction of any number of such classes, professions, trades, callings, races or denominations: that at all times said newspaper has been established, in Hughson; in said County and State, at regular intervals for more than one year preceding the first publication of the notice herein mentioned, that said notice was set in type not smaller than nonpareil and was preceded with words printed in blackface type not smaller than nonpareil, describing and expressing in general terms, the purport and character of the notice intended to be given

Notice considering adoption of development impact mitigation fees.

of which named annexed is a printed copy, was published and printed in said

HUGHSON CHRONICLE

at least 2 times, commencing on the 27th day of June 2006 and ending on the the 18th day of July 2006 the day inclusive, and as often during said time as said newspaper was regularly issued, to wit:

June 26, 2006

July 18, 2006

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 18th day of July 2006.

\_\_\_\_\_  
PRINCIPAL CLERK OF THE PRINTER

## Hughson Chronicle

LEGAL# 7474

NOTICE OF PUBLIC HEARING  
BY THE HUGHSON CITY  
COUNCIL

For Consideration of Adoption  
of Development Impact  
Mitigation Fees

NOTICE IS HEREBY GIVEN that a public hearing will be held by the HUGHSON CITY COUNCIL on Monday, July 24, 2006 7:00 P.M. or as soon thereafter as the normal course of business permits, in the City Council Chambers, 7018 Pine Street, Hughson, California, to consider the following:  
Adoption of Resolution No. 06-113 Establishing Development Impact Mitigation Fees for the City of Hughson. Fees areas under consideration are as follows:

- 1) Public Facilities
- 2) Storm Drainage
- 3) Sewer Impact
- 4) Water Impact
- 5) Streets
- 6) Parks Development
- 7) Community Enhancement

Testimony from interested persons will be heard and duly considered prior to taking action on said Resolution. Any material which is submitted (i.e. photographs, maps, petitions, letters, etc.) cannot be returned. Please address correspondence to the City Council, City Hall, P.O. Box 9, Hughson, CA 95326. If a challenge is made in court to the above request, persons may be limited to raising only those issues they or someone else raised at the Public Hearing described in this notice, or prior to, the Public Hearing. For further information, please call (209) 883-4054.

Date: June 19, 2006

By: Mary Jane Cantrell, CMC,  
City Clerk

Published Dates: 6/27/06 7/18/06



7018 Pine Street/P.O. Box 9 \* Hughson, California 95326 \* (209) 883-4054 \* Fax (209) 883-2638  
[www.Hughson.org](http://www.Hughson.org)

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DATED: June 19, 2006.

CITY OF HUGHSON

By   
MARY JANE CANTRELL, CMC, City Clerk

**CITY COUNCIL**

**Thomas E. Crowder**  
Mayor

**Kenneth A. Moore**  
Mayor Pro Tem

**Greg Adams**  
Council Member

**Stephen Qualls**  
Council Member

**Ramon Bawanan**  
Council Member

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**Barry Siebe**  
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& Building

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