

# CITY OF SIERRA MADRE

## PUBLIC FACILITIES FEE STUDY



JULY 6, 2006

Final Draft



*Oakland Office*

1700 Broadway  
6<sup>th</sup> Floor  
Oakland, California 94612  
Tel: (510) 832-0899  
Fax: (510) 832-0898

Anaheim, CA  
Industry, CA  
Jacksonville, FL  
Lancaster, CA  
Oakland, CA

Phoenix, AZ  
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## EXECUTIVE SUMMARY

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This report summarizes an analysis of the need for public facilities and capital improvements to support future development within the City of Sierra Madre through 2025. It is the City's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis of the City's public facilities fee program are divided into the fee categories listed below.

- ◆ General Government
- ◆ Library
- ◆ Public Safety
- ◆ Parks
- ◆ Transportation
- ◆ Water
- ◆ Sewer

## BACKGROUND AND STUDY OBJECTIVES

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to complete a comprehensive fee study and determine the maximum justified public facilities fee levels to impose on new development to maintain the City's facilities standard. The City should review and update this report and the calculated fees once every five years to incorporate the best available information.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the public facilities fees presented in the fee schedules contained herein.

## DEMOGRAPHIC ASSUMPTIONS

To estimate facility needs, this study uses residential and household population data provided by the California Department of Finance, the U.S. Census, and the City of Sierra Madre. The population projection for 2025, an expected increase of 753 residents, is derived from estimates by City staff. Current employment figures were based on data provided by the State of California Employment Development Department (EDD) and the Southern California Association of Governments (SCAG). The Downtown Specific Plan technical appendices provided projected employment building square feet. Employment for 2025 was derived from the projected employment square footage using the occupant density factors in **Table E.1**. The development projections used in this analysis are summarized in **Table E.2**.

**Table E.1: Occupant Density**

<u>Residential</u>		
Single Family	2.48	Residents per dwelling unit
Multi-family	1.55	Residents per dwelling unit
<u>Nonresidential</u>		
Commercial	2.50	Employees per 1,000 square feet
Office	3.33	Employees per 1,000 square feet
Industrial	1.67	Employees per 1,000 square feet

Source: 2000 Census, Tables H31-H33; California Department of Finance (DOF), MuniFinancial.

**Table E.2: Demographic Assumptions**

	2005	2025	Increase
Residents <sup>1</sup>	11,146	11,899	753
Dwelling Units <sup>1</sup>			
Single Family	3,600	3,700	100
Multi-family	1,330	1,656	326
Total	4,930	5,460	530
Employment <sup>2,3</sup>			
Commercial	500	998	497
Office	479	552	73
Industrial	149	149	-
Subtotal	1,128	1,698	570
Other <sup>4</sup>	58	58	-
Total	1,186	1,756	570
Building Square Feet (000s) <sup>5</sup>			
Commercial	200	399	199
Office	144	166	22
Industrial	89	89	-
Total	433	654	221

<sup>1</sup> California Department of Finance (DOF); City of Sierra Madre.

<sup>2</sup> Excludes state employment, including prison employment.

<sup>3</sup> Estimates by land use type for 2005 based on employment data provided from EDD by North American Industry Classification System (NAICS) category.

<sup>4</sup> Represents government and other institutional employment.

<sup>5</sup> Based on employment by land use and occupant density shown in Table 2.1.

Sources: California Department of Finance (DOF), Table E-5, 2005; City of Sierra Madre; Downtown Specific Plan Technical Appendices; Quarterly Census of Employment and Wages (QCEW) Program, November 2005, Revised, California Employment Development Department (EDD); Employment Density Study Summary Report, prepared by the Natelson Company, October 2001; MuniFinancial.

## FACILITY STANDARDS AND COSTS OF GROWTH

This fee analysis primarily uses the City's existing facilities standards to determine the costs to accommodate growth. Under this approach new development funds the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through an annual capital improvement plan and budget process. The only exceptions to this method are park facilities, which use the planned facilities approach under the authority of the Quimby Act. The Quimby Act allows a city to require developers to dedicate at least three acres and up to five acres per 1,000 residents, if the city's existing park standard as of the last Census justifies the higher level.

This study distinguishes between the share of planned facilities needed to accommodate growth and the share that serves existing residents and businesses. New development can only fund its fair share of facilities. To ensure compliance with the law, this study ensures that there is a reasonable relationship between new development, the amount of the fee, and facilities funded by the fee.

## FEE SCHEDULE SUMMARY

**Table E.3** summarizes the schedule of maximum justified public facilities fees based on the analysis contained in this report. The City may adopt any fee up to those shown in the table. If the City adopts a lower fee then it should consider reducing the fee for each land use by the same percentage. This approach would ensure that each new development project would fund the same proportionate share of public facilities costs. This table summarizes the highest possible fee level analyzed in this report assuming the Quimby Act standard for park facilities.

**Table E.3: Proposed Public Facilities Fee Summary**

Land Use	General Government	Library	Public Safety	Parks (Quimby) <sup>1</sup>	Traffic	Water	Sewer	Total
<i>Residential</i>								
<i>(Fee per Dwelling Unit)</i>								
Single Family	\$ 1,812	\$ 1,049	\$ 1,417	\$ 9,477	\$ 3,712	\$ 8,677	\$ 9,963	\$ 36,107
Multi-family	1,129	654	883	5,908	2,969	3,604	2,481	17,628
<i>Nonresidential</i>								
<i>(Fee per 1,000 Building Square Feet)</i>								
Commercial	\$ 439	N/A	\$ 342	N/A	\$ 9,223	\$ 2,300	\$ 2,037	\$ 13,560
Office	584	N/A	456	N/A	8,139	2,300	2,037	13,516
Industrial	293	N/A	228	N/A	2,973	1,913	1,697	7,104

Note: Fees per dwelling unit, per 1,000 square feet for nonresidential.

<sup>1</sup> Represents the highest possible fee charged to new development using the Quimby Standard that is applied to subdivisions. The highest justified fee using the Mitigation Fee Act is \$8,154.

Sources: Tables 3.4, 4.4, 5.4, 6.8a and b, 7.8, 8.5, and 9.5; MuniFinancial.

# 1. INTRODUCTION

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This report presents an analysis of the need for public facilities to accommodate new development in the City of Sierra Madre. This chapter explains the study approach and summarizes results under the following sections:

- ◆ Background and study objectives;
- ◆ Public facilities financing in California;
- ◆ Public facilities planning and financing in Sierra Madre;
- ◆ Organization of the report; and
- ◆ Facility standards approach.

## BACKGROUND AND STUDY OBJECTIVES

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to complete a comprehensive fee study and determine the maximum justified public facilities fee levels to impose on new development to maintain the City's facilities standard. The City should review and update this report and the calculated fees once every five years to incorporate the best available information.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the public facilities fees presented in the fee schedules contained herein.

## PUBLIC FACILITIES FINANCING IN CALIFORNIA

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- ◆ The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- ◆ Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- ◆ Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have adopted a policy of "growth pays its own way". This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand,



are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

## **PUBLIC FACILITIES PLANNING AND FINANCING IN SIERRA MADRE**

The City of Sierra Madre has a number of existing infrastructure needs, as well as a potential need to expand existing infrastructure to meet the demands of community growth. Existing funding sources have not allowed for master planning at a level sufficient to develop either an exhaustive list of infrastructure projects or a phasing or scheduling plan for such projects. Preliminary ideas on facility needs are described in the “Facility Needs and Costs” section of each chapter.

Nevertheless, there are known infrastructure issues that will need to be addressed through master planning efforts. A suggested use of fee revenues would be to fund master planning to more specifically identify capital facilities necessary to serve new development. Fee revenues can fund that portion of master plan costs associated with facilities to serve growth. Upon completion of the master planning effort and the identification of capital facilities needed to accommodate growth, the City should update its public facilities fee program to include these new projects and any financing costs that may be required to construct facilities when needed.

Through the process of preparing master plans, the City may choose to raise its facilities standards above the existing levels. These increased facility standards would then be documented in the fee update. In this situation, new development would pay a fee based on this higher standard. However, using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The City would have to secure non-fee funding for that portion of planned facilities required to correct the deficiency caused by this higher standard.

By nature, public facilities fee programs are constrained by rates of growth and the timing of revenue collection. Since public facilities fees represent a pay-as-you-go system, cities may confront the problem of only being able to partially fund large projects with fee revenues at the time of project implementation. Therefore, facilities needs may require alternative financing options in order to implement projects in a timelier manner. The cost of financing (e.g. interest payments) can legitimately be included into the public facilities fee.

By using fee revenues to fund a master planning effort and updating the fee to reflect the identified projects and possible financing costs, the City will maximize its ability to maintain its facilities standard and fund the capital facilities necessary to serve new development.

Finally, all fee-funded capital projects should be programmed through the City’s 5-year Capital Improvement Plan (CIP). Using a CIP can help the City of Sierra Madre identify and direct its fee revenue to public facilities projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City of Sierra Madre identifies the use for fee revenues as expressly required by the Mitigation Fee Act.

## ORGANIZATION OF THE REPORT

The determination of a public facilities fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis of different facility categories, and are summarized in Chapter 2.

Chapters 3 through 9 are devoted to documenting the maximum justified public facilities fee for each of the following eight facility categories:

- ◆ General Government
- ◆ Library
- ◆ Public Safety
- ◆ Parks
- ◆ Transportation
- ◆ Water
- ◆ Sewer

Chapter 10 details the procedures that the City must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code* Section 66016.

The five statutory findings required for adoption of the proposed public facilities fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025) are summarized in Chapter 11.

## FACILITY STANDARDS APPROACH

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards also may be expressed in monetary terms such as the replacement value of facilities per capita. The adopted facility standard is a critical component in determining new development's need for new facilities and the amount of the fee. Standards determine new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with existing development.

### ***TYPES OF FACILITY STANDARDS***

Facility standards can be categorized into three main “types”: demand, design, and cost standards. The following describes each of these types.

- ◆ *Demand standards* determine the amount of facilities required to accommodate growth – for example, park acres per 1,000 residents, traffic level of service, and gallons of water per day per dwelling unit
- ◆ *Design standards* determine how a facility should be designed to meet expected demand – for example park improvement requirements, street intersection design, and water storage needs.

- ◆ *Cost standards* determine the cost per unit of demand based on the estimated cost of facilities – for example cost per capita, cost per vehicle trip, or cost per gallon of water per day.

### ***DETERMINING FACILITY STANDARDS***

The most commonly accepted approaches to determining a facility standard are described below.

- ◆ The **existing inventory method** uses a facility standard based on the ratio of existing facilities to the existing development. Under this approach new development funds the expansion of facilities at the same rate that existing development has provided facilities to date. By definition, the existing inventory method does not consider facility deficiencies attributable to existing development. To increase facility standards the jurisdiction must secure funding in addition to development fees.
- ◆ The **system plan method** calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.
- ◆ The **planned facilities method** calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

### ***THE TYPES AND APPROACHES USED IN THIS STUDY***

The type of facility standard calculated in this study is primarily the cost standard. The exception to the use of a cost standard in this study is the planned facilities standard used to calculate parkland facilities fees under the authority of the Quimby Act. The Quimby Act allows cities to require subdivisions to dedicate parkland or pay a fee in lieu of dedication as a condition of approval of a tentative or parcel map, regardless of the existing standard. A city can require developers to dedicate more than three acres and up to five acres per 1,000 residents only if the city's existing park standard as of the last Census justifies the higher level.

This study uses the existing inventory approach to determine facility standards for public facilities with the exception of park fees, which use a planned facilities standard. Under the existing inventory approach, new development would contribute to the cost of

improvements in proportion to the level of investment made to date by existing development for facilities.

## 2. DEMOGRAPHIC ASSUMPTIONS

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To assist in determining the appropriate fee structure, existing development estimates and new development growth projections are used. Projected new development is estimated using the existing service population in 2005 as a base year with a planning horizon through the year 2025.

### SERVICE POPULATION, EQUIVALENT DWELLING UNITS, AND TRIPS

Different types of new development use public facilities at different rates in relation to each other, depending on the services provided. In Chapters 3 through 6, a specific service population is identified for each facility category to reflect total demand. The service population weights residential land use types against nonresidential land uses based on the relative demand for services between residents and workers. Chapter 7 uses trip generation by use classification to determine the transportation fees. Chapters 8 and 9 use flow generation linked to an EDU factor that weights each land use type against on single-family unit's demand for water and sewer services.

### LAND USE TYPES

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use classifications. The land use types used in this analysis are defined below.

- ◆ **Single family:** Attached and detached one-family dwelling units; and
- ◆ **Multi-family:** All attached single family dwellings such as duplexes and condominiums, plus mobile homes, apartments, and dormitories.
- ◆ **Commercial:** All commercial, retail, educational, and hotel/motel development.
- ◆ **Office:** All general, professional, and medical office development.
- ◆ **Industrial:** All manufacturing and warehouse development.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the public facilities fee would be calculated separately for each land use type.

The City should have the discretion to impose the public facilities fee based on the specific aspects of a proposed development regardless of the zoning designation where project will be located. Should the project be located in an area that is not zoned as any of the above stated land use types, the guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot, to determine which fee will be charged. The fee imposed should be based on the

land use type that most closely represents the probable occupant density of the development.

## OCCUPANT DENSITIES

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. To do this, they must vary by the estimated service population generated by a particular development project. Developers pay the fee based on the number of additional housing units or building square feet of nonresidential development, so the fee schedule must convert service population estimates to these measures of project size. This conversion is done with average occupant density factors by land use type, shown in **Table 2.1**.

The residential occupant density factors are derived from the 2000 U.S. Census Bureau's Tables H-31 through H-33. Table H-31 provides vacant housing units data, while Table H-32 provides information relating to occupied housing. Table H-33 documents the total 2000 population residing in occupied housing. The US Census numbers are adjusted by using the California Department of Finance (DOF) estimates for January 1, 2005, and the most recent State of California data available. The nonresidential density factors are based on *Employment Density Study Summary Report*, prepared for the Southern California Association of Governments, October 2001 by The Natelson Company. For example, the industrial density factor represents an average for light industrial, heavy industrial, and warehouse uses likely to occur in the City.

**Table 2.1: Occupant Density**

<u>Residential</u>		
Single Family	2.48	Residents per dwelling unit
Multi-family	1.55	Residents per dwelling unit
<u>Nonresidential</u>		
Commercial	2.50	Employees per 1,000 square feet
Office	3.33	Employees per 1,000 square feet
Industrial	1.67	Employees per 1,000 square feet

Source: 2000 Census, Tables H31-H33; California Department of Finance (DOF), MuniFinancial.

## DEMOGRAPHIC ASSUMPTIONS FOR CITY OF SIERRA MADRE

**Table 2.2** summarizes the demographic assumptions used in this analysis. The base year for this study is the year 2005. The existing facilities in 2005 will make up the existing facilities standard in our study.

The base year residential estimate is calculated using the California Department of Finance (DOF) January 1, 2005 estimates. The population projection for 2025, an expected increase of 753 residents, is derived from estimates by City staff. Current employment figures were based on data provided by the State of California Employment Development Department (EDD) and the Southern California Association of Governments (SCAG). The Downtown Specific Plan technical appendices provided projected employment building square feet. Employment for 2025 was derived from the projected employment square footage using the occupant density factors in Table 2.1.

**Table 2.2: Demographic Assumptions**

	2005	2025	Increase
Residents <sup>1</sup>	11,146	11,899	753
Dwelling Units <sup>1</sup>			
Single Family	3,600	3,700	100
Multi-family	1,330	1,656	326
Total	4,930	5,460	530
Employment <sup>2,3</sup>			
Commercial	500	998	497
Office	479	552	73
Industrial	149	149	-
Subtotal	1,128	1,698	570
Other <sup>4</sup>	58	58	-
Total	1,186	1,756	570
Building Square Feet (000s) <sup>5</sup>			
Commercial	200	399	199
Office	144	166	22
Industrial	89	89	-
Total	433	654	221

<sup>1</sup> California Department of Finance (DOF); City of Sierra Madre.

<sup>2</sup> Excludes state employment, including prison employment.

<sup>3</sup> Estimates by land use type for 2005 based on employment data provided from EDD by North American Industry Classification System (NAICS) category.

<sup>4</sup> Represents government and other institutional employment.

<sup>5</sup> Based on employment by land use and occupant density shown in Table 2.1.

Sources: California Department of Finance (DOF), Table E-5, 2005; City of Sierra Madre; Downtown Specific Plan Technical Appendices; Quarterly Census of Employment and Wages (QCEW) Program, November 2005, Revised, California Employment Development Department (EDD); Employment Density Study Summary Report, prepared by the Natelson Company, October 2001; MuniFinancial.



### 3. GENERAL GOVERNMENT

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The purpose of the fee is to ensure that new development funds its fair share of general government facilities. The City will use fee revenues to expand general facilities to accommodate new development. General government facilities include, but are not limited to, government administrative offices (e.g. City Hall), city-owned vehicles, and city storage facilities. A fee schedule is presented based on the cost of these facilities to ensure that new development provides adequate funding to meet its needs.

#### SERVICE POPULATION

General government facilities serve both residents and businesses. Therefore, demand for services and associated facilities is based on the City’s service population including residents and workers.

**Table 3.1** shows the estimated service population in 2005 and 2025. In calculating the service population, workers are weighted less than residents to reflect a lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.24-weighting factor for workers is based on a 40-hour workweek divided by the total number of hours in a week (168).

**Table 3.1: General Government Facilities Service Population**

	Residents	Workers	Service Population
Existing (2005)	11,146	1,186	11,431
New Development (2005-2025)	<u>753</u>	<u>570</u>	<u>890</u>
Total (2025)	11,899	1,756	12,321
Weighting factor	1.00	0.24	

Note: Workers are weighted at 0.24 of residents based on a 40 hour work week out of a possible 168 hours in a week.

Sources: Table 1.2; MuniFinancial.

#### FACILITY INVENTORIES, PLANS & STANDARDS

General government facilities in Sierra Madre include city office space and corporation yard facilities. Existing City general government facilities house the City Council chambers, the City Manager and City Clerk’s offices and other governance and administrative functions. As noted above, the study uses the existing standard method

to calculate fee schedules. In order to calculate the existing standard the total investment in existing facilities is divided by the current service population to determine a cost per capita. An inventory of general government vehicles and equipment is shown in Appendix in **Table A.1**.

**Table 3.2** presents the existing facility inventory and standard. The resulting facility standard for general government facilities is \$715 per resident and \$172 per worker.

**Table 3.2: General Government Facilities Existing Standard**

	Inventory	Unit Cost <sup>1</sup>	Value
<b>Land (acres)</b>			
City Hall	1.21	\$ 800,000	\$ 968,000
City Yard	<u>2.38</u>	800,000	<u>1,904,000</u>
Subtotal - Land	3.59		\$ 2,872,000
<b>Buildings (square feet)</b>			
City Hall	10,692	\$ 250	\$ 2,673,000
City Yard			
Maintenance Yard Office	4,200	250	1,050,000
Mechanic's Shop	1,647	125	206,000
Welding Shop	1,922	125	240,000
Maintenance Yard Carport	<u>2,592</u>	105	<u>272,000</u>
Subtotal - Buildings	21,053		\$ 4,441,000
Vehicles & Equipment			\$ <u>858,700</u>
Total Facilities			\$ 8,171,700
Existing Service Population			<u>11,431</u>
Cost per Capita			\$ 715
Facility Standard per Resident			\$ 715
Facility Standard per Worker <sup>2</sup>			172

<sup>1</sup> Unit costs based market value

<sup>2</sup> Based on a weighing factor of 0.24.

<sup>3</sup> Land value of \$800,000 per acre is a conservative estimate. It is considerably lower than current market value.

Sources: Table A.1; City of Sierra Madre; MuniFinancial

## FACILITY NEEDS AND COSTS

**Table 3.3** presents the cost of new general government facilities needed to maintain the existing facility standard as growth occurs. The costs generated by new development also represent the total revenue that the general government facilities fee would generate. These revenues should be annually programmed to capital improvement projects and be

integrated into a 5-year Capital Improvement Plan (CIP). Expected general government capital infrastructure projects include the expansion of current facilities to increase spaces available for public meetings and other public uses. These revenues also provide an opportunity to develop and implement a master facility plan.

**Table 3.3: General Government Facilities to Accommodate New Development**

	Total
Facility Standard Per Capita	\$ 715
New Development Service Population (2005-2025)	890
Costs Generated by New Development	\$ 636,000

Sources: Tables 3.1 and 3.2; MuniFinancial.

## FEE SCHEDULE

**Table 3.4** shows the general government facilities fee schedule based on maintaining new development’s share of the existing standard. The cost per capita is converted to a fee per unit of new development based on dwelling unit and building space densities (persons per dwelling unit (DU) for residential development and workers per 1,000 square feet of building space for nonresidential development). The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 3.4: General Government Facilities Fee**

Land Use	A Cost Per Capita	B Density	C=AxB Base Fee <sup>1</sup>	D Admin Charge <sup>1,2</sup>	E=C+D Total Fee
<i>Residential</i>					
Single Family	\$ 715	2.48	\$ 1,776	\$ 36	\$ 1,812
Multi-family	715	1.55	1,107	22	1,129
<i>Nonresidential</i>					
Commercial	\$ 172	2.50	\$ 430	\$ 9	\$ 439
Office	172	3.33	573	11	584
Industrial	172	1.67	287	6	293

<sup>1</sup> Fee per dwelling unit, per 1,000 square feet of nonresidential.

<sup>2</sup> Administrative charge of 2.0 percent.

Sources: Tables 2.1 and 3.2; MuniFinancial.

## 4. LIBRARY FACILITIES

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This chapter provides the documentation to enable the County impose a public facilities fee to fund library facilities. The City would use fee revenues to help fund expanded library facilities to serve new development.

### SERVICE POPULATION

Residents are the primary users of libraries in the City of Sierra Madre. Therefore, demand for libraries and associated facilities are based on the City's residential population, rather than a combined resident-worker service population. Some fee studies in other cities have allocated a share of facility needs to nonresidential land uses since workers may use and benefit from libraries facilities. However, worker demand on the need for libraries is considered inconsequential for the City of Sierra Madre. If future surveys indicate a significant level of usage by workers, the service population should be revised and costs should also be allocated to nonresidential land uses.

Estimates of the existing service population and projected growth are shown in **Table 4.1**.

**Table 4.1: Library Facilities Service Population**

	Residents
Existing (2005)	11,146
New Development (2005 -2025)	<u>753</u>
Total (2025)	11,899

Sources: Table 1.2; MuniFinancial.

### FACILITY INVENTORIES, PLANS AND STANDARDS

The Sierra Madre Library has been providing library services from the same location since 1887. The current building was constructed in 1955. The City intends to replace the exiting library with a new facility pending receiving the necessary grants to construct the facility. Until the City receives the money from the pending grant application, the City would like to provide library services to new development at the same level of service that current residents currently enjoy today. Consequently, an existing inventory standard will be used to calculate the library impact fees.

Library collections comprise an important component of a library system's facilities as well as a significant investment. Collections may include books, online databases, audio-visual materials, periodical subscriptions, and government documents. The City owns

over \$2,071,000 worth of these materials. An inventory of library collection is displayed in Appendix in **Table A.2**. **Table 4.2** shows the City's existing inventory of library facilities, including land, buildings, collections and miscellaneous items.

**Table 4.2: Library Facilities Existing Standard**

	Inventory	Unit Cost	Total Value
<i>Existing Facilities</i>			
Land (acres) <sup>1</sup>	0.69	800,000	\$ 552,000
Building (sq. ft.)	8,762	200	1,752,000
Collections	N/A	N/A	2,071,000
Furniture\Shelving\Equipment	N/A	N/A	<u>242,000</u>
Total Facilities			\$ 4,617,000
2005 Service Population			<u>11,146</u>
Facility Standard per Person			\$ 414

<sup>1</sup> Land value of \$800,000 per acre is a conservative estimate. It is considerably lower than current market value.

Source: Table 4.1; City of Sierra Madre.

## FACILITY NEEDS AND COSTS

**Table 4.3** presents the cost of new library facilities needed to maintain the existing facility standard as growth occurs. The costs generated by new development also represent the total revenue that the library facilities fee would generate. These revenues should be annually programmed to capital improvement projects and be integrated into a 5-year Capital Improvement Plan (CIP). Expected library capital infrastructure projects include the expansion of the current library to accommodate increased demand from future development. These revenues also provide an opportunity to develop and implement a master facility plan in addition to funding the new library should the City receive the grant.

**Table 4.3: Library Facilities to Accommodate New Development**

	<b>Total</b>
Facility Standard Per Capita	\$ 414
New Development Service Population (2005-2025)	<u>753</u>
Costs Generated by New Development	\$ 312,000

Sources: Tables 4.1 and 4.3; MuniFinancial.

## FEE SCHEDULE

**Table 4.4** presents the library facilities fee schedule based on the existing standard. The cost per capita is converted to a fee per unit of new development based on dwelling unit densities. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 4.4: Library Facilities Fee**

Land Use	A Cost Per Capita	B Density	C=AxB Base Fee	D Admin Charge <sup>1</sup>	E=C+D Total Fee
<i>Residential</i>					
Single Family	\$ 414	2.48	\$ 1,028	\$ 21	\$ 1,049
Multi-family	414	1.55	641	13	654

<sup>1</sup>Administrative charge of 2.0 percent

Sources: Tables 2.1 and 4.2; MuniFinancial.

## 5. PUBLIC SAFETY FACILITIES

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The purpose of this development impact fee is to ensure that new development funds its fair share of public safety facilities. Public safety facilities include both police and fire facilities. A fee schedule is presented based on the current investment in these facilities to ensure that new development provides adequate funding to meet its needs.

### SERVICE POPULATION

Public safety facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on the City’s service population including residents and workers.

**Table 5.1** shows the estimated service population in 2005 and 2025. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.24-weighting factor for workers is based on a 40-hour workweek divided by the total number of hours in a week (168).

**Table 5.1: Pubic Safety Facilities Service Population**

	Residents	Workers	Service Population
Existing (2005)	11,146	1,186	11,431
New Development (2005-2025)	753	570	890
Total (2025)	11,899	1,756	12,321
Weighting factor	1.00	0.24	

Note: Workers are weighted at 0.24 of residents based on a 40 hour work week out of a possible 168 hours in a week.

Sources: Table 1.2; MuniFinancial.

### FACILITY INVENTORIES, PLANS & STANDARDS

The City police and fire departments share administration space from a single location. The City also owns an additional 1,521 square foot fire station. As noted above, the study uses the existing inventory standard to calculate the fee for public safety facilities. **Table 5.2** summarizes the inventory of public safety facilities in the City of Sierra Madre. **Tables A.3** and **A.4** in the Appendix summarize the inventories of public safety assets and vehicles, respectively. The existing facility standard of investment per capita is



calculated by dividing the total investment in existing facilities by the existing service population. The cost per capita is then weighted for workers based on worker demand for services relative to that of a resident.

**Table 5.2: Public Safety Facilities Existing Standard**

	Inventory	Unit Cost	Value
<b>Land (acres)<sup>1</sup></b>			
Public Safety Site	0.54	\$ 800,000	\$ 432,000
Canyon Fire Station	0.05	800,000	40,000
<b>Buildings (sq. ft.)</b>			
Police/Fire Administration	12,702	\$ 265	3,366,000
Canyon Fire Station	1,521	265	403,000
Vehicles			976,000
Other Assets			<u>1,169,000</u>
Total Existing Facilities			\$ 6,386,000
Existing Service Population			<u>11,431</u>
Cost per Capita			\$ 559
Facility Standard per Resident			\$ 559
Facility Standard per Worker <sup>2</sup>			134

<sup>1</sup> Land value of \$800,000 per acre is a conservative estimate. It is considerably lower than current market value.

<sup>2</sup> Based on a weighing factor of 0.24.

Sources: Tables 5.1, A.3 and A.4; City of Sierra Madre.

## FACILITY NEEDS AND COSTS

**Table 5.3** presents the cost of new public safety facilities needed to maintain the existing facility standard as growth occurs. The costs generated by new development also represent the total revenue that the public safety facilities fee would generate. These revenues should be annually programmed to capital improvement projects and be integrated into a 5-year Capital Improvement Plan (CIP). Expected public safety capital infrastructure expenditures include the purchase of fire suppression apparatuses, police vehicles and public safety communications systems. These revenues also provide an opportunity to develop and implement a master facility plan.

**Table 5.3: Public Safety Facilities to Accommodate New Development**

	<b>Total</b>
Facility Standard Per Capita	\$ 559
New Development Service Population (2005-2025)	890
Costs Generated by New Development	\$ 498,000

Sources: Tables 5.1 and 5.2; MuniFinancial.

## FEE SCHEDULE

Table 5.4 shows the public safety facilities fee schedule based on the existing standard. The cost per capita is converted to a fee per unit of new development based on dwelling unit and building space densities (persons per dwelling unit (DU) for residential development and workers per 1,000 square feet of building space for nonresidential development). The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 5.4: Public Safety Facilities Fee**

Land Use	A Cost Per Capita	B Density	C=AxB Base Fee <sup>1</sup>	D Admin Charge <sup>1,2</sup>	E=C+D Total Fee
<i>Residential</i>					
Single Family	\$ 559	2.48	\$ 1,389	\$ 28	\$ 1,417
Multi-family	559	1.55	866	17	883
<i>Nonresidential</i>					
Commercial	\$ 134	2.50	\$ 335	\$ 7	\$ 342
Office	134	3.33	447	9	456
Industrial	134	1.67	224	4	228

<sup>1</sup> Persons per dwelling unit or per 1,000 square feet of nonresidential.

<sup>2</sup> Administrative charge of 2.0 percent

Sources: Tables 2.1 and 5.2; MuniFinancial

## 6. PARK FACILITIES & PARKLAND DEDICATION

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The purpose of the fee is to ensure that new development funds its fair share of park facilities. The City would use fee revenues to expand park facilities to serve new development. This analysis documents two separate fees based on the Quimby Act and the Mitigation Fee Act. The City would collect the fee based a standard of 3.0 acres per 1,000 residents if the development was subject to the Quimby Act land dedication requirement. For all other development, the City would collect based on the existing standard through the Mitigation Fee Act. The City would only collect one of the two fees depending on which was appropriate.

### SERVICE POPULATION

Facility standards for parks are typically expressed as a ratio of park facilities per 1,000 residents. Similar to library facilities, residents are considered to be the primary users of parks in the City of Sierra Madre. Demand for parks and associated facilities are based on the City's residential population, rather than a combined resident-worker service population. Some fee studies in other cities have allocated a share of facility needs to nonresidential land uses, since workers may use and benefit from park facilities. However, worker demand on the need for parks is considered inconsequential for the City of Sierra Madre. If future surveys indicate a significant level of usage by workers, the service population should be revised and costs should also be allocated to nonresidential land uses.

**Table 6.1** provides estimates of the resident population with a projection for the year 2025.

**Table 6.1: Parks Service Population**

	Residents
Census (2000)	10,600
Existing (2005)	11,146
New Development (2005 -2025)	<u>753</u>
Total (2025)	11,899

Sources: Table 1.2; Census 2000; City of Sierra Madre; MuniFinancial.

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## FACILITY NEEDS AND COSTS

This section describes the City's existing facility inventory, standards, and associated costs.

### ***EXISTING INVENTORY***

The City owns and operates all of its various park facilities. The City's inventory of parks and open space facilities includes approximately a total of 244.26 acres summarized in **Table 6.2**. Also shown below, in **Table 6.3**, is an inventory of existing recreation facilities.

**Table 6.2: Parkland Inventory**

<b>Name</b>	<b>Acres</b>
<i>Parkland (acres)</i>	
Sierra Vista Park	5.00
Memorial Park	2.83
Mt. Wilson Trail Park	0.47
Bailey Canyon Wilderness Area	3.59
Kersting Court	0.13
<b>Total</b>	<b>12.02</b>
<i>Open Space (acres)</i>	
Above Bailey Canyon	72.48
Bowman Property	1.00
Lost Trailer Park	3.72
Sunrise Hill	12.13
Lawson-Martin	3.33
Harm/Lawson-Martin	11.24
Richter	80.00
Maddox	60.00
Woodland Drive	0.36
<b>Total</b>	<b>244.26</b>

Source: City of Sierra Madre.

**Table 6.3: Recreation Facilities Inventory**

<b>Facility</b>	<b>Inventory (Sq. Ft.)</b>
<b>Sierra Vista Park</b>	
Community Recreation Center	6,878
Aquatic Center	2,560
Youth Activity Center	4,868
Dutyman House	1,148
Rose Float Building	4,104
Sierra Madre Community Nursery School	9,695
<b>Memorial Park</b>	
Hart Park House	3,600
Bandshell	1,728
<b>Mount Wilson Trail Park</b>	
Lizzie's Trail Inn	672
Richardson House	960
<b>Total</b>	<b>36,213</b>

Source: City of Sierra Madre.

### ***PARK FACILITY STANDARDS***

Park facility standards establish a reasonable relationship between new development and the need for expanded park facilities. Information regarding the City's existing inventory of existing parks facilities was obtained from City staff.

The most common measure in calculating new development's demand for parks is the ratio of park acres per resident. In general, facility standards may be based on the Mitigation Fee Act (using a city's existing inventory of park facilities), or an adopted policy standard contained in a master facility plan or general plan. Facility standards may also be based on a land dedication standard established by the Quimby Act.<sup>1</sup>

### **MITIGATION FEE ACT**

The Mitigation Fee Act does not dictate use of a particular type or level of facility standard for public facilities fees. To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development.<sup>2</sup> A simple and clearly defensible approach to calculating a facility standard is to use the city's existing ratio of park acreage per 1,000 residents. Under this approach, new development is required to

<sup>1</sup> California Government Code §66477.

<sup>2</sup> See the *benefit and burden* findings in Chapter 11, *Mitigation Fee Act Findings*.

fund new park facilities at the same level as existing residents have provided those same types of facilities to date.

### **QUIMBY ACT**

The Quimby Act does specify facility standards to use for parkland dedication. The Act only includes dedication of parkland and does not require construction of park improvements. The Act specifies that the dedication requirement must be a minimum of 3.0 acres and a maximum of 5.0 acres per 1,000 residents. Funds collected through the Quimby ordinance can only be used for purchasing land to create neighborhood and community parks, not open space. The city can require residential developers to dedicate above the three-acre minimum if the city's existing park standard as of the last Census justifies the higher level (up to five acres per 1,000 residents). The standard used must also conform to the City's adopted general or specific plan standards.

The Quimby Act only applies to land subdivisions. A city cannot apply the Quimby Act to development on land subdivided prior to adoption of a Quimby ordinance, such as development on infill lots. The Quimby Act also would not apply to residential development on future approved projects on single parcels, such as many types of multi-family development.

The Quimby Act allows payment of a fee in lieu of land dedication. The fee is calculated to fund acquisition of the same amount of land that would have been dedicated. The fee does not include the cost of park improvements because the land dedication requirement does not include improvements.

The Quimby Act allows use of in-lieu fee revenue for any park or recreation facility purpose. Allowable uses of revenue include land acquisition, park improvements including recreation facilities, and rehabilitation of existing park and recreation facilities.

### ***CITY OF SIERRA MADRE PARK FACILITIES STANDARDS***

To calculate new development's need for new parks, municipalities commonly use a ratio expressed in terms of developed park acres per 1,000 residents. In order to incorporate the City's existing inventory of open space in the facility standard the open space acreage must be converted into an 'improved parkland' equivalent. Open space acreage is converted into an equivalent amount of improved parkland acres. This conversion based the cost of open per acre relative to the investment in an improved parkland acre. **Table 6.4** shows the calculation that was used to convert the 244 acres of open space into an equivalent amount of improved park acres. **Table 6.5** shows the existing standard for improved park acreage per 1,000 residents and documents the City's standard as of the last Census for the Quimby Act standard.

**Table 6.4 Open Space - Parkland Equivalent**

Type	Cost per Acre	Acres
Parkland Improved	\$ 1,670,000	
Open Space	<u>35,000</u>	
Open Space Land Costs Percentage of Parkland costs	2.10%	
Open Space		244.26
Equivalent Improved Acres		5.12

Sources: Tables 6.2 and 6.3; MuniFinancial.

**Table 6.5: Parkland Standards**

Type of Acreage	2000	2005	Quimby Standard
Acres of Parkland	12.02	12.02	N/A
Equivalent Acres of Open Space <sup>1</sup>	<u>5.12</u>	<u>5.12</u>	<u>N/A</u>
Total	17.14	17.14	N/A
Residents	<u>10,600</u>	<u>11,146</u>	<u>N/A</u>
Standard (acres per 1,000 residents)	1.62	1.54	<b>3.00</b>

<sup>1</sup> Based on \$35,000 per acre for open space and improved parkland values.

Sources: Tables 6.1 and 6.2; MuniFinancial.

### ***UNIT COSTS FOR LAND ACQUISITION AND IMPROVEMENT***

Unit costs represent the land costs and level of improvements that existing development has provided to date. Using unit costs to determine a facility standard ensures that the cost of facilities to serve new development is not artificially increased, and new development unfairly burdened, compared to existing development.

The unit costs used to estimate the total investment in parkland facilities are shown in **Table 6.6**. All costs are expressed in 2005 dollars. Land acquisition costs and improvement costs are based on the City's experience with park development and information from a recent market analysis of land values in Sierra Madre.

**Table 6.6: Parkland Unit Costs**

	Cost Per Acre	Share
Park Improvements		
Special Use Facilities <sup>1</sup>		
High Value Recreation Buildings		
(Community Recreation Center, Aquatic Center, Youth Activity Center, Dutyman House, Hart Park House, Lizzie's Trail Inn, Richardson House)		
Building Sq. Ft.	20,686	
Cost per Sq. Ft.	<u>250</u>	
Subtotal		\$ 5,171,500
Medium Value Recreation Buildings		
Sierra Madre Community Nursery School		
Building Sq. Ft.	9,695	
Cost per Sq. Ft.	<u>200</u>	
Subtotal		\$ 1,939,000
Low Value Recreation Buildings		
Rose Float Building		
Building Sq. Ft.	4,104	
Cost per Sq. Ft.	<u>125</u>	
Subtotal		\$ 513,000
Other Specialized Facilities		
Band Shell		
Building Sq. Ft.	1,728	
Cost per Sq. Ft.	<u>105</u>	
Subtotal		\$ 181,400
Vehicles & Equipment		
2002 GEM Electric Truck	\$ 480	
2004 Ford E450 Transit Bus	95,958	
2004 Ford E450 Transit Bus	95,958	
1980 Ford F350 Dump Truck	39,000	
1977 Jacobsen Trailer	<u>21,000</u>	
Subtotal	\$ 252,396	
Total Special Use Facilities		\$ 8,057,296
Improved Park Acres		<u>12.02</u>
Special Use Facilities Cost per Improved Acre	\$ 670,000	
Standard Park Improvements <sup>2</sup>	<u>200,000</u>	
Park Improvements Per Acre Subtotal	870,000	52%
Land Acquisition <sup>3</sup>	<u>\$ 800,000</u>	<u>48%</u>
Total	\$ 1,670,000	100%

<sup>1</sup> Recreation facilities only include special use facilities that are not part of standard park improvements such as recreation centers and pools.

<sup>2</sup> Improvement costs are estimated at \$200,000 per acre for site improvements (curbs, gutters, water, sewer, and electrical access), plus basic park and school field amenities such as basketball or tennis court, restroom, parking, tot lot, irrigation, turf, open green space, pedestrian paths, and picnic tables. Excludes special use facilities such as recreation centers and pools.

<sup>3</sup> Land value of \$800,000 per acre is a conservative estimate. It is considerably lower than current market value.

Sources: Tables 6.2 and 6.3; City of Sierra Madre; MuniFinancial



**TOTAL NEEDS AND COSTS**

The total investment in park facilities to serve growth is calculated by multiplying the facility standards developed in Table 6.5 by the growth in residents. The total value of the needs for park facilities is based on the average unit costs for land acquisition and improvements shown in Table 6.3. To accommodate the increase in service population through 2025 at the existing standard new development would need to fund facilities estimated to cost approximately \$1.9 million as shown in **Table 6.7**. To accommodate the increase in service population through 2025 at the standard of 3.0 acres per thousand residents as prescribed by the Quimby Act new development would need to fund facilities estimated to cost approximately \$2.8 million.

**Table 6.7: Park Facilities to Accommodate New Development**

		Quimby Act	Mitigation Fee Act
<i>Parkland (Quimby Act)</i>			
Facility Standard (acres/1,000 residents)	3.00		
Resident Growth (2005-2025)	753		
Facility Needs (acres)	2.26		
Average Unit Cost (per acre)	\$ 800,000		
Total Cost of Facilities		\$ 1,808,000	N/A
OR			
<i>Parkland (Mitigation Fee Act)</i>			
Facility Standard (acres/1,000 residents)	1.54		
Resident Growth (2005-2025)	753		
Facility Needs (acres)	1.16		
Average Unit Cost (per acre)	\$ 800,000		
Total Cost of Facilities		N/A	928,000
AND			
<i>Improvements (Mitigation Fee Act)</i>			
Facility Standard	1.54		
Resident Growth (2005-2025)	753		
Facility Needs (acres)	1.16		
Average Unit Cost (per acre)	870,000		
Subtotal - Improvements		1,009,000	1,009,000
Total Facilities		<b>\$ 2,817,000</b>	<b>\$ 1,937,000</b>

Sources: Tables 6.1, 6.5, and 6.6; MuniFinancial.

If the City cannot acquire all 1.54 acres calculated in Table 6.4 because of land constraints, the City may apply the same funds to rehabilitating, renovating, or rebuilding facilities in existing parks. The \$1.9 million in facilities improvements must be used for enhancing, upgrading, adding to, or expanding new park facilities. Renovating and

intensifying development of existing parks is another reasonable method for accommodating growth that could be used in conjunction with expanding improved park acreage. The use of fee revenues would be identified through planned parkland acquisition and improvement projects described in the most recently adopted version of annual capital improvement budget.

The City anticipates that the park fees would be the primary revenue source to fund new development’s investment in park facilities. Expected parks capital infrastructure projects include the expansion of current playground facilities and the acquisition of additional parkland to serve increased demand by new development. **Table 6.8** shows the share of costs that could be levied on a per capita basis for both land acquisition and improvement.

**Table 6.8: Park Facilities Investment Per Capita**

	<u>Land</u>		<u>Improvements</u>
	<u>Quimby Fee</u>	<u>Impact Fee</u>	<u>Impact Fee</u>
Parkland Investment (per acre)	\$ 800,000	\$ 800,000	\$ 870,000
Facility Standard (acres per 1,000 residents)	3.00	1.54	1.54
Total Investment Per 1,000 capita	\$ 2,400,000	\$ 1,232,000	\$ 1,340,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Investment Per Resident	\$ 2,400	\$ 1,232	\$ 1,340

Sources: Tables 6.5, and 6.7; MuniFinancial.

## FEE SCHEDULE

In order to calculate fees by land use type, the investment in park facilities is determined on a per resident basis for both land acquisition and improvement. These investment factors (shown in Table 6.7) are investment per capita based on the unit cost estimates and facility standards.

The City anticipates that the park fees would be the primary revenue source to fund new development’s investment in park facilities. **Tables 6.9a and 6.9b** show the park facilities fee based on the minimum Quimby standard and the existing standard, respectively. The City would collect the fee based on only one of the two approaches as appropriate. Each fee includes a component for park improvements based on the City’s existing standard. The investment per capita is converted to a fee per dwelling unit. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 6.9a: Park Facilities Fee Schedule (Quimby Act)**

Land Use	A Cost Per Capita	B Density	C=AxB Base Fee	D Admin Charge <sup>1</sup>	E=C+D Total Fee
<i>Residential</i>					
Single Family					
Parkland	\$ 2,400	2.48	\$ 5,962	\$ 119	\$ 6,081
Improvements	1,340	2.48	3,329	67	<u>3,396</u>
Total					\$ 9,477
Multi-family					
Parkland	\$ 2,400	1.55	\$ 3,717	\$ 74	\$ 3,791
Improvements	1,340	1.55	2,075	42	<u>2,117</u>
Total					\$ 5,908

<sup>1</sup> Administrative charge of 2.0 percent

Sources: Tables 2.1 and 6.8; MuniFinancial.

**Table 6.9b: Park Facilities Fee Schedule (Mitigation Fee Act)**

Land Use	A Cost Per Capita	B Density	C=AxB Base Fee	D Admin Charge <sup>1</sup>	E=C+D Total Fee
<i>Residential</i>					
Single Family					
Parkland	\$ 1,232	2.48	\$ 3,060	\$ 61	\$ 3,121
Improvements	1,340	2.48	3,329	67	<u>3,396</u>
Total					\$ 6,517
Multi-family					
Parkland	\$ 1,232	1.55	\$ 1,908	\$ 38	\$ 1,946
Improvements	1,340	1.55	2,075	42	<u>2,117</u>
Total					\$ 4,063

<sup>1</sup> Administrative charge of 2.0 percent

Sources: Tables 2.1 and 6.8; MuniFinancial.

## 7. TRANSPORTATION FACILITIES

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This chapter summarizes an analysis of the need for streets and related transportation facilities to accommodate growth within the City of Sierra Madre. It documents a reasonable relationship between new development and a traffic fee to fund streets and related transportation facilities that serve new development.

### TRIP DEMAND

Estimates of new development and its consequent increased trip demand provide the basis for calculating the traffic facilities fee. Using the existing facilities standard, the current value of all traffic facilities is divided by the total number of trips and then assigned to new development on a per trip basis. This approach allows the City to use fee revenues for projects that add to the facility's ability to accommodate new development.

The need for street improvements is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of average daily vehicle trips, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the City's system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trips adjustments made to trip generation rates to calculate trip demand are described below:

- ◆ Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a final destination that require no diversion from the route, such as stopping to get gas on the way to work.
- ◆ The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

**Table 7.1** shows the calculation of trip demand factors by land use category based on the adjustments described above. It apportions the fee burden based on the relative impacts per land use. Data is based on extensive and detailed trip surveys conducted in the San Diego region by the San Diego Association of Governments. The surveys provide one of the most comprehensive databases available of trip generation rates, pass-by trips factors, and average trip length for a wide range of land uses. While the figures for average trip length are specific to San Diego, it is the ratio of average trip lengths among land uses that drives the apportionment of the fee, not the average trip length. This allows the trip rate adjustment factor to be applicable to Sierra Madre, regardless of the average length of trips within the City limits. The urban development patterns are similar enough among the San Diego and Southern California/Los Angeles regions to make the use of the San Diego data applicable to the City of Sierra Madre.

**Table 7.1: Trip Rate Adjustment Factor**

	<u>Trip Rate Adjustment Factor</u>					<u>Average Daily Trips<sup>4</sup></u>	<u>Trip Demand Factor<sup>5</sup></u>
	<u>Primary Trips<sup>1</sup></u>	<u>Diverted Trips<sup>1</sup></u>	<u>Total Excluding Pass-by<sup>1</sup></u>	<u>Average Trip Length<sup>2</sup></u>	<u>Adjustment Factor<sup>3</sup></u>		
<u>Residential<sup>6</sup></u>							
Single Family	86%	11%	97%	7.9	1.04	10	10.40
Multi-family	86%	11%	97%	7.9	1.04	8	8.32
<u>Nonresidential<sup>7</sup></u>							
Commercial	47%	31%	78%	3.6	0.38	68	25.84
Office	77%	19%	96%	8.8	1.14	20	22.80
Industrial	79%	19%	98%	9.0	1.19	7	8.33

<sup>1</sup> Percent of total trips. Primary trips are trips with no midway stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip.

<sup>2</sup> In miles.

<sup>3</sup> The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 6.9 miles.

<sup>4</sup> Trips per dwelling unit or per 1,000 building square feet.

<sup>5</sup> The trip demand factor is the product of the trip adjustment factor and the average daily trips.

<sup>6</sup> Trip percentages, average trip lengths, and average daily trips based on "residential" category. See SANDAG for source, below.

<sup>7</sup> Trip percentages, average trip lengths, and average daily trips for commercial based on "community shopping center" category, for office based on "standard commercial office" category, and for industrial based on "industrial park (no commercial)" category.

Sources: San Diego Association of Governments, *Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region*, July 1998; MuniFinancial.

**Table 7.2** estimates the trip demand for existing and new development on the City’s system of street improvements. Total trip demand is based on the trip demand factors calculated in Table 7.1 and the growth estimates in Table 2.2. As shown in the table, new development would represent about 14 percent of total trip demand.

**Table 7.2: Trip Demand From Existing and New Development**

	Trip Demand Factor			Trip		Total Trip Demand
		Existing	Growth	Existing Trip Demand	Demand From Growth	
<i>Residential (units)</i>						
Single Family	10.40	3,600	100	37,440	1,040	38,480
Multi-family	8.32	<u>1,330</u>	<u>326</u>	<u>11,066</u>	<u>2,712</u>	<u>13,778</u>
Subtotal		4,930	426	48,506	3,752	52,258
<i>Nonresidential (sq. ft.)</i>						
Commercial	25.84	200	199	5,171	5,142	10,313
Office	22.80	144	22	3,279	502	3,780
Industrial	8.33	<u>89</u>	<u>-</u>	<u>741</u>	<u>-</u>	<u>741</u>
Subtotal		433	221	9,191	5,644	14,834
Total				57,696	9,396	67,092
Percent of Total				86.0%	14.0%	100%

Source: Tables 2.2 and 7.1; MuniFinancial

## FACILITY INVENTORIES, PLANS & STANDARDS

Table 7.3 summarizes the average replacement value per lane mile for arterial, collector, residential, and minor streets. The useful life of a new street is estimated at 25 years. Thus, the annual depreciation for a new street per lane mile equals \$21,000.

**Table 7.3: Value Per Lane Mile**

Average Replacement Cost Per Lane Mile <sup>1</sup>	\$	525,000
Service Life		<u>25</u>
Annual Depreciation	\$	21,000

<sup>1</sup> Represents average replacement cost for arterials, collectors, residential, and minor roads.

Sources: City of Sierra Madre; MuniFinancial

The City of Sierra Madre has been rehabilitating their street network over the last four years using a variety of funding sources including:

- ◆ General Fund;
- ◆ Gas Tax;

- ◆ Proposition C Transit;
- ◆ Federal STPL; and
- ◆ State Congestion Management.

The City has rehabilitated approximately 44 improved lane miles. Total improved lane miles and estimated replacement value is shown in **Table 7.4**. **Table 7.5** calculates the depreciated value of the improved transportation facilities based on the replacement cost in Table 7.4 and the annual depreciation shown in Table 7.3.

**Table 7.4: Improved Transportation Facilities Inventory & Replacement Cost**

Fiscal Year	2001-02	2002-03	2003-04	2004-05	Total
Total Improved Area	1,540,985	824,850	615,240	467,065	
Average Sq Ft Per Lane Mile <sup>1</sup>	<u>79,200</u>	<u>79,200</u>	<u>79,200</u>	<u>79,200</u>	
Total Improved Lane Miles	19.5	10.4	7.8	5.9	43.6
Average Replacement Cost Per Lane Mile	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>
Total Replacement Cost	\$ 10,238,000	\$ 5,460,000	\$ 4,095,000	\$ 3,098,000	\$ 22,890,000

<sup>1</sup> Based on 5,280 feet in a mile and an average lane width of 15 feet.

Sources: Table 7.3; MuniFinancial

**Table 7.5: Total Depreciated Value**

Fiscal Year	2001-02	2002-03	2003-04	2004-05	Total
Years Depreciated	4	3	2	1	
Annual Depreciation Per Mile	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 21,000</u>	
Depreciation Per Year Per Mile	\$ 84,000	\$ 63,000	\$ 42,000	\$ 21,000	
Total Improved Miles	<u>19.5</u>	<u>10.4</u>	<u>7.8</u>	<u>5.9</u>	
Total Depreciation	\$ 1,638,000	\$ 655,000	\$ 328,000	\$ 124,000	\$ 2,745,000
Total Replacement Value	<u>10,238,000</u>	<u>5,460,000</u>	<u>4,095,000</u>	<u>3,098,000</u>	<u>22,891,000</u>
Depreciated Value	\$ 8,600,000	\$ 4,805,000	\$ 3,767,000	\$ 2,974,000	\$ 20,146,000

Sources: Tables 7.3 and 7.4; MuniFinancial

By dividing the total depreciated investment in transportation facilities by the current trip demand, it is possible to derive a per trip investment in transportation facilities. This standard, the investment per trip, becomes the standard used in the fee determination and is displayed in **Table 7.6**.

**Table 7.6: Investment Per Trip**

	<b>Total</b>
<i><u>Improved Streets Network</u></i>	
Depreciated Value	\$ 20,146,000
<i><u>Vehicles and Equipment</u></i>	
1968 GMC C6000 Cement Truck	\$ 2,000
2000 Ingersol Rand Compressor	17,000
1996 Chevy C2500 Pickup	<u>25,000</u>
Subtotal Vehicles and Equipment	\$ 44,000
Total Transportation Facilities	\$ 20,190,000
Existing Trip Demand (2005)	<u>57,696</u>
Existing Investment Per Trip	\$ 350

Sources: Tables 7.2 and 7.5; City of Sierra Madre; MuniFinancial

## FACILITY NEEDS AND COSTS

**Table 7.7** presents the cost of new transportation facilities needed to maintain the existing facility standard as growth occurs. The costs generated by new development also represent the total revenue that the transportation facilities fee would generate. These revenues should be annually programmed to capital improvement projects and be integrated into a 5-year Capital Improvement Plan (CIP). The City intends to use these revenues to fund additional improvements to the remaining street network as well as to increase the number of local transit stops to accommodate the demand by new development. These revenues also provide an opportunity to develop and implement a master facility plan.

**Table 7.7: Transportation Facilities  
to Accommodate New Development**

	<b>Total</b>
Investment Per Trip	\$ 350
Trip Demand From Growth (2005-2025)	<u>9,396</u>
Contribution from New Development	\$ 3,288,000

Sources: Tables 7.2 and 7.6; MuniFinancial.



## FEE SCHEDULE

The maximum justified fee for traffic facilities is shown in **Table 7.8**. The equity per trip is converted to a fee per unit of new development based on the trip demand factor shown in Table 7.1. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 7.8: Transportation Facilities Fee**

Land Use	A	B	C=AxB		D	E=C+D
	Equity Per Trip	Trip Demand Factor	Base Fee <sup>1,2</sup>	Admin <sup>2,3</sup>	Total Fee <sup>2</sup>	
Residential						
Single Family	\$ 350	10.40	\$ 3,639	\$ 73	\$ 3,712	
Multi-family	350	8.32	2,911	58	2,969	
Nonresidential						
Commercial	\$ 350	25.84	\$ 9,042	\$ 181	\$ 9,223	
Office	350	22.80	7,979	160	8,139	
Industrial	350	8.33	2,915	58	2,973	

<sup>1</sup> Fee per dwelling unit for residential land uses and per 1,000 square feet for nonresidential uses.

<sup>2</sup> Fee per dwelling unit or per 1,000 square feet.

<sup>3</sup> Administrative charge of 2.0 percent

Sources: Tables 7.1 and 7.4; MuniFinancial.

## 8. WATER FACILITIES

This chapter summarizes an analysis of the need for water related facilities to accommodate growth within the City of Sierra Madre. It documents a reasonable relationship between new development and a water fee to fund water facilities that serve new development.

### WATER DEMAND

Estimates of new development and its consequent increased water demand provide the basis for calculating the water facilities fee. The need for water facilities improvements is based on the water demand placed on the system by development. A reasonable measure of demand is a flow generation rate, expressed as the number of gallons per acre per day consumed by a specific type of land use. Flow generation rates are a reasonable measure of demand on the City's system of water improvements because they represent the average rate of demand that will be placed on the system per land use designation.

**Table 8.1** shows the calculation of water demand flow generation factors by land use category. The data is based the *City of Azusa Year 2000 Water System Master Plan Update*. Urban development patterns are similar enough between Sierra Madre and the City of Azusa to make the use of the Azusa data applicable to the City of Sierra Madre.

**Table 8.1: Water Demand by Land Use**

Land Use Type	Flow Generation (GPAPD) <sup>1</sup>	DU & KSF/Acre <sup>2, 3</sup>	Flow Generation/DU & KSF	Equivalent Dwelling Unit (EDU)
<i>Residential</i>				
Single Family	2,448	2.23	1,098	1.00
Multi-family	4,176	9.15	456	0.42
<i>Nonresidential</i>				
Commercial	3,168	10.89	291	0.27
Office	3,168	10.89	291	0.27
Industrial	3,168	13.07	242	0.22

<sup>1</sup> Based on the *City of Azusa Year 2000 Water System Master Plan Update*

<sup>2</sup> DU per acre derived from DOF population estimates, Census 2000 population estimates and existing land use acreage estimates.

<sup>3</sup> Nonresidential based upon the total floor area ratio (FAR) of 0.25 for commercial and office and 0.30 for industrial.

Source: City of Azusa Year 2000 Water System Master Plan Update; City of Sierra Madre; MuniFinancial

## EQUIVALENT DWELLING UNITS

**Table 8.2** calculates the equivalent dwelling unit (EDU) for each land use type derived from the flow generation factors displayed in Table 8.1. Also displayed is the total existing and future EDUs for water facilities by land use

**Table 8.2: Total Equivalent Dwelling Units**

	EDU	Existing (DU/1000 Sq. Ft.)	Projected Growth (DU/1000 Sq. Ft.)	Existing EDUs	Growth in EDUs	Total
<i>Residential</i>						
Single Family	1.00	3,600	100	3,600	100	3,700
Multi-family	0.42	1,330	326	552	135	687
Subtotal		4,930	426	4,152	235	4,387
<i>Nonresidential</i>						
Commercial	0.27	200	199	53	53	106
Office	0.27	144	22	38	6	44
Industrial	0.22	89	-	20	-	20
Subtotal		433	221	111	59	170
Total				4,263	294	4,557
Percent of Total				93.5%	6.5%	100%

Source: Tables 1.2 and 8.1, MuniFinancial.

## FACILITY INVENTORIES, PLANS & STANDARDS

An inventory with the value of water facilities in the City of Sierra Madre is shown in **Table 8.3**. Total depreciated investment in these facilities is divided by the existing EDU's in Table 8.2 to determine an existing investment per EDU standard. This standard is used in fee determination and is displayed in **Table 8.4**

**Table 8.3: Water Facilities Existing Standard**

Facility Type	Acreage	RCNLD Cost <sup>1</sup> /Estimated Land Value
Water System Value <sup>2</sup>		
Pipelines		\$ 6,818,977
Reservoirs		4,655,741
Wells		-
Booster Pump Stations		-
Meters		437,041
Pressure reducing stations		671,312
Other (Spreading Basin, Headworks, Tunnels)		792,796
Subtotal Water System Value		\$ 13,376,000
Land Value <sup>3</sup>		
Reservoirs	4.32	\$ 3,456,000
Wells	0.56	448,000
Booster Pump Stations	0.23	184,000
Other (Spreading Basin, Headworks, Tunnel)	23.5	18,800,000
Subtotal Land Value		\$ 22,888,000
Water Facilities Existing Investment		\$ 36,264,000
Existing EDUs (2005)		4,263
Existing Investment Per EDU		\$ 8,507

<sup>1</sup> Replacement Cost New Less Depreciation

<sup>2</sup> Water system values from "City of Sierra Madre Water System Program Plan Valuation Study" prepared by Bucknam & Associates, 2002.

<sup>3</sup> Land value of \$800,000 per acre is a conservative estimate. It is considerably lower than current market value.

Sources: Tables 8.2, MuniFinancial.

## FACILITY NEEDS AND COSTS

Table 8.4 presents the cost of new water facilities needed to maintain the existing facility standard as growth occurs. The costs generated by new development also represent the total revenue that the water facilities fee would generate. These revenues should be annually programmed to capital improvement projects and be integrated into a 5-year Capital Improvement Plan (CIP). Expected water system capital infrastructure projects include projects to increase reservoir capacity, groundwater (well) pumping capacity and pipeline size to serve increased demand by new development. These revenues also provide an opportunity to develop and implement a master facility plan.

**Table 8.4: Water Facilities to Accommodate New Development**

Facility Standard Per EDU	\$ 8,507
Growth in EDUs (2005-2025)	<u>294</u>
 New Development Contribution to New Facilities	 \$ 2,501,000

Sources: Tables 8.2 and 8.3; MuniFinancial.

## FEE SCHEDULE

The maximum justified fee for water facilities is shown in **Table 8.5**. The cost per EDU is converted to a fee per unit of new development based on the EDU factors shown in Table 8.1. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 8.5: Water Facilities Fee**

	A Cost Per EDU	B EDU	C=AxB Base Fee <sup>1</sup>	D Admin Fee <sup>1,2</sup>	E=C+D Total Fee <sup>1</sup>
<i>Residential</i>					
Single Family	\$ 8,507	1.00	\$ 8,507	\$ 170	\$ 8,677
Multi-family	8,507	0.42	3,533	71	3,604
<i>Nonresidential</i>					
Commercial	\$ 8,507	0.27	\$ 2,255	\$ 45	\$ 2,300
Office	8,507	0.27	2,255	45	2,300
Industrial	8,507	0.22	1,875	38	1,913

<sup>1</sup> Fee per dwelling unit or per 1,000 square feet.

<sup>2</sup> Administration fee of two percent.

Sources: Tables 8.1 and 8.3; MuniFinancial.

## 9. SEWER FACILITIES

This chapter summarizes an analysis of the need for sewer related facilities to accommodate growth within the City of Sierra Madre. It documents a reasonable relationship between new development and a sewer fee to fund sewer facilities that serve new development.

### SEWER DEMAND

Estimates of new development and its consequent increased sewer demand provide the basis for calculating the sewer facilities fee. The need for sewer facilities improvements is based on the sewer demand placed on the system by development. A reasonable measure of demand is a flow generation rate, expressed as the number of gallons per capita per day generated by a specific type of land use. Flow generation rates are a reasonable measure of demand on the City's system of sewer improvements because they represent the average rate of demand that will be placed on the system per land use designation.

**Table 9.1** shows the calculation of sewer demand flow generation factors by land use category. The data is based on the *City of Azusa Sewer System Master Plan (December, 2001)*. Urban development patterns are similar enough between Sierra Madre and the City of Azusa to make the use of the Azusa data applicable to the City of Sierra Madre.

**Table 9.1: Sewer Collection Demand by Land Use**

Land Use Type	Flow Generation (GPCPD/GPAD) <sup>1</sup>	Persons/DU & KSF/Acre <sup>2</sup>	Flow Generation/DU & KSF	Equivalent Dwelling Unit (EDU)
<i>Residential</i>				
Single Family	307	2.48	763	1.00
Multi-family	123	1.55	190	0.25
<i>Nonresidential</i>				
Commercial	1700	10.89	156	0.20
Office	1700	10.89	156	0.20
Industrial	1700	13.07	130	0.17

<sup>1</sup> Residential flow generation derived from figure of 1,700 gallons per day per acre.

<sup>2</sup> Nonresidential based upon the total floor area ratio (FAR) of 0.25 for commercial and office and 0.30 for industrial.

Sources: Table 2.1; *City of Azusa Sewer Master Plan*, December 2001; California Department of Finance (DOF); City of Sierra Madre; MuniFinancial.

## EQUIVALENT DWELLING UNITS

**Table 9.2** calculates the equivalent dwelling unit (EDU) for each land use derived from the flow generation factors displayed in Table 9.1. Also displayed is the total existing and future EDUs for sewer facilities by land use.

**Table 9.2: Total Equivalent Dwelling Units**

	EDU	Existing (DU/1000 Sq. Ft.)	Projected Growth (DU/1000 Sq. Ft.)	Existing EDUs	Growth in EDUs	Total
<i>Residential</i>						
Single Family	1.00	3,600	100	3,600	100	3,700
Multi-family	0.25	1,330	326	331	81	412
Subtotal		4,930	426	3,931	181	4,112
<i>Nonresidential</i>						
Commercial	0.20	200	199	41	41	82
Office	0.20	144	22	29	4	33
Industrial	0.17	89	-	15	-	15
Subtotal		433	221	85	45	130
Total				4,016	226	4,242
Percent of Total				94.7%	5.3%	100%

Source: Tables 2.2 and 9.1, MuniFinancial.

## FACILITY INVENTORIES, PLANS & STANDARDS

An inventory with the depreciated value of sewer facilities in the City of Sierra Madre is shown in **Table 9.3**. Total investment in these facilities is divided by the existing EDU's in Table 9.2 to determine an existing investment per EDU standard.

**Table 9.3: Sewer Facilities Standard**

Facility Type	Depreciated Value
Mains	\$ 29,695,900
Manholes	2,857,800
House Laterals	7,457,100
Existing Equity	\$ 40,010,800
Existing EDUs (2005)	4,016
Existing Equity Per EDU	\$ 9,963

Sources: Table 9.2; City of Sierra Madre; MuniFinacial.

## FACILITY NEEDS AND COSTS

**Table 9.4** presents the cost of new sewer facilities needed to maintain the existing facility standard as growth occurs. The costs generated by new development also represent the total revenue that the sewer facilities fee would generate. These revenues should be annually programmed to capital improvement projects and be integrated into a 5-year Capital Improvement Plan (CIP). Expected sewer capital infrastructure projects include projects to increase the size of the current sewer lines to serve increased demand by new development. These revenues also provide an opportunity to develop and implement a master facility plan.

**Table 9.4: Sewer Facilities to Accommodate New Development**

Facility Standard Investement Per Capita	\$ 9,963
Growth in EDUs (2005-2025)	226
New Development Contribution to New Facilities	\$ 2,252,000

Sources: Tables 9.2 and 9.3; MuniFinacial.

## FEE SCHEDULE

The maximum justified fee for sewer facilities is shown in **Table 9.5**. The cost per EDU is converted to a fee per unit of new development based on the EDU factors shown in Table 9.1. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other



departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the impact fee, and (3) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 9.5: Sewer Facilities Fee**

	A Cost Per EDU	B EDU	C=AxB Base Fee <sup>1</sup>	D Admin Fee <sup>1,2</sup>	E=C+D Total Fee <sup>1</sup>
<i>Residential</i>					
Single Family	\$ 9,963	1.00	\$ 9,963	\$ 199	\$ 10,162
Multi-family	9,963	0.25	2,481	50	2,531
<i>Nonresidential</i>					
Commercial	\$ 9,963	0.20	\$ 2,037	\$ 41	\$ 2,078
Office	9,963	0.20	2,037	41	2,078
Industrial	9,963	0.17	1,697	34	1,731

<sup>1</sup> Fee per dwelling unit or per 1,000 square feet.

<sup>2</sup> Administration fee of two percent.

Sources: Tables 9.2 and 9.3; MuniFinancial.

## 10. IMPLEMENTATION

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The City should implement the following in establishing a public facilities fee program:

### IMPACT FEE PROGRAM ADOPTION PROCESS

Impact fee program adoption procedures are found in the *California Government Code* section 66016. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public meeting. Fourteen day mailed public notice is required for those registering for such notification. Data, such as an impact fee report, must be made available at least 10 days prior to the public meeting. Your legal counsel should inform you of any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect. This procedure must also be followed for fee increases.

### INFLATION ADJUSTMENT

Appropriate inflation indexes should be identified in a fee ordinance including an automatic adjustment to the fee annually. Separate indexes for land and construction costs should be used. Calculating the land cost index may require the periodic use of a property appraiser. The construction cost index can be based on the City's recent capital project experience or can be taken from any reputable source, such as the *Engineering News-Record*. To calculate prospective fee increases, each index should be weighed against its share of total planned facility costs represented by land or construction, as appropriate. Each update requires adoption by the City Council.

### REPORTING REQUIREMENTS

The City should comply with the annual and five-year reporting requirements of the Act (*California Government Code* 66001 (d) (1) through (4)). For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

### PROGRAMMING REVENUES AND PROJECTS WITH THE CIP

The City should consider adopting a Capital Improvements Program (CIP) to adequately plan for future infrastructure needs. The CIP should also identify fee revenue with specific projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues. Fee revenues can legitimately be used to fund master planning to further identify needed facilities.

With or without a CIP, the City may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the City's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

For the five-year planning period of the fee program, the City should consider allocating existing fund balances and projected fee revenue to specific projects. The City can hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

## 1 1 . MITIGATION FEE ACT FINDINGS

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Fees are assessed and typically paid when a building permit is issued and imposed on new development projects by local agencies responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the *Mitigation Fee Act* with Assembly Bill 1600 in 1987 and subsequent amendments. This chapter does not apply to the parkland dedication fees, which are imposed under the Quimby Act. The *Mitigation Fee Act*, contained in *California Government Code* §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The *Act* requires local agencies to document five statutory findings when adopting fees.

The five findings in the *Act* required for adoption of the maximum justified fees documented in this report are: 1) Purpose of fee, 2) Use of fee Revenues, 3) Benefit Relationship, 4) Burden Relationship, and 5) Proportionality. They are each discussed below and are supported throughout the rest of this report.

### PURPOSE OF FEE

- ◆ *Identify the purpose of the fee (§66001(a)(1) of the Act).*

We understand that it is the policy of the City that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fees advance a legitimate City interest by enabling the City to provide municipal services to new development.

### USE OF FEE REVENUES

- ◆ *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the City, would be available to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City. Fees addressed in this report have been identified by the City to be restricted to funding the following facility categories: general government facilities, library facilities, public safety facilities, park facilities, transportation facilities, water facilities and sewer facilities.

Summary descriptions of the existing facilities such as size and cost estimates were provided by the City and are included in Chapters 3 through 10 of this report. The fees

should be updated if a significant change in the fair share cost allocated to new development.

## BENEFIT RELATIONSHIP

- ◆ *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

We expect that the City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. The following facility categories will be funded by the fees calculated in this report: general government, libraries, public safety, parks, transportation, water and sewer. Under the Act, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and nonresidential use classifications that will pay the fees.

## BURDEN RELATIONSHIP

- ◆ *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. Facilities demand is determined as follows:

- ◆ The service population is established based upon the number of residents and workers, which correlates to the demand for general government facilities and public safety facilities;
- ◆ The service population for library facilities and park facilities is established solely on the number of residents, as workers demand on these facilities is nominal;
- ◆ The number of vehicular trips generated per use classification determines transportation facilities demand;
- ◆ Flow generation per acre per day weighted by EDU land use classifications determines the water facilities demand standard;
- ◆ Flow generation per capita per day weighted by EDU land use classifications determines the sewer facilities demand standard;

For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. Service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker

is weighted less than one resident based on an analysis of the relative use demand between residential and nonresidential development.

*Chapter 2, Demographic Assumptions* provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facility Inventories, Plans & Standards* sections of in each facility category chapter.

## PROPORTIONALITY

- ◆ *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size or increases in service population, the number of EDUs, vehicle trips or flow generation. Larger new development projects can result in a higher service population, larger impervious surface areas, higher flow generation rate or a higher trip generation rate resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees can ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 2, Demographic Assumptions*, or the *Service Population, Equivalent Dwelling Unit or Trip Rate Adjustment Factor* sections in each facility category chapter for a description of how service population, EDUs or trip rates are determined for different types of land uses. See the *Fee Schedule* section of each facility category chapter for a presentation of the proposed facilities fees.

## APPENDIX

Tables A.1 through A.4 present the vehicle and equipment inventories for general government, library, and public safety.

**Table A.1: General Government Facilities Vehicles & Equipment**

Department	New Unit #	Make and Model	Year	Cost
Public Works - Water/Sewer		Chevy 2500 HD Pickup	2002	\$ 24,000
Public Works - Water/Sewer		Cushman Scooter	2000	3,900
Public Works - Water/Sewer		Chevy C7000 Big Dump	1999	34,868
Public Works - Water/Sewer		GMC Sonoma	1997	4,152
Public Works - Water/Sewer		GMC Sonoma	1997	4,152
Public Works - Water/Sewer		Ford Truck	1996	4,868
Public Works - Water/Sewer		Ford Water Tender	1994	49,000
Public Works - Water/Sewer		Cushman Haluster	1986	7,102
Public Works - Water/Sewer		Cushman Haluster	1986	7,102
Public Works - Water/Sewer		Ford F250 Valve Truck	1981	39,200
Public Works - Water/Sewer		Allis-Chalmers Grader	1958	9,869
Public Works - Water/Sewer		Lincoln Welding machine	1976	1,000
Public Works - Water/Sewer		Chevy C2500 Pickup	1999	10,263
Public Works - Water/Sewer		Ford C7000	1968	59,800
Public Works - Water/Sewer		Cat 924G Loader	1999	135,040
Public Works - Water/Sewer		Ingersol Rand Roller	1996	28,000
Public Works - Water/Sewer		Ingersol Rand Compressor	1996	17,000
Public Works - Water/Sewer		John Deere Backhoe	1993	146,810
Public Works - Water/Sewer		GMC 10 Wheel Dump	1991	55,000
Public Works - Water/Sewer		Ford F350 Dump Truck	1980	39,000
Public Works - Water/Sewer		Ford C7000 Big Dump	1976	9,897
Public Works - Water/Sewer		Cat 920 Loader	1972	16,000
Public Works - Water/Sewer		GMC Service Van	1972	35,800
Public Works - Water/Sewer		Ford F250 Welder	1965	37,500
Public Works - Facility		Ford F150	1987	18,611
Public Works - Urban Forest		GMC C50 Boom Truck	1990	10,000
Public Works - Trailer		Zieman Trailer	1997	2,684
Public Works - Director's Car		Ford Taurus	2002	19,039
Finance - Director's Car		Ford Taurus	2000	10,891
Dev. Service Bldg. Office		Ford Taurus	1999	9,076
Dev. Service Director's Car		Ford Taurus	1999	9,076
<b>Total</b>				<b>\$ 858,700</b>

Source: City of Sierra Madre; MuniFinancial.

**Table A.2: Library Collections Inventory**

	Inventory	Unit Cost	Total Value
<u>Collections</u>			
Art Collection	74	400 \$	29,600
Atlases	19	155.05	2,946
Fiction	5680	24.44	138,819
Large Print	768	25.19	19,346
Local History: Archives	147	558	82,026
Local History: Archives	80	2238	179,040
Local History: Art-randall			40,453
Local History	1017	29.48	29,981
Local History: Rare Books	696	192	133,632
Microfilm: Local Newspapers	140	151	21,140
Mysteries	1125	23.9	26,888
New Books	601	36.62	22,009
Non Fiction	22192	28.74	637,798
Oversize	189	61.25	11,576
Paperbacks	330	11.13	3,673
Ready Reference	417	64.88	27,055
Reference	2819	64.88	182,897
Romance	1082	13.98	15,126
Science Fiction & Fantasy	390	23.22	9,056
Spanish Language	189	23.5	4,442
Westerns	146	26.51	3,870
Young Adult Fiction	1228	10.77	13,226
Young Adult Non Fiction	29	16.72	485
Adult Audio Book CD	319	31.63	10,090
Adult Audio Book Cassette	480	27.7	13,296
Adult Audio Compact Disc	845	31.63	26,727
Adult DVDs	177	24.88	4,404
Adult Music CDs	1525	20.85	31,796
Adult Videos	661	19.35	12,790
Children's Easy Readers	882	4.64	4,092
Children's Paperback	568	4.69	2,664
Children's Picture Books	2132	15.12	32,236
Children's Ready Reference	43	64.88	2,790
Children's Reference	579	64.88	37,566
Juvenile Fiction	3230	15.88	51,292
Juvenile Non-fiction	8683	20.17	175,136
Children's Audio Book CD	82	33.98	2,786
Children's Audio Book Cassette	181	13.28	2,404
Children's Audio Compact Disk	85	33.98	2,888
Children's DVDs	115	20.47	2,354
Children's Music CDs	186	14.83	2,758
Children's Videos	601	16.57	9,959
Magazines			7,920
Total			2,071,032

Sources: City of Sierra Madre; MuniFinancial.



**Table A.3: Public Safety Facilities Assets**

Description	Year		Unit Cost	Value
	Acquired	Inventory		
Fire - Breathing Apparatus w/tank	1992	2	2,116	\$ 4,232
Fire - Reservoir tank for compressor	1992	2	1,702	3,404
Fire - Mobile Radio Fire Unit 42	1992	1	2,279	2,279
Fire - Intercom System	1992	2	1,016	2,032
Fire - Motorola Handheld Radio	1993	3	1,083	3,249
Fire - Intercom System	1993	1	5,412	5,412
Fire - Mobile Radio	1993	1	1,699	1,699
Fire - Self-Contained Breathing Apparatus	1995	4	184	736
Fire - Hurst Tool Kit - Reconditioning	1995	1	744	744
Fire - Protective Clothing Washing Machine	1995	1	147	147
Fire - MDTs	2004	6	4,277	25,662
Fire - EMS MDTs	2004	2	5,789	11,578
Police - Dispatch Upgrade	2003	1	60,150	60,150
Police - Lockers	2004	1	4,489	4,489
Police - Dispatch Cabinets	2004	1	30,073	30,073
Police - Dispatch System	2004	1	88,000	88,000
Public Safety - Radio system		1	650,000	650,000
Public Safety - Computer system		1	250,000	250,000
Public Safety - Radar trailers		1	25,000	25,000
Total				1,168,886

Source: City of Sierra Madre.

**Table A.4: Public Safety Vehicles**

<b>Use</b>	<b>Make and Model</b>	<b>Year</b>	<b>Value</b>
Police Department - General	GEM Electric Car	2003	\$ 2,318
Police Department - General	Chevy Tahoe	2002	15,979
Police Department - General	Ford Crown Victoria	2000	5,477
Police Department - General	Aztex Radar Trailer	1998	6,000
Police Department - Detective	Chevy Impala	2003	17,789
Police Department - Motorcycle	BMW Motorcycle	2002	15,954
Police Department - Truck	Chevy 1500 Crew Cab	2003	28,034
Police Department - Chief's Car	Ford Crown Victoria	2002	14,444
Police Department - LT	Ford Taurus	2000	3,630
Police Department - 93	Ford Crown Victoria	1999	13,571
Police Department - 92	Ford Crown Victoria	1999	13,571
Police Department - 95	Ford Ltd. Crn.	1997	7,380
Police Department - Code Enforcement	Ford Crown Victoria	1999	13,571
Police Department - Radar	Smart Radar	2004	8,339
Fire Department - RA41	Ford Leader Ind. Ambulance	2002	67,526
Fire Department - Utility 41	Ford 1 Ton Pickup	2000	27,688
Fire Department - Engine 41	Emergency One Cyclone II	1998	59,540
Fire Department - Fire Prevention 41	Ford Taurus	1997	4,874
Fire Department - Chief	Chevrolet Caprice	1996	3,993
Fire Department - RA42	Ford Ambulance	1996	12,345
Fire Department - Batallion 41	Chevrolet Suburban	1994	34,422
Fire Department - E241	Mack Fire Engine	1989	500,000
Fire Department - WT41	GMC Water Truck	1979	55,000
Fire Department - Truck 41	American LaFrance	1978	45,000
Fire Department - Fire	Mack Fire Engine	1971	1
Total			\$ 976,446

Source: City of Sierra Madre.