CITY OF MCFARLAND

DEVELOPMENT IMPACT FEE UPDATE STUDY

FINAL

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Executive Summary

This report summarizes an analysis of development impact fees needed to support future development in the City of McFarland through 2040. It is the City's intent that the costs representing future development's share of public facilities and capital 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 are divided into the fee categories listed below:

- General Government Facilities
- Law Enforcement Facilities
- Parks and Recreation Facilities
- Fire Protection Facilities
- Water Facilities
- Sewer Facilities
- Storm Drainage Facilities
- Traffic Facilities

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. Although growth also imposes operating costs, there is not a similar system to generate revenue from new development for services. The primary purpose of this report is to calculate and present fees that will enable the City to expand its inventory of public facilities, as new development creates increases in service demands.

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

The City programs development impact fee-funded capital projects through its Capital Improvement Plan (CIP). Using a CIP allows the City to 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 can help ensure a reasonable relationship between new development and the use of fee revenues as required by the *Mitigation Fee Act*.

Facility Standards and Costs

There are three approaches typically used to calculate facilities standards and allocate the costs of planned facilities to accommodate growth in compliance with the *Mitigation Fee Act* requirements.

The **existing inventory** approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. This approach 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 the City's annual CIP and budget process and/or completion of a new facility master plan. This approach is used to calculate the general government facilities and parks and recreation facilities fees in this report.

The **planned facilities** approach allocates costs based on the ratio of planned facilities that serve new development to the increase in demand associated with new development. This approach is appropriate when specific planned facilities that only benefit new development can be identified, or when the specific share of facilities benefiting new development can be identified. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This approach is used for the water facilities, sewer facilities, storm drain facilities and traffic facilities fees in this report.

The **system plan** approach is based on a master facility plan in situations where the needed facilities serve both existing and new development. This approach allocates existing and planned facilities across existing and new development to determine new development's fair share of facility needs. This approach is used when it is not possible to differentiate the benefits of new facilities between new and existing development. Often the system plan is based on increasing facility standards, so the City must find non-impact fee revenue sources to fund existing development's fair share of planned facilities. This approach is used to calculate the law enforcement facilities and fire protection facilities fees in this report.

Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new development, including but not limited to land acquisition, construction of buildings, construction of infrastructure, the acquisition of vehicles or equipment, information technology, software licenses and equipment.

In that the City cannot predict with certainty how and when development within the City will occur during the 20-year planning horizon assumed in this study, the City may need to update and revise the project lists funded by the fees documented in this study. Any substitute projects should be funded within the same facility category, and the substitute projects must still benefit and have a relationship to new development. The City could identify any changes to the projects funded by the impact fees when it updates it's CIP. The impact fees could also be updated if significant changes to the projects funded by the fees are anticipated.

Development Impact Fee Schedule Summary

Table E.1 summarizes the development impact fees that meet the City's identified needs and comply with the requirements of the *Mitigation Fee Act*.

Table E.2 summarizes the City's proposed impact fee schedule. The parks and recreation facilities fees and traffic facilities fees have been reduced to lower the overall fee burden. City staff identified the target fee level for single family units, and the fees for other land uses were reduced proportionally.

E.1: Maximum Justified Development Impact Fee Schedule

Land Use	General Government	Law Enforcement	Parks[1]	Fire Protection	Water	Sewer	Storm Drain	Traffic	Total
Residential - per Dwelling Unit									
Single Family	$ 1,957	$ 1,163	$ 4,524	$ 289	$ 4,101	$ 1,499	$ 648	$ 8,960	$ 23,141
Multifamily	1,747	1,037	4,039	258	3,651	1,334	395	5,973	18,434
Nonresidential - per 1,000 Square Feet									
Commercial	$ 346	$ 205	-	$ 100	$ 984	$ 210	$ 661	$ 11,238	$ 13,744
Office	440	260	-	128	1,189	210	642	14,303	17,172
Industrial	171	102	-	50	1,477	180	939	8,487	11,406

[1] Quimby Act Fee shown for development occurring in subdivisions. Refer to Table 5.8 for infill fee schedule.

Sources: Tables 3.6, 4.6, 5.7, 6.5, 7.5, 8.5, 9.5 and 10.5.

E.2: Proposed Development Impact Fee Schedule

Land Use	General Government	Law Enforcement	Parks	Fire Protection	Water	Sewer	Storm Drain	Traffic	Total
Residential - per Dwelling Unit									
Single Family	$ 1,957	$ 1,163	$ 2,300	$ 289	$ 4,101	$ 1,499	$ 648	$ 5,700	$ 17,657
Multifamily	1,747	1,037	2,053	258	3,651	1,334	395	3,800	14,275
Nonresidential - per 1,000 Square Feet									
Commercial	$ 346	$ 205		$ 100	$ 984	$ 210	$ 661	$ 7,149	$ 9,655
Office	440	260		128	1,189	210	642	9,099	11,968
Industrial	171	102		50	1,477	180	939	5,399	8,318

Sources: Tables 3.6, 4.6, 5.7, 6.5, 7.5, 8.5, 9.5 and 10.5.

Other Funding Needed

Impact fees may only fund the share of public facilities related to new development in McFarland. They may not be used to fund the share of facility needs generated by existing development or by development outside of the City. As shown in **Table E.3,** approximately $3.1 million in additional funding will be needed to complete the facility projects the City currently plans to develop. The "Additional Funding Required" column shows non-impact fee funding required to fund a share of the improvements partially funded by impact fees. Non-fee funding is needed because these facilities will serve both existing and development new development.

The City will need to develop alternative funding sources to fund existing development's share of the planned facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, special assessments, and grants.

Table E.3: Non-Impact Fee Funding Required

Fee Category	Total Project Cost	Development Fee Revenue	Additional Funding Required
General Government	$ 10,983,960	$ 10,983,960	$ -
Law Enforcement	7,800,000	6,525,000	1,275,000
Parks	21,277,000	21,277,000	-
Fire Protection	3,035,000	1,875,000	1,160,000
Water	43,659,878	42,964,032	695,846
Sewer	12,621,900	12,621,900	-
Storm Drainage	18,013,000	18,013,000	-
Traffic	144,839,694	144,839,694	-
	$ 262,230,432	$ 259,099,586	$ 3,130,846

Sources: Tables 3.5, 4.5, 5.5, 6.4, 7.3, 8.3, 9.3 and 10.3.

1. Introduction

This report presents an analysis of the need for public facilities to accommodate new development in the City of McFarland. This chapter provides background for the study and explains the study approach under the following sections:

- Public Facilities Financing in California;
- Study Objectives;
- Fee Program Maintenance;
- Study Methodology; and
- Organization of the Report.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 40 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 had to adopt a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing ratepayers 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 the approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development impact fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development impact fees need only a majority vote of the legislative body for adoption.

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. *Policy LU 1.6.1*of the General Plan Land Use Element states, "Coordinate development with availability and expansion in public facilities and services." *Program LU 1.6.1.1* states: "Create in-lieu fees for development to pay for additional public facility needs brought on by the development." The primary purpose of this report is to update the City's impact fees based on the most current available facility plans and growth projections. The proposed fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands. This report supports the General Plan policies stated above.

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

McFarland is forecast to see significant growth through this study's planning horizon of 2040. This growth will create an increase in demand for public services and the facilities required to deliver them. Given the revenue challenges described above, McFarland has decided to continue to use

a development impact fee program to ensure that new development funds its share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to update the City's existing fee program to ensure that the fee program accurately represents the facility needs resulting from new development.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. To avoid collecting inadequate revenue, the inventories of existing facilities and costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established indices for each facility included in the inventories (land, buildings, and equipment), such as the *Engineering News-Record*, is necessary to accurately adjust the impact fees. For a list of recommended indices, see Chapter 11.

While fee updates using inflation indices are appropriate for annual or periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 11.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.

- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for City office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the City's facility design standards.
- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs: the **system plan method**, the **planned facilities method,** and the **existing inventory method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \text{cost per unit of demand}$$

Under this method new development will fund 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 are identified through an annual CIP and budget process, possibly after completion of a new facility master plan. This approach is used to calculate the general government facilities and parks and recreation facilities fees in this report.

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \text{cost per unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a Wastewater trunk line extension to a previously undeveloped area. An example of the latter is expansion of an existing library building and book collection, which will be needed only if new development occurs, but which, if built, will in part benefit existing development, as well. Under this method new development will fund the expansion of facilities at the standards used in

the applicable planning documents. This approach is used for the water facilities, sewer facilities, storm drain facilities and traffic facilities fees in this report.

System Plan Method

This method calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities + Cost of Planned Facilities}}{\text{Existing + New Development Demand}} = \text{cost per unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in General Plans are higher than the existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. This approach is used to calculate the law enforcement facilities and fire protection facilities fees in this report.

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of growth 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 10 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and other development, and identify the appropriate development impact fee for each of the following facility categories:

- General Government Facilities
- Law Enforcement Facilities
- Parks and Recreation Facilities
- Fire Protection Facilities
- Water Facilities
- Sewer Facilities
- Storm Drainage Facilities
- Traffic Facilities

Chapter 11 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* Sections 66016 through 66018.

The five statutory findings required for adoption of the proposed public facilities fees in accordance with the Mitigation Fee Act are documented in Chapter 12.

2. Growth Forecasts

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2020 base year and a planning horizon of 2040.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2020 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2040 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2020 through 2040 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

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 types. The land use types for which impact fees have been calculated for are defined below.

- **Single family:** Detached and attached one-unit dwellings (Includes single family homes and townhomes)
- **Multifamily:** All attached multifamily dwellings including duplexes and condominiums
- **Commercial:** All commercial, retail, educational, institutional, and service development
- **Office:** All general, professional, and medical office development
- **Industrial:** All warehouse, distribution, manufacturing, and other industrial development

Some developments may include more than one land use type, such as a mixed-use development with both multifamily and commercial uses. In those cases, the facilities fee would be calculated separately for each land use type.

The City has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use. If a project results in the intensification of use, at its discretion, the City can charge the project the difference in fees between the existing low intensity use and the future high intensity use.

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in McFarland, both in 2020 and in 2040. The base year estimates of household residents and dwelling units comes from the California Department of Finance. Estimates of residents and housing units in 2040 are based on the preferred General Plan alternative. Dwelling units in 2040 are allocated between land uses consistent with current proportions.

Base year employees were estimated based on the latest data from the US Census' OnTheMap application and exclude 83 local government employees. Estimates of workers in 2040 are based on the preferred General Plan alternative and are allocated to the land use categories based on the current proportion of workers.

Table 2.1: Existing and New Development

	2020	2040	Increase
Residents[1]	13,550	33,220	19,670
Dwelling Units[2]			
Single Family	2,700	9,331	6,631
Multifamily	376	1,299	923
Total	3,076	10,630	7,554
Employment[3]			
Commercial	551	1,912	1,361
Office	538	1,867	1,329
Industrial	3,867	13,417	9,550
Total	4,956	17,195	12,239
Building Square Feet (000s)[4]			
Commercial	235	817	582
Office	181	629	447
Industrial	3,334	11,566	8,233
Total	3,750	13,012	9,262

[1] Current population from California Department of Finance. Projection based on preferred General Plan alternative.
[2] Current values from California Department of Finance. Projection for 2040 based on preferred General Plan alternative. Assumes same ratio of single family to multifamily will be maintained as development occurs.
[3] Current estimates of primary jobs from the US Census' OnTheMap. Projection based on preferred General Plan alternative. Assumes current ratio among land uses will be maintained.
[4] Estimated building square feet calculated based on increase of employees and density factors in Table 2.2.

Sources: California Department of Finance, Table E-5, 2020; McFarland Draft General Plan; OnTheMap Application, http://onthemap.ces.census.gov; Table 2.2, Willdan Financial Services.

Occupant Densities

All fees in this report are calculated based on dwelling units, nonresidential building square feet or lodging units. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee.

Occupant densities (residents per dwelling unit or workers per building square foot are the most appropriate characteristics to use for most impact fees. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

The average occupant density factors used in this report are shown in **Table 2.2**. The residential density factors are based on data for McFarland from the 20118 U.S. Census' American Community Survey.

The nonresidential occupancy factors are derived from data from the Institute of Traffic Engineers Trip Generation Manual, 10th Edition.

Table 2.2: Occupant Density

Residential		
Single Family	4.10	Residents per dwelling unit
Multifamily	3.66	Residents per dwelling unit
Nonresidential		
Commercial	2.34	Employees per 1,000 square feet
Office	2.97	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates, Tables B25024 and B25033; ITE Trip Generation Manual, 10th Edition; Willdan Financial Services.

3. General Government Facilities

The purpose of this fee is to ensure that new development funds its fair share of general government facilities. City facilities are generally defined as the administrative and public works facilities needed by the City to operate as a municipality. A fee schedule is presented based on the existing facilities standard of general government facilities in the City of McFarland to ensure that new development provides adequate funding to meet its needs.

Service Population

City 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 3.1 shows the existing and future projected service population for general government facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for general government facilities.

Table 3.1: General Government Facilities Service Population

	A **Persons**	*B* **Weighting Factor**	*A x B = C* **Service Population**
Residents			
Existing (2020)	13,550	1.00	13,550
New Development	19,670	1.00	19,670
Total (2040)	33,220		33,220
Workers			
Existing (2020)	4,956	0.31	1,500
New Development	12,239	0.31	3,800
Total (2040)	17,195		5,300
Combined Residents and Weighted Workers			
Existing (2020)			15,050
New Development			23,470
Total (2040)			38,520

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Sources: Table 2.1; Willdan Financial Services.

Facility Inventories and Standards

This section describes the City's public facility inventory and facility standards.

Existing Inventory

The general government facilities inventory is comprised of various facilities including a City Hall, Council Chambers, Veteran's Hall, library, animal shelter, public works office and various vehicles and equipment. The assumption for the value of land in McFarland is based on an analysis of land sales comparisons within the past five years within a five-mile radius of McFarland, as reported by CoStar. The value of buildings is from the City's insurance most current insurance property schedule. In total the City owns approximately $7 million worth of general government facilities.

Table 3.2: Existing General Government Facilities Inventory

	Inventory	Unit	Unit Cost	Replacement Cost
Land (acres)				
City Hall[1]	0.05	acres	$ 38,000	$ 1,809
City Council Chamber & Veteran Hall	1.07	acres	38,000	41,000
City Library	0.17	acres	38,000	7,000
Animal Shelter	0.11	acres	38,000	4,000
Subtotal - Land	1.40			$ 53,809
Buildings (square feet)[2]				
Office Trailer	200	sq. ft.	$ 430	$ 86,039
Animal Shelter	5,000	sq. ft.	302	1,512,120
Dog Kennel	1,200	sq. ft.	85	101,490
Water Building - WIC Office	4,000	sq. ft.	179	715,460
Veteran's Memorial Community Hall	8,775	sq. ft.	169	1,486,915
Old Library	3,952	sq. ft.	181	714,183
Public Works Office	813	sq. ft.	147	119,446
Subtotal - Buildings	23,940			$ 4,735,653
Vehicles	32	Vehicles	$ 70,300	$ 2,249,079
Total Value - Existing Facilities				$ 7,038,541

[1] Total site is 0.22 acres. Police share is listed in law enforcement facilities inventory.

[2] Based on PEPIP-CA Property Schedule, June 16, 2020. includes real property and personal property.

Sources: City of McFarland; PEPIP-CA Property Schedule, June 16, 2020; Willdan Financial Services.

Planned Facilities

Table 3.3 summarizes the planned general government facilities needed to serve the City through 2040, as identified by City staff. The City plans remodel and expand capacity at City Hall. New facilities costs are estimated to total approximately $2.4 million through 2040.

Table 3.3: Planned General Government Facilities

	Value
City Hall Remodel and Expansion	$ 2,200,000
Total Cost of Planned Facilities	$ 2,200,000

Sources: City of McFarland.

Cost Allocation

Table 3.4 shows the calculation of the existing facilities standard per capita for general government facilities. This value is calculated by dividing the replacement cost of the existing facilities by the existing service population. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker. Implementing fees at this level will allow the City to maintain its general government facilities level of service.

Table 3.4: General Government Facilities Existing Standard

Value of Existing Facilities	$	7,038,541
Existing Service Population		15,050
Cost per Capita	$	468
Facility Standard per Resident	$	468
Facility Standard per Worker[1]		145

[1] Based on a weighing factor of 0.31.

Sources: Tables 3.1, 3.2 and 3.3.

Fee Revenue Projection

The City plans to use general facilities fee revenue to construct improvements to add to the system of general facilities to serve new development. While the City plans to construct the facilities in Table 3.3, additional facilities will need to be identified to maintain the existing standard of facilities through the planning horizon. **Table 3.5** details a projection of fee revenue, based on the service population growth increment identified in Table 3.1.

Table 3.5: Revenue Projection - Existing Standard

Cost per Capita	$	468
Growth in Service Population (2020- 2040)		23,470
Fee Revenue	$	10,983,960
Net Cost of Planned Facilities		2,200,000
Additional Facilities to be Identified	$	8,783,960

Sources: Tables 3.1, 3.3 and 3.4.

Fee Schedule

Table 3.5 shows the maximum justified general government facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two-percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 3.6: General Government Facilities Fee - Existing Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 468	4.10	$ 1,919	$ 38	$ 1,957	
Multifamily	468	3.66	1,713	34	1,747	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 145	2.34	$ 339	$ 7	$ 346	$ 0.35
Office	145	2.97	431	9	440	0.44
Industrial	145	1.16	168	3	171	0.17

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential building space.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 3.4.

4. Law Enforcement Facilities

The purpose of this fee is to ensure that new development funds its fair share of law enforcement facilities. A fee schedule is presented based on the system facilities standard of law enforcement facilities in the City of McFarland to ensure that new development provides adequate funding to meet its needs.

Service Population

Police 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 4.1 shows the existing and future projected service population for law enforcement facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for law enforcement facilities.

Table 4.1: Law Enforcement Facilities Service Population

	A Persons	*B* Weighting Factor	*A x B = C* Service Population
Residents			
Existing (2020)	13,550	1.00	13,550
New Development	19,670	1.00	19,670
Total (2040)	33,220		33,220
Workers			
Existing (2020)	4,956	0.31	1,500
New Development	12,239	0.31	3,800
Total (2040)	17,195		5,300
Combined Residents and Weighted Workers			
Existing (2020)			15,050
New Development			23,470
Total (2040)			38,520

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Sources: Table 2.1; Willdan Financial Services.

Facility Inventories and Standards

This section describes the City's law enforcement facility inventory and facility standards.

Existing Inventory

The City's law enforcement facilities inventory is comprised of the police station, accessory buildings and various vehicles and equipment. The assumption for the value of land in McFarland is based on an analysis of land sales comparisons within the past five years within a five-mile radius of McFarland, as reported by CoStar. The value of buildings is from the City's insurance most current insurance property schedule. In total the City owns approximately $2.9 million worth of law enforcement facilities.

Table 4.2: Existing Law Enforcement Facilities Inventory

	Inventory	Unit	Unit Cost	Replacement Cost
Police Station				
Land	0.17	acres	$ 38,000	$ 6,435
Station Building	4,080	sq. ft.	330	1,345,262
Police Station Storage	96	sq. ft.	55	5,327
Parking Shelter	560	sq. ft.	52	29,195
Police Portable	440	sq. ft.	3,076	1,353,646
Subtotal				$ 2,739,865
Vehicles (Appendix Table A.1)				$ 167,725
Total Value - Existing Facilities				$ 2,907,590

[1] Total site is 0.22 acres. General government share is listed in general government facilities inventory.

Sources: City of McFarland; Table 2.3, Willdan Financial Services.

Planned Facilities

Table 4.3 summarizes the planned law enforcement facilities needed to serve the City through 2040, as identified by the City. The City plans to build an additional 11,400 square foot police station. This facility is estimated to cost approximately $7.8 million through 2040, as identified by the City.

Table 4.3: Planned Law Enforcement Facilities

	Quantity	Units	Unit Cost	Value
Police Station	11,400	Sq. Ft.	$ 684	$ 7,800,000
Total Cost of Planned Facilities				$ 7,800,000

Sources: City of McFarland.

Cost Allocation

Table 4.4 shows the calculation of the system facilities standard per capita for law enforcement facilities. This value is calculated by dividing the total value of all law enforcement facilities in 2040 by the total service population in 2040. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker.

Table 4.4: Law Enforcement Facilities System Standard

Value of Existing Facilities	$	2,907,590
Value of Planned Facilities		7,800,000
Total System Value (2040)	$	10,707,590
Future Service Population (2040)		38,520
Cost per Capita	$	278
Cost Allocation per Resident	$	278
Cost Allocation per Worker[1]		86

[1] Based on a weighting factor of 0.31.

Sources: Tables 4.1, 4.2 and 4.3.

Non-Fee Funding Required

Completing the planned facilities will provide a higher value of facilities per capita than is currently provided in McFarland. Impact fee revenue may not be used to increase the level of service provided to existing development. Therefore, impact fee revenue will not fully fund the planned facilities and some non-fee funding will be required. **Table 4.5** shows the projected fee revenue and the non-fee funding required through 2040. After accounting for the projected future impact fee revenue approximately $1.3 million in non-fee funding will be needed to complete the planned facilities.

The City will need to use alternative funding sources to fund existing development's share of the planned fire protection facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, special assessments, and grants.

Table 4.5: Revenue Projection - System Standard

Cost per Capita	$	278
Growth in Service Population (2020- 2040)		23,470
Fee Revenue	$	6,525,000
Net Cost of Planned Facilities		7,800,000
Non-Fee Revenue to Be Identified	$	(1,275,000)

Sources: Tables 4.1, 4.3 and 4.4.

Fee Schedule

Table 4.6 shows the maximum justified law enforcement facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two-percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 4.6: Law Enforcement Facilities Fee - System Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee	F = E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 278	4.10	$ 1,140	$ 23	$ 1,163	
Multifamily	278	3.66	1,017	20	1,037	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 86	2.34	$ 201	$ 4	$ 205	0.205
Office	86	2.97	255	5	260	0.26
Industrial	86	1.16	100	2	102	0.102

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential building space.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 4.4.

5. Park and Recreation Facilities

The purpose of the parkland and park facilities impact fee is to fund the park facilities needed to serve new development. The maximum justified impact fee is presented based on the existing standard of park and recreation facilities per capita.

Service Population

Park and recreation facilities in McFarland primarily serve residents. Therefore, demand for services and associated facilities is based on the City's residential population. **Table 5.1** shows the existing and future projected service population for park and recreation facilities.

Table 5.1: Park and Recreation Facilities Service Population

	Residents
Existing (2020)	13,550
Growth (2020 to 2040)	19,670
Total (2040)	33,220

Source: Table 2.1.

Existing Park and Recreation Facilities Inventory

The City of McFarland maintains several park and recreation facilities throughout the city. **Table 5.2** summarizes the City's existing parkland inventory in 2020. All facilities are located within the City limits. In total, the inventory includes a total of 22.47 acres of improved parkland.

Table 5.2: Park Land Inventory

Name	Developed Acres
Blanco Park	12.00
Community Garden	2.00
Villa Del Caribe Park	5.00
Munoz Park (S&S Homes Park)	3.29
Kaboom Park	0.18
Total	22.47

Source: City of McFarland.

Parkland and Park Facilities Unit Costs

Table 5.3 displays the unit costs necessary to develop parkland in McFarland. The assumption for the value of land in McFarland is based on an analysis of land sales comparisons within the past five years within a five-mile radius of McFarland, as reported by CoStar. An estimate of $583,000 per acre for standard parkland improvements is based on the City's recent experience improving Blanco Park. In total, it costs approximately $621,000 to acquire and improve an acre of parkland in McFarland.

Table 5.3: Park Facilities Unit Costs

	Cost Per Acre	Share of Total Costs
Standard Park Improvements[1]	$ 583,000	94%
Land Acquisition	38,000	6%
Total Cost per Acre	$ 621,000	100%

[1] Improvement cost per acre based on the cost of Blanco Park.

Sources: City of McFarland; PEPIP-CA Property Schedule, June 16, 2020; Table 2.3, Willdan Financial Services.

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 a jurisdiction'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*.[1]

Quimby Act Standard

The *Quimby 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. A jurisdiction can require residential developers to dedicate above the three-acre minimum if the jurisdiction's existing park standard at the time it adopted its *Quimby Act* ordinance justifies the higher level (up to five acres per 1,000 residents). The standard used must also conform to the jurisdiction's adopted general or specific plan standards.

The *Quimby Act* only applies to land subdivisions. The *Quimby Act* would not apply to residential development on future approved projects on single parcels, such as apartment complexes and other multifamily 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.

1 *California Government Code* §66477.

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

City of McFarland Park Facilities Standards

Table 5.4 shows the existing standard for improved park acreage per 1,000 residents based on the type of parkland. In total the City has an existing parkland standard of 1.66 acres per 1,000 residents. The fee analysis in this report will be based on maintaining a 1.66 acre per 1,000 service population standard as new development adds demand for parks in McFarland. Fees for subdivisions are calculated at the minimum *Quimby* standard of 3.0 acres per 1,000 residents.

Table 5.4: Parkland Standards

Developed Park Acreage	22.47
Service Population (2020)	13,550
Existing Standard (Acres per 1,000 Residents)	1.66
Quimby Act Standard (Acres per 1,000 Residents)	3.00

Sources: Tables 5.1 and 5.2.

Facilities Needed to Accommodate New Development

Table 5.5 shows the park facilities needed to accommodate new development at the existing standard. To achieve the standard by the planning horizon, depending on the amount of development subject to the Quimby Act, new development must fund the purchase and improvement of between 32.65 and 59.01 parkland acres, at a total cost ranging between $20.3 and $21.3 million.

The facility standards and resulting fees under the Quimby Act are higher because development will be charged to provide 3.0 acres of parkland per 1,000 residents, and 1.66 acres of improvements, whereas development not subject to the Quimby Act will be charged to provide only 1.66 acres of parkland per 1,000 residents, and 1.66 acres of improvements. Since the exact amount of development that will be subject to the Quimby fees is unknown at this time, Table 5.5 presents the range of total facility costs that may be incurred depending on the amount of development subject to the Quimby Act.

Table 5.5: Park Facilities to Accommodate New Development

	Calculation	Parkland	Improvements	Total Range[1]
Parkland (Quimby Act), Improvements (Mitigation Fee Act)[2]				
Facility Standard (acres/1,000 capita)	*A*	3.00	1.66	
Service Population Growth (2020 to 2040)	*B*	19,670	19,670	
Facility Needs (acres)	*C = A x B/1000*	59.01	32.65	
Average Unit Cost (per acre)	*D*	$ 38,000	$ 583,000	
Total Cost of Facilities	*E = C x D*	$ 2,242,000	$ 19,035,000	$ 21,277,000
Parkland and Improvements - Mitigation Fee Act[3]				
Facility Standard (acres/1,000 capita)	*A*	1.66	1.66	
Service Population Growth (2020 to 2040)	*B*	19,670	19,670	
Facility Needs (acres)	*C = A x B/1000*	32.65	32.65	
Average Unit Cost (per acre)	*D*	$ 38,000	$ 583,000	
Total Cost of Facilities	*E = C x D*	$ 1,241,000	$ 19,035,000	$ 20,276,000

Note: Totals have been rounded to the thousands.

[1] Values in this column show the range of the cost of parkland acquisition and development should all development be either subject to the Quimby Act, or to the Mitigation Fee Act, respectively.

[2] Cost of parkland to serve new development shown if all development is subject to the Quimby Act (Subdivisions of 50 units or more). Parkland charged at 3.0 acres per 1,000 residents; improvements charged at the existing standard.

[3] Cost of parkland to serve new development shown if all development is subject to the Mitigation Fee Act. Parkland and improvements are charged at the existing standard.

Sources: Tables 5.1, 5.3, and 5.4.

Parks and Recreation Facilities Cost per Capita

Table 5.6 shows the cost per capita of providing new park facilities at the Quimby standard, and the existing facility standard. The cost per capita is shown separately for land and improvements. The costs per capita in this table will serve as the basis of three fees:

- A Quimby Act Fee in-lieu of land dedication. This fee is payable by residential development occurring in subdivisions.
- A Mitigation Fee Act Fee for land acquisition. This fee is payable by residential development not occurring in subdivisions.
- A Mitigation Fee Act Fee for parkland improvements. This fee is payable by all residential development.

A development project pays either the Quimby Act Fee in-lieu of land dedication, or the Mitigation Fee Act Fee for land acquisition, not both. All development projects pay the Mitigation Fee Act Fee for park improvements.

Table 5.6: Park Facilities Investment Per Capita

		Land			Improvements
	Calculation	Quimby Fee	OR	Impact Fee	AND Impact Fee
Parkland Investment (per acre)	*A*	$ 38,000		$ 38,000	$ 583,000
Existing Standard (acres per 1,000 capita)	*B*	3.00		1.66	1.66
Total Cost Per 1,000 capita	*C = A x B*	$ 114,000		$ 63,100	$ 967,800
Cost Per Resident	*D = C / 1,000*	$ 114		$ 63	$ 968

Sources: Tables 5.3 and 5.4.

Use of Fee Revenue

The City plans to use park and recreation facilities fee revenue to purchase parkland or construct improvements to add to the system of park facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development.

Fee Schedule

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. This investment factor (shown in Table 5.7) is the investment per capita based on the unit cost estimates and facility standards.

Tables 5.7 and 5.8 show the maximum justified park and recreation facilities fee based on the policy standard of 5.0 acres per capita under the Quimby Act and under the Mitigation Fee Act, respectively. The investment per capita is converted to a fee per dwelling unit using the occupancy density factors from Table 2.2. The total fee includes an administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 5.7: Park Facilities Impact Fee Schedule - Quimby Act

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee	D = C x 0.02 Admin Charge[1]	E = C + D Total Fee
Single Family					
Parkland	$ 114	4.10	$ 467	$ 9	$ 476
Improvements	968	4.10	3,969	79	4,048
Total	$ 1,082		$ 4,436	$ 88	$ 4,524
Multifamily					
Parkland	$ 114	3.66	$ 417	$ 8	$ 425
Improvements	968	3.66	3,543	71	3,614
Total	$ 1,082		$ 3,960	$ 79	$ 4,039

[1] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 5.6, Willdan Financial Services.

Table 5.8: Park Facilities Impact Fee Schedule - Mitigation Fee Act

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee	D = C x 0.02 Admin Charge[1]	E = C + D Total Fee
Single Family					
Parkland	$ 63	4.10	$ 258	$ 5	$ 263
Improvements	968	4.10	3,969	79	4,048
Total	$ 1,031		$ 4,227	$ 84	$ 4,311
Multifamily					
Parkland	$ 63	3.66	$ 231	$ 5	$ 236
Improvements	968	3.66	3,543	71	3,614
Total	$ 1,031		$ 3,774	$ 76	$ 3,850

[1] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 5.6, Willdan Financial Services.

6. Fire Protection Facilities

The purpose of the fire impact fee is to fund the fire protection facilities needed to serve new development. An impact fee is presented based on the system facilities standard of fire protection facilities per capita.

Service Population

Fire protection facilities are used to provide services to both residents and businesses in the City of McFarland. The service population used to determine the demand for fire protection facilities includes both residents and workers. **Table 6.1** shows the current fire protection facilities service population and the estimated service population at the planning horizon of 2040.

Table 6.1: Fire Protection Facilities Service Population

	A **Persons**	*B* **Weighting Factor**	*A x B = C* **Service Population**
Residents			
Existing (2020)	13,550	1.00	13,550
New Development	19,670	1.00	19,670
Total (2040)	33,220		33,220
Workers			
Existing (2020)	4,956	0.61	3,000
New Development	12,239	0.61	7,500
Total (2040)	17,195		10,500
Combined Residents and Weighted Workers			
Existing (2020)			16,550
New Development			27,170
Total (2040)			43,720

[1] Workers are weighted at 0.61 of residents based on a an analysis of call data from other Willdan clients in California.

Sources: Table 2.1; Willdan Financial Services.

To calculate service population for fire protection facilities, residents are weighted at 1.00. A worker is weighted at 0.61 of one resident to reflect the lower per capita need for fire services associated with businesses. The specific 0.61 per worker weighting used here is derived from an analysis of fire services demand by residential versus nonresidential land uses in other agencies in California.

Planned Facilities

The City does not currently own any fire protection facilities. It plans to build a station and acquire vehicles and equipment to serve both existing and future development. **Table 6.2** summarizes the planned public facilities needed to serve the City through 2040, as identified by the City. New facilities costs are estimated to total approximately $3 million through 2040. Costs were identified in the *Preliminary Cost Assessment for the Provision of Fire and Emergency Services* by the City of McFarland, 2017.

Table 6.2: Planned Fire Protection Facilities

	Inventory	Unit	Unit Cost	Replacement Cost
Fire Station and Equipment				
Construction Costs	3,000	Sq. Ft.	$ 500	$ 1,500,000
Utilities				50,000
Site Improvements (paving, landscaping)				35,000
Furniture				35,000
Equipment (information Technology, radios, on-site equipment)				50,000
Subtotal				$ 1,670,000
Vehicles and Apparatus				
1,500 GPM Pumper (new)				$ 630,000
1,500 GPM Pumper (used)				230,000
Wildland Engine (new)				255,000
Wildland Engine (used)				115,000
Chief Officer Vehicle (new)				70,000
Utility Vehicle (used)				65,000
Subtotal				$ 1,365,000
Total Cost - Planned Facilities				$ 3,035,000

Source: Preliminary Cost Assessment for the Provision of Fire and Emergency Services by the City of McFarland, 2017.

Cost Allocation

Table 6.3 shows the calculation of the system standard of fire protection facilities. The system standard represents new development's projected per capita investment in fire facilities at the planning horizon. This value is calculated by dividing the total value of the system of fire facilities by the projected service population in 2040.

Table 6.3: Fire Protection Facilities System Standard

Value of Planned Facilities	$	3,035,000
Total System Value (2040)	$	3,035,000
Future Service Population (2040)		43,720
Cost per Capita	$	69
Cost Allocation per Resident	$	69
Cost Allocation per Worker[1]		42

[1] Based on a weighting factor of 0.61.

Sources: Tables 6.1 and 6.2.

Non-Fee Funding Required

Completing the planned facilities will provide a higher value of facilities per capita than is currently provided in McFarland. Impact fee revenue may not be used to increase the level of service provided to existing development. Therefore, impact fee revenue will not fully fund the planned facilities and some non-fee funding will be required. **Table 6.4** shows the projected fee revenue and the non-fee funding required through 2040. After accounting for the projected future impact fee revenue approximately $1.2 million in non-fee funding will be needed to complete the planned facilities.

The City will need to use alternative funding sources to fund existing development's share of the planned fire protection facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, special assessments, and grants.

Table 6.4: Revenue Projection - System Standard

Cost per Capita	$	69
Growth in Service Population (2020- 2040)		27,170
Fee Revenue	$	1,875,000
Net Cost of Planned Facilities	$	3,035,000
Non-Fee Revenue to Be Identified	$	(1,160,000)

Sources: Tables 6.1, 6.2 and 6.3.

Fee Schedule

Table 6.5 shows the maximum justified fire protection facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two-percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 6.5: Fire Protection Facilities Fee - System Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee	F = E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 69	4.10	$ 283	$ 6	$ 289	
Multifamily	69	3.66	253	5	258	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 42	2.34	$ 98	$ 2	$ 100	$ 0.10
Office	42	2.97	125	3	128	0.13
Industrial	42	1.16	49	1	50	0.05

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential building space.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 6.3.

7. Water Facilities

This chapter details an analysis of the need for water system facilities to accommodate growth within the City of McFarland. 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 typical measure of demand is a flow generation rate, expressed as the number of gallons 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 water improvements because they represent the average rate of demand that will be placed on the system per land use designation.

Table 7.1 shows the calculation of EDU demand factors based on flow generation by land use category. The flow generation estimates were derived based on data provided by the City of McFarland's Wastewater Treatment Plant Master Plan, and industry standard building density assumptions. EDU factors express demand for water facilities in terms of the demand created by a single-family dwelling unit.

Table 7.1: Water Demand by Land Use

Land Use Type	Flow Generation[1]	Density[2]	Average Flow Generation per DU or 1,000 Sq. Ft.	Equivalent Dwelling Unit (EDU)
Residential - per Dwelling Unit				
Single Family	144	4.10	590.40	1.00
Multifamily	144	3.66	527.04	0.89
Nonresidential - per 1,000 Sq. Ft.				
Commercial	1,850	13.07	141.57	0.24
Office	1,850	10.89	169.88	0.29
Industrial	1,850	8.71	212.35	0.36

[1] Gallons per capita per day for residential, and gallons per day per acre for nonresidential.

[2] Persons per dwelling unit for residential, thousand square feet per acre for nonresidential.

Nonresidential densities are based on floor-area-ratios of 0.3 for commercial, 0.25 for office and 0.20 for industrial.

Sources: Wastewater Treatment Plant Master Plan; Willdan Financial Services.

EDU Generation by New Development

Table 7.2 shows the estimated EDU generation from new development through 2040. New development will generate approximately 10,684 new EDUs.

Table 7.2: Water Facilities Equivalent Dwelling Units

Land Use	EDU Factor	2020 Units / 1,000 SF	2020 EDUs	Growth 2020 to 2040 Units / 1,000 SF	Growth 2020 to 2040 EDUs	Total - 2040 Units / 1,000 SF	Total - 2040 EDUs
Residential - per Dwelling Unit							
Single Family	1.00	2,700	2,700	6,631	6,631	9,331	9,331
Multifamily	0.89	376	335	923	821	1,299	1,156
Subtotal		3,076	3,035	7,554	7,452	10,630	10,487
Nonresidential - per 1,000 Sq. Ft.							
Commercial	0.24	235	57	582	139	817	196
Office	0.29	181	53	447	129	629	182
Industrial	0.36	3,334	1,200	8,233	2,964	11,566	4,164
Subtotal		3,750	1,310	9,262	3,232	13,012	4,542
Total			4,345		10,684		15,029
			28.9%		71.1%		100%

Sources: Tables 2.1 and 7.1.

Facility Needs and Costs

Table 7.3 identifies the planned water facilities to be funded by the fee. Some projects benefit both existing and new development, and others only benefit new development. Projects that do not benefit new development are not allocated to the impact fee. In the case of upsizing existing wells, new development is allocated a share or project responsibility, based on its share of EDUs at the planning horizon. All other projects are allocated 100% to new development because they are only needed because of new development.

In total, approximately $43 million worth of water facilities projects is allocated to new development through this impact fee.

Table 7.3: Costs to Serve New Development

Description	Total Project Cost	Allocation to New Development	Total Cost Allocated to New Development
Water Well Replacement and Upsizing Project	$ 2,407,771	71%	$ 1,711,925
17 New Water Wells[1]	40,932,107	100%	40,932,107
Buildings & Improvements (Capital)	40,000	100%	40,000
Furniture (Capital)	12,000	100%	12,000
Computer Hardware / Software (Capital)	8,000	100%	8,000
Equipment - Other (Capital)	260,000	100%	260,000
Total	$ 43,659,878		$ 42,964,032

[1] One new well is needed per every 600 EDUs, per City Engineering.

Source: Table 12 - Capital Improvement Program Costs, McFarland Water Rate Study; City of McFarland; Table 7.2, Willdan Financial Services.

Cost per EDU

Table 7.4 calculates a cost per EDU associated by dividing the total cost of projects allocated to new development identified in **Table 7.3**, by the growth in EDUs identified in **Table 7.2**

Table 7.4: Cost per EDU

Cost Allocated to New Development	$ 42,964,032
Growth in EDUs	10,684
Cost per EDU	$ 4,021

Sources: Tables 7.2 and 7.3.

Fee Schedule

The maximum justified fee for water facilities is shown in **Table 7.5**. The cost per EDU is converted to a fee per unit of new development based on the EDU factors 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 facilities fee, and (3) fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 7.5: Water Facilities Impact Fee

	A	B	C = A x B	D = C x 0.02	E = C + D	E / 1,000
	Cost Per EDU	EDU Factor	Base Fee[1]	Admin Charge[1, 2]	Total Fee[1]	Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 4,021	1.00	$ 4,021	$ 80	$ 4,101	
Multifamily	4,021	0.89	3,579	72	3,651	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 4,021	0.24	$ 965	$ 19	$ 984	$ 0.98
Office	4,021	0.29	1,166	23	1,189	1.19
Industrial	4,021	0.36	1,448	29	1,477	1.48

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential building space.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 7.1 and 7.4; Willdan Financial Services.

8. Sewer Facilities

This chapter details an analysis of the need for sewer facilities to accommodate growth within the City of McFarland. 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 typical measure of demand is a flow generation rate, expressed as the number of gallons 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 8.1 shows the calculation of equivalent dwelling unit (EDU) demand factors based on flow generation by land use category. The flow generation estimates are consistent with the City's Wastewater Treatment Plant Master Plan. EDU factors express demand for sewer facilities in terms of the demand created by a single-family dwelling unit.

Table 8.1: Sewer Demand by Land Use

Land Use Type	Flow Generation[1]	Density[2]	Average Flow Generation per DU or 1,000 Sq. Ft.	Equivalent Dwelling Unit (EDU)
Residential - per Dwelling Unit				
Single Family	85	4.10	348.50	1.00
Multifamily	85	3.66	311.10	0.89
Nonresidential - per 1,000 Sq. Ft.				
Commercial	1,090	21.78	50.05	0.14
Office	1,090	21.78	50.05	0.14
Industrial	1,090	26.14	41.70	0.12

[1] Gallons per capita per day for residential, and gallons per day per acre for nonresidential.
[2] Persons per dwelling unit for residential, thousand square feet per acre for nonresidential. Nonresidential densities are based on floor-area-ratios of 0.3 for commercial, 0.25 for office and 0.20 for industrial.

Sources: Wastewater Treatment Plant Master Plan; Willdan Financial Services.

EDU Generation by New Development

Table 8.2 shows the estimated EDU generation from new development through 2040. New development will generate approximately 8,584 new EDUs through 2040.

Table 8.2: Sewer Facilities Equivalent Dwelling Units

Land Use	EDU Factor	2020 Units / 1,000 SF	2020 EDUs	Growth 2020 to 2040 Units / 1,000 SF	Growth 2020 to 2040 EDUs	Total - 2040 Units / 1,000 SF	Total - 2040 EDUs
Residential - per Dwelling Unit							
Single Family	1.00	2,700	2,700	6,631	6,631	9,331	9,331
Multifamily	0.89	376	335	923	821	1,299	1,156
Subtotal		3,076	3,035	7,554	7,452	10,630	10,487
Nonresidential - per 1,000 Sq. Ft.							
Commercial	0.14	235	33	582	81	817	114
Office	0.14	181	25	447	63	629	88
Industrial	0.12	3,334	400	8,233	988	11,566	1,388
Subtotal		3,750	458	9,262	1,132	13,012	1,590
Total			3,493		8,584		12,077
			28.9%		71.1%		100%

Sources: Tables 2.1 and 8.1.

Facility Needs and Costs

Table 8.3 identifies the planned sewer facility to be funded by the fee, an expansion to the City's wastewater treatment plant. The expansion is needed solely to serve increased demand from new development. In total, over $12.6 million worth of sewer treatment plant costs is allocated to new development through this methodology.

Table 8.3: Costs to Serve New Development

Description	Cost
Wastewater Plant Expansion Project	$ 12,621,900
Total	$ 12,621,900

Source: Table 7.2, Wastewater Treatment Plant Master Plan.

Cost per EDU

The cost of planned facilities allocated to new development in **Table 8.3** is divided by the total growth in EDUs to determine a cost per EDU. **Table 8.4** details the results of this calculation.

Table 8.4: Cost per EDU

Cost Allocated to New Development	$12,621,900
Growth in EDUs	8,584
Cost per EDU	$ 1,470

Sources: Tables 8.2 and 8.3.

Fee Schedule

The maximum justified fee for sewer 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 facilities fee, and (3) fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 8.5: Sewer Facilities Impact Fee

	A Cost Per EDU	*B* EDU Factor	*C = A x B* Base Fee[1]	*D = C x 0.02* Admin Charge[1, 2]	*E = C + D* Total Fee[1]	*E / 1,000* Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 1,470	1.00	$ 1,470	$ 29	$ 1,499	
Multifamily	1,470	0.89	1,308	26	1,334	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 1,470	0.14	$ 206	$ 4	$ 210	$ 0.21
Office	1,470	0.14	206	4	210	0.21
Industrial	1,470	0.12	176	4	180	0.18

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential building space.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 8.1 and 8.4; Willdan Financial Services.

9. Storm Drain Facilities

This chapter summarizes an analysis of the need for storm drain facilities to accommodate growth within the City of McFarland. This projects and associated costs in this chapter were identified it the City's 2015 Storm Drain Master Plan. This chapter documents a reasonable relationship between new development and a storm drain fee to fund storm drain facilities that serve new development.

Storm Drain Demand

Most new development generates storm water runoff that must be controlled through storm drain facilities by increasing the amount of land that is impervious to precipitation. **Table 9.1** shows the calculation of equivalent dwelling unit (EDU) demand factors based on impervious surface coefficient by land use category. The impervious surface coefficients are based on from California Environmental Protection Agency data. EDU factors relate demand for storm drain facilities in terms of the demand created by a single-family dwelling unit.

Table 9.1: Storm Drain Facilities Equivalent Dwelling Units

	A	*B*	*C = (43,560 / A) x B*	*D = C / Single Family*
	DU or 1,000 Sq. Ft. per acre[1]	**Average Percent Impervious per Acre**	**Impervious Square feet per DU or 1,000 Sq. Ft.**	**Equivalent Dwelling Unit (EDU)[2]**
Residential - per Dwelling Unit				
Single Family	7.00	45%	2,800	1.00
Multifamily	18.00	70%	1,694	0.61
Nonresidential - per 1,000 Sq. Ft.				
Commercial	13.07	86%	2,867	1.02
Office	10.89	69%	2,760	0.99
Industrial	8.71	81%	4,050	1.45

[1] Dwelling units for residential and thousand building square feet for non-residential. Nonresidential densities are based on floor-area-ratios of 0.3 for commercial, 0.25 for office and 0.20 for industrial.
[2] EDUs per dwelling unit for residential development and per thousand square feet for nonresidential

Sources: User's Guide for the California Impervious Surface Coefficients, Office of Environmental Health Hazard Assessment California Environmental Protection Agency; Willdan Financial Services.

EDU Generation by New Development

Table 9.2 shows the estimated EDU generation from new development through 2040. New development will generate approximately 20,167 new EDUs, representing 71-percent of total storm drain demand in 2040.

Table 9.2: Storm Drain Facilities Equivalent Dwelling Units

Land Use	EDU Factor	2020 Units / 1,000 SF	2020 EDUs	Growth 2020 to 2040 Units / 1,000 SF	Growth 2020 to 2040 EDUs	Total - 2040 Units / 1,000 SF	Total - 2040 EDUs
Residential - per Dwelling Unit							
Single Family	1.00	2,700	2,700	6,631	6,631	9,331	9,331
Multifamily	0.61	376	229	923	563	1,299	792
Subtotal		3,076	2,929	7,554	7,194	10,630	10,123
Nonresidential - per 1,000 Sq. Ft.							
Commercial	1.02	235	240	582	593	817	833
Office	0.99	181	179	447	443	629	622
Industrial	1.45	3,334	4,834	8,233	11,937	11,566	16,771
Subtotal		3,750	5,253	9,262	12,973	13,012	18,226
Total			8,182		20,167		28,349
			28.9%		71.1%		100%

Sources: Tables 2.1 and 9.1.

Planned Facilities

Table 9.3 identifies the planned storm drain facilities to be funded by the fee. The new storm drain facilities were all identified in the City's 2015 Storm Drain Master Plan. Project costs were adjusted for inflation from 2015 to 2020 using the Engineering News Record's Construction Cost Index (CCI). All projects are needed as a result of demand from future development.

Table 9.3: Storm Drain Master Plan Improvements

Subarea	Existing Size	Proposed Size	Notes	Estimated Costs (2015)	Cost Adjusted for Inflation (2020)[1]
West Watershed					
A	18"-24"	24"-30"	New storm drain	$ 901,000	$ 1,028,500
C	-	18"-30"	New storm drain	669,000	763,700
D	18"-30"	18"-24"	New storm drain	1,028,000	1,173,500
E	24"	18"-48"	New storm drain	2,058,000	2,349,200
F	18"-30"	18"-48"	New storm drain	7,151,000	8,162,900
Subtotal				11,807,000	$13,477,800
East Watershed					
K	18"-24", 8'x3' Trap. Chnl	24"-42", 6.5'x3' RCB, 10'x3' Trap. Chnl	New storm drain	3,973,000	$ 4,535,200
Total				$15,780,000	$18,013,000

[1] Adjusted for inflation from 2015 to August 2020 using the Engineering News Record's Construction Cost Index.

Source: City of McFarland Storm Drain Master Plan, 2015; Engineering News Record; Willdan Financial Services.

Cost per Equivalent Dwelling Unit

This chapter uses the planned facilities approach to calculate the storm drain facilities cost standard. The cost of planned facilities allocated to new development is divided by the growth in EDUs to determine a cost standard per EDU. **Table 9.4** shows the facility cost standard for storm drain facilities.

Table 9.4: Cost per Equivalent Dwelling Unit

Cost Project Costs	$18,013,000
Total EDUs - 2040	28,349
Cost per EDU	$ 635

Sources: Tables 9.2 and 9.3; Willdan Financial Services.

Fee Schedule

The maximum justified fee for storm drain facilities is shown in **Table 9.5**. The City can adopt any fee up to this amount. The cost per EDU from Table 9.4 is converted to a fee per unit of new development based on the EDU factors shown in Table 9.1. The total fee includes a two-percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee

program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

The fee is also calculated per average lot square foot, to compare to the City's current fee structure. Lot square feet per unit are calculated for each land use. The total fee per unit is then divided by the average square feet per lot to determine the fee per lot square foot.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 9.5: Storm Drain Facilities Fee

	A	*B*	*C = A x B*	*D = C x 0.02*	*E = C + D*	*F = E / 1,000*
	Cost Per EDU	**EDU**	**Base Fee[1]**	**Admin Fee[1,2]**	**Total Fee[1]**	**Fee per Sq. Ft.**
Residential - per Dwelling Unit						
Single Family	$ 635	1.00	$ 635	$ 13	$ 648	
Multifamily	635	0.61	387	8	395	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 635	1.02	$ 648	$ 13	$ 661	$ 0.66
Office	635	0.99	629	13	642	0.64
Industrial	635	1.45	921	18	939	0.94

Note: KSF = 1,000 Square Feet

[1] Fee per dwelling unit, per 1,000 square feet of nonresidential building space.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting,

Sources: Tables 9.1 and 9.4; Willdan Financial Services.

10. Traffic Facilities

This chapter details an analysis of the need for transportation facilities to accommodate new development. The chapter documents a reasonable relationship between new development and the impact fee for funding of these facilities.

Trip Demand

The need for transportation facilities 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.

These adjustments allow for a holistic quantification of trip demand that takes trip purpose and length into account for fee calculation purposes.

Table 10.1 shows the calculation of trip demand factors by land use category based on the adjustments described above. Data is based on extensive and detailed trip surveys conducted in the Institute of Traffic Engineers (ITE) and by the San Diego Association of Governments (SANDAG). 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. Though urban development patterns differ between San Diego and the City of McFarland, the use of this data is appropriate as a means of allocating trips across multiple land use categories. It should be noted that the projections of current and future trip generation in this report are based on data specific to the City of McFarland.

Table 10.1: Trip Rate Adjustment Factors

	Pass-by Trips[1]	Primary and Diverted Trips	Average Trip Length[2]	Adjust-ment Factor[3]	ITE Category	PM Peak Hour Trips[4]	Trip Demand Factor[5]
	A	*B = 1 - A*	C	*D = B x C / Avg.*		*E*	*F = D x E*
Residential - per Dwelling Unit							
Single Family	0%	100%	7.9	1.14	Single Family Housing (210)	1.00	1.14
Multifamily	0%	100%	7.9	1.14	Multifamily Housing (Low-Rise) (220)	0.67	0.76
Nonresidential - per 1,000 Sq. Ft. or Hotel Room							
Commercial	34%	66%	3.6	0.34	Shopping Center (820)	4.21	1.43
Office	0%	100%	8.8	1.28	General Office (710)	1.42	1.82
Industrial	0%	100%	9.0	1.30	General Light Industrial (110)	0.83	1.08

[1] Percent of total trips. A pass-by trip is made as an intermediate stop on the way from an origin to a primary trip destination without a route diversion. Pass-by trips are not considered to add traffic to the road network. Assumption based on ITE Trip Generation Handbook data.
[2] In miles. Based on SANDAG data.
[3] 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.
[4] Trips per dwelling unit or per 1,000 building square feet.
[5] The trip demand factor is the product of the trip adjustment factor and the trip rate.

Sources: Institute of Traffic Engineers, Trip Generation Manual, 10th Edition; Institute of Traffic Engineers, Trip Generation Handbook, 3rd Edition; Willdan Financial Services.

Trip Demand Growth

The planning horizon for this analysis is 2040. **Table 10.2** lists the 2020 and 2040 land use assumptions used in this study. The trip demand factors calculated in **Table 10.1** are multiplied by the existing and future dwelling units and building square feet to determine the increase in trip demand attributable to new development.

Table 10.2: Land Use Scenario and Trip Demand

	Trip	2020		Growth 2020 to 2040		Total - 2040	
Land Use	Demand Factor	Units / 1,000 SF	Trips	Units / 1,000 SF	Trips	Units / 1,000 SF	Trips
Residential - per Dwelling Unit							
Single Family	1.14	2,700	3,078	6,631	7,559	9,331	10,637
Multifamily	0.76	376	286	923	701	1,299	987
Subtotal		3,076	3,364	7,554	8,260	10,630	11,624
Nonresidential - per 1,000 Sq. Ft.							
Commercial	1.43	235	337	582	831	817	1,168
Office	1.82	181	330	447	814	629	1,144
Industrial	1.08	3,334	3,600	8,233	8,892	11,566	12,492
Subtotal		3,750	4,267	9,262	10,537	13,012	14,804
Total			7,631		18,797		26,428
			28.9%		71.1%		100%

Sources: Tables 2.1 and 10.1.

Project Costs and Cost Allocation

Cost estimates for transportation facilities needed to serve new development are summarized in **Table 10.3**. The City identified segments that needed to be improved to serve new development. The City also identified two new interchanged that are needed to serve new development. In total, $144.8 million of traffic project costs were identified to serve new development.

Table 10.3: Roadway Project Costs

Street	Boundaries	Length	Roadway Area[1]	Sidewalk Area[2]	Units	Roadway Cost[3]	Curb and Gutter Cost[4]	Sidewalk Cost[5]	Total
Road Segments									
Hanawalt	Highway 99 to Driver	5,202	114,444	62,424	Sq. ft.	$1,373,328	$ 416,160	$ 499,392	$ 2,288,880
Hanawalt	Highway 99 to Mast to Garzoli	5,246	115,412	62,952	Sq. ft.	1,384,944	419,680	503,616	2,308,240
Nill	Garzoli to Mast to Highway 99	5,743	126,346	68,916	Sq. ft.	1,516,152	459,440	551,328	2,526,920
Browning	Sherwood to Taylor	2,638	58,036	31,656	Sq. ft.	696,432	211,040	253,248	1,160,720
Taylor	Highway 99 to Driver	5,511	121,242	66,132	Sq. ft.	1,454,904	440,880	529,056	2,424,840
Mast	Hanawalt to Whistler	5,277	116,094	63,324	Sq. ft.	1,393,128	422,160	506,592	2,321,880
Subtotal						$7,818,888	$2,369,360	$2,843,232	$ 13,031,480
Interchanges									
Hanawalt Ave / State Route 99									$ 84,700,000
Whisler Road / State Route 99[6]									47,108,214
Subtotal									$ 131,808,214
Total									$ 144,839,694

[1] Assumes travel lane width of 11 feet and total roadway width of 22 feet.
[2] Assumes streets have 6' sidewalks on both sides of the street.
[3] Unit cost of $12 per square foot for paving includes 5" asphalt concrete paving over 10" Class II Aggregate Base for collector streets.
[4] Assumes $40 cost per linear foot for one side of the street.
[5] Assumes $8 cost per sidewalk square foot.
[6] Partial cloverleaf alternative was $37,300,000 in 2011. Adjusted for infaltion using ENR's Construction Cost Index.

Sources: City of McFarland; KernCOG; ENR.com; Willdan Financial Services.

Fee per Trip Demand Unit

Every impact fee consists of a dollar amount, or the cost of projects that can be funded by a fee, divided by a measure of development. In this case, all fees are first calculated as a cost per trip demand unit. Then these amounts are translated into housing unit (cost per unit) and employment space (cost per 1,000 square feet or room) by multiplying the cost per trip by the trip generation rate for each land use category. These amounts become the fee schedule.

Table 10.4 calculates the cost the cost per trip demand unit by dividing the total project costs attributable to new development summarized in **Table 10.3**, by the total growth in trips calculated in **Table 10.2**.

Table 10.4: Cost per Trip to Accommodate Growth

Segment Costs	$ 13,031,480
Interchange Costs	131,808,214
Total	$ 144,839,694
Growth in Trip Demand	18,797
Cost per Trip	$ 7,705

Sources: Tables 10.2 and 10.3.

Fee Schedule

Table 10.5 shows the maximum justified traffic facilities fee schedule. The City can adopt any fee up to this amount. The proposed fees are based on the costs per trip shown in **Table 10.4**. The cost per trip is multiplied by the trip demand factors in Table 10.1 to determine a fee per unit of new development. The total fee includes a two-percent (2%) administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 10.5: Maximum Justified Traffic Impact Fee Schedule

Land Use	A Cost Per Trip	B Trip Demand Factor	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$ 7,705	1.14	$ 8,784	$ 176	$ 8,960	
Multifamily	7,705	0.76	5,856	117	5,973	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 7,705	1.43	$ 11,018	$ 220	$ 11,238	$ 11.24
Office	7,705	1.82	14,023	280	14,303	14.30
Industrial	7,705	1.08	8,321	166	8,487	8.49

[1] Fee per dwelling unit, per 1,000 square feet of nonresidential.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 10.1 and 10.4.

11. Implementation

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 hearing. Data, such as an impact fee report, must be made available at least 10 days prior to the public hearing. The City's legal counsel should be consulted for 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.

Inflation Adjustment

The City can keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the California Construction Cost Index (https://www.dgs.ca.gov/RESD/Resources/Page-Content/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI) be used for adjusting fees for inflation.

The fee amounts can be adjusted based on the change in the index compared to the index in the base year of this study (2020).

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. Note that decreases in index value will result in decreases to fee amounts.

While fee updates using inflationary indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available.

Reporting Requirements

The City will comply with the annual and five-year reporting requirements of the *Mitigation Fee Act*. 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.

Table 11.1 summarizes the annual and five-year reporting requirements identified in the *Mitigation Fee Act*.

Table 11.1: Mitigation Fee Act - Annual and Five-year Administrative Requirements

CA Gov't Code Section	Timing	Reporting Requirements[1]	Recommended Fee Adjustment
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	(A) Identify the purpose to which the fee is to be put. (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged. (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements. (D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	(A) A brief description of the type of fee in the account or fund. (B) The amount of the fee. (C) The beginning and ending balance of the account or fund. (D) The amount of the fees collected and the interest earned. (E) An identification of each public improvement on which fees were expended including share funded by fees. (F) An identification of an approximate date by which the construction of the public improvement will commence. (G) A description of any potential interfund transfers. (H) The amount of refunds made (if any).	Inflationary Adjustment

[1] Edited for brevity. Refer to the government code for full description.

Sources: California Government Code §6601 and §6606.

Programming Revenues and Projects with the CIP

The City maintains a Capital Improvement Program (CIP) to plan for future infrastructure needs. The CIP identifies costs and phasing for specific capital projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The City may decide to alter the scope of the planned projects or to substitute new projects if 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.

12. Mitigation Fee Act Findings

Public facilities fees are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act,* contained in *California Government Code* Sections 66000 through 66025*,* establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the public facilities fees documented in this report are presented in this chapter and supported in detail by the preceding chapters. All statutory references are to the *Act.*

Purpose of Fee

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

Development impact fees are designed to ensure 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 provide 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 public facilities 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 used to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City's sphere of influence. Fees addressed in this report have been identified by the City to be restricted to funding the following facility categories: general government facilities, law enforcement facilities, parks and recreation facilities, fire protection facilities, water facilities, sewer facilities, storm drainage facilities and traffic facilities.

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).*

The City will restrict fee revenue to the acquisition of land, construction of facilities, infrastructure 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. 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 non-residential 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. 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. For some facility categories 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 non-residential development.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Chapter 2, Growth Forecasts provides a description of how service population and growth forecasts are calculated. Facility standards are described in the *Facility Standards* sections of 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. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 2, Growth Forecasts,* or the *Service Population* sections in each facility category chapter for a description of how service populations or other factors 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

Appendix Table A.1: Police Vehicle Inventory

No.	Year	Make	Model	Current Value
290-007	2002	Dodge	Ram 1500	$ 4,966
290-010	2002	Dodge	Ram 1500	4,966
290-011	1999	Chevy	3500	3,994
290-030	2007	Chevy	Silverado	15,000
290-031	2009	Chevy	Impala 4D	8,447
290-032	2006	Ford	Crown Victoria 4D	6,192
290-035	2007	Chevy	Silverado	13,000
290-036	2007	BMW	Motorcycle	8,500
290-038	2013	Gem	E6	16,026
290-039	2014	Zero	Spol 11.4 Motorcycle	11,000
290-040	2014	Zero	Spol 11.4 Motorcycle	11,000
290-041	2006	Gmc	Sierra Pickup	5,600
290-042	2018	Clubc	CA710, LSV 14Y	19,294
290-043	2019	Huntve	Game Changer Utility Vehicle	19,870
290-044	2019	Huntve	Game Changer Utility Vehicle	19,870
Total				$167,725

Source: CSVJRMA LVVCP Listing, May 4, 2020.