

# **PUBLIC FACILITIES FEE STUDY**

**CITY OF HOLLISTER**

**OCTOBER 6, 2006**

**FINAL REPORT**



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## EXECUTIVE SUMMARY

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This report summarizes an analysis of the need for public facilities and capital improvements to support future development within the City of Hollister through 2023. It is the City's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this update to the City's public facilities fee program are divided into the following fee categories listed below:

- ◆ City Hall/City Yard Facilities
- ◆ Fire Facilities
- ◆ Police Facilities
- ◆ Park Facilities
- ◆ Storm Drain Facilities
- ◆ Water Facilities
- ◆ Sewer Facilities

## Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to adjust fees to incorporate current facility plans to serve a 2023 service population.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act (Act)*, contained in *California Government Code* Sections 66000 through 660025. This report provides the necessary findings required by the *Act* for adoption of the revised fees presented in the fee schedules contained herein.

## Development Projections

To estimate facility needs this study uses growth projections. The development projections used for this analysis are summarized in **Table E.1**.

**Table E.1: Public Facilities Service Population**

	Residents	Workers
Existing (2006)	37,100	13,200
New Development (2006-2023)	<u>19,000</u>	<u>7,700</u>
Total (2023)	56,100	20,900

Sources: City of Hollister; MuniFinancial

**Facility Standards and Costs of Growth**

This fee analysis uses standards based on city policy to determine the cost of facilities required to accommodate growth for public facilities. A standard for each facility category considered in this study is derived from the City’s facility plans for 2023. Depending on the level of the policy, the City currently may or may not have sufficient facilities to serve existing development. If the City’s current facilities are below standard, then a deficiency exists. In this case, the portion of the cost of planned facilities associated with correcting the deficiency must be allocated to funding sources other than the fee. The public facilities fees can only fund the planned facilities needed to accommodate new development at the adopted standard.

The master plan standard for city hall/city yard, fire, police, and park facilities is calculated based on all existing and projected new development, and all existing and planned facilities designed to serve that development. The standard represents the average per capita cost of all facilities to serve the entire service population (existing and new). The key variable affecting the standard is the amount and cost of planned facilities. Using a per capita facility standard ensures an equitable distribution of the cost of planned facilities between existing and new development.

The City must distinguish between planned facilities needed to accommodate growth and planned facilities that serve existing residents and businesses. New development can only fund its fair share of planned facilities. Fair share is based on application of the same facility standard to both new and existing development. The types of public facilities funded by these fees are each part of a citywide network or system of facilities. As a result it is not possible to determine what portion of each public building, whether existing or planned, serves existing development or growth. To ensure compliance with the law,

the City must ensure that there is a reasonable relationship between new development, the amount of the fee, and the facilities funded by the fee.

The fees for storm drain, water, and sewer are based on estimates by City staff of facility needs to serve new development. This planned facilities method calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development. If planned facilities serve existing development, existing development’s fair share must be provided from non-fee sources.

## Fee Schedules and Revenues

Table E.2 summarizes the schedule of maximum justified public facilities fees based on the analysis contained in this report.

**Table E.2: Proposed Public Facilities Fee Summary**

Land Use	City Hall/ City Yard	Fire	Police	Parks	Storm Drain (Santa Ana)	Water	Sewer	Total
<i>Residential</i>								
					<i>(Fee per Dwelling Unit)</i>			
Single Family Unit	\$ 1,135	\$ 928	\$ 1,300	\$ 3,845	N/A	\$ 670	\$ 13,502	\$ 21,379
Multi-family Unit	1,098	898	1,258	3,721	N/A	670	9,596	17,240
<i>Nonresidential<sup>1</sup></i>								
					<i>(Fee per 1,000 Bldg Square Feet)</i>			
Commercial	\$ 195	\$ 456	\$ 222	\$ 521	N/A	\$ 591	3,591	\$ 5,576
Office	259	608	296	693	N/A	591	3,591	6,039
Industrial	130	304	148	346	N/A	255	1,523	2,706
<i>Storm Drain</i>								
Santa Ana								
					<i>(Fee per Dwelling Unit)</i>			
Residential								
Single Family Unit	N/A	N/A	N/A	N/A	\$ 1,719	N/A	N/A	\$ 1,719
Multi-family Unit	N/A	N/A	N/A	N/A	859	N/A	N/A	859
Nonresidential								
					<i>(Fee per Acre)</i>			
Commercial	N/A	N/A	N/A	N/A	\$ 15,469	N/A	N/A	\$ 15,469
Office	N/A	N/A	N/A	N/A	15,469	N/A	N/A	15,469
Industrial	N/A	N/A	N/A	N/A	13,750	N/A	N/A	13,750
San Benito								
					<i>(Fee per Dwelling Unit)</i>			
Residential								
Single Family Unit	N/A	N/A	N/A	N/A	\$ 4,286	N/A	N/A	\$ 4,286
Multi-family Unit	N/A	N/A	N/A	N/A	2,143	N/A	N/A	2,143
Nonresidential								
					<i>(Fee per Acre)</i>			
Commercial	N/A	N/A	N/A	N/A	\$ 38,574	N/A	N/A	\$ 38,574
Office	N/A	N/A	N/A	N/A	38,574	N/A	N/A	38,574
Industrial	N/A	N/A	N/A	N/A	34,287	N/A	N/A	34,287

<sup>1</sup> Fee per 1,000 bldg square feet except storm drain charged per acre.

Sources: Tables 4.4, 5.5, 6.5, 7.9, 8.7, 8.8, 9.5 and 10.7; MuniFinancial.

Planned facilities cost and fee revenues by facility category are summarized in **Table E.3**. The net contributions from non-fee revenue sources shown in the last line of the table represent costs associated with existing development’s fair share of new facilities based on the master plan standards used in the analysis. The facility costs included within this study for storm drain, water and sewer are planned to serve only new development, and thus the City will determine the funding mechanism for existing development’s fair share.

**Table E.3: Allocation of Facilities Costs to New Development**

	City Hall/ City Yard	Fire	Police	Parks	Storm Drain	Water	Sewer	Total
Total Fee Revenues	\$ 6,561,000	\$ 6,269,000	\$ 7,514,000	\$ 21,910,000	N/A	\$ 5,100,000	\$ 153,353,941	\$ 200,707,941
Total Planned Facilities Costs	16,193,000	10,267,000	12,577,000	35,369,000	N/A	\$ 8,900,000	\$ 333,378,133	416,684,133
Surplus/Deficit	\$ (9,632,000) (59%)	\$ (3,998,000) (39%)	\$ (5,063,000) (40%)	\$ (13,459,000) (38%)	N/A N/A	\$ (3,800,000) (43%)	\$ (180,024,192) (54%)	\$ (215,976,192) (52%)

Sources: Tables 4.3, 5.4, 6.4, and 7.8; MuniFinancial.

## Fee Comparison

**Table E.4** presents a comparison of fees currently assessed by the City of Hollister and the proposed fee adjustments.

**Table E.4: Impact Fees Comparison for Single-Family Residential**

	Hollister (Current) <sup>1</sup>	Hollister (Proposed) <sup>2</sup>	Amount increase/ (decrease)
Police	330	1,300	970
Fire	440	928	488
Water	2,090	670	(1,420)
Storm Drain Santa Ana	1,280	1,719	439
Storm Drain San Benito	2,460	4,286	1,826
Sewer - treatment cost	1,800	13,502	11,702
Facilities			
Community Center/City Hall/Corp. Yard	0	1,135	1,135
Park/Open Space Acquisition	0	3,845	3,845

<sup>1</sup> Current impact fees provided by the City Engineer 2006.

<sup>2</sup> Proposed fees are from the Public Facilities Fee study prepared for the City by MuniFinancial.

## 1. INTRODUCTION AND SUMMARY

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

- ◆ Background and study objectives;
- ◆ Public facilities financing in California;
- ◆ Organization of the report;
- ◆ Facility inventories, plans, and standards;
- ◆ Fee schedules and revenues; and
- ◆ Fee comparison.

### Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to adjust fees to incorporate current facility plans to serve a 2023 service population for the City of Hollister.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act (Act)*, contained in *California Government Code* Sections 66000 through 660025. This report provides the necessary findings required by the *Act* for adoption of the revised fees presented in the fee schedules contained herein.

### Public Facilities Financing In California

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

- ◆ The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;

- ◆ Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- ◆ Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of “growth pays its own way”. This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

## Organization of the report

The five statutory findings required for adoption of the proposed public facilities fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025) are summarized in Chapter 2.

The determination of a public facilities fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis of different facility categories, and are summarized in Chapter 3.

Chapters 4 through 10 are devoted to documenting the maximum justified public facilities fee for each of the following seven facility categories:

- ◆ City Hall/City Yard facilities
- ◆ Fire facilities
- ◆ Police facilities
- ◆ Park facilities
- ◆ Storm Drain facilities
- ◆ Water facilities
- ◆ Sewer facilities

## Facility Inventories, Plans & Standards

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards also may be expressed in monetary terms such as the replacement value of facilities per capita. The adopted

facility standard is a critical component in determining new development's need for new facilities and the amount of the fee. Standards determine new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with existing development.

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

- ◆ The **existing inventory method** uses a facility standard based on the ratio of existing facilities to the existing service population. Under this approach new development funds the expansion of facilities at the same rate that existing development has provided facilities to date. By definition the existing inventory method results in no facility deficiencies attributable to existing development. To increase facility standards the jurisdiction must secure funding in addition to development fees.
- ◆ The **master plan method** calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.
- ◆ The **planned facilities method** calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

This study uses the master plan method described above to determine facility standards for city hall/city yard, police, fire, and park facilities. Fees for storm drain, water and sewer facilities are based on the planned facilities method.

The facility standard for each fee using the master plan method is based on a citywide standard incorporating all existing and planned facilities designed to serve all existing and projected development in 2023. Facility standards are expressed in terms of replacement value per capita.

The master plan facility standard for each fee category represents a policy decision by the City primarily driven by the list of planned facilities documented in this report. A smaller amount of planned facilities (fewer and/or less costly ones) would result in a lower master plan standard and a lower fee. A larger amount of planned facilities would cause the opposite result. The City has the flexibility to alter the list of planned facilities shown in this report as conditions change. If the overall cost of planned facilities in this report related to the amount of anticipated development is altered significantly then the City should update this fee program to incorporate those changes.

As described above, the master plan method ensures an equitable distribution of planned facility costs between existing and new development. The method ensures that new development is not unfairly burdened should City policy result in a higher per capita standard than the City’s existing inventory standard. A higher facility standard creates a deficiency that the City must fund by a source other than public facilities fees. Each fee documented in this report clearly identifies the cost of this deficiency, if any.

## Fee Schedules and Revenues

**Table 1.1** summarizes the schedule of maximum justified public facilities fees based on the analysis contained in this report.

**Table 1.1: Proposed Public Facilities Fee Summary**

Land Use	City Hall/ City Yard	Fire	Police	Parks	Storm Drain (Santa Ana)	Water	Sewer	Total
<i>Residential</i>								
<i>(Fee per Dwelling Unit)</i>								
Single Family Unit	\$ 1,135	\$ 928	\$ 1,300	\$ 3,888	N/A	\$ 670	\$ 13,502	\$ 21,422
Multi-family Unit	1,098	898	1,258	3,763	N/A	670	9,596	17,282
<i>Nonresidential<sup>1</sup></i>								
<i>(Fee per 1,000 Bldg Square Feet)</i>								
Commercial	\$ 195	\$ 456	\$ 222	\$ 526	N/A	\$ 591	3,591	\$ 5,581
Office	259	608	296	701	N/A	591	3,591	6,047
Industrial	130	304	148	351	N/A	255	1,523	2,710
<i>Storm Drain</i>								
<i>Santa Ana</i>								
<i>(Fee per Dwelling Unit)</i>								
<i>Residential</i>								
Single Family Unit	N/A	N/A	N/A	N/A	\$ 1,719	N/A	N/A	\$ 1,719
Multi-family Unit	N/A	N/A	N/A	N/A	859	N/A	N/A	859
<i>Nonresidential</i>								
<i>(Fee per Acre)</i>								
Commercial	N/A	N/A	N/A	N/A	\$ 15,469	N/A	N/A	\$ 15,469
Office	N/A	N/A	N/A	N/A	15,469	N/A	N/A	15,469
Industrial	N/A	N/A	N/A	N/A	13,750	N/A	N/A	13,750
<i>San Benito</i>								
<i>(Fee per Dwelling Unit)</i>								
<i>Residential</i>								
Single Family Unit	N/A	N/A	N/A	N/A	\$ 4,286	N/A	N/A	\$ 4,286
Multi-family Unit	N/A	N/A	N/A	N/A	2,143	N/A	N/A	2,143
<i>Nonresidential</i>								
<i>(Fee per Acre)</i>								
Commercial	N/A	N/A	N/A	N/A	\$ 38,574	N/A	N/A	\$ 38,574
Office	N/A	N/A	N/A	N/A	38,574	N/A	N/A	38,574
Industrial	N/A	N/A	N/A	N/A	34,287	N/A	N/A	34,287

<sup>1</sup> Fee per 1,000 bldg square feet except storm drain charged per acre.

Sources: Tables 4.4, 5.5, 6.5, 7.9, 8.7, 8.8, 9.5 and 10.6; MuniFinancial.

As discussed above, the use of the master plan method to calculate facility standards can result in deficiencies that must be corrected with revenue sources other than public facilities fees. These revenue sources can include: grant funds, redevelopment funds, utility rates, or contributions from developers, just to name a few. The funding required to correct those deficiencies is shown in **Table 1.2**. These costs represent the net cost of planned facilities after allocating to new development its fair share. The City’s sewer facility costs include the greatest unfunded deficiency of about \$180 million, or about 54 percent of total planned facilities costs. Across all public facilities fees the cost of deficiencies represents about \$216 million, or about 52 percent of total planned facilities costs. However, revenues have been identified for the majority of the deficit for sewer facilities.

**Table 1.2: Allocation of Facilities Costs to New Development**

	City Hall/ City Yard	Fire	Police	Parks	Storm Drain	Water	Sewer	Total
Total Fee Revenues	\$ 6,561,000	\$ 6,269,000	\$ 7,514,000	\$ 21,910,000	N/A	\$ 5,100,000	\$ 153,353,941	\$ 200,707,941
Total Planned Facilities Costs	16,193,000	10,267,000	12,577,000	35,369,000	N/A	8,900,000	333,378,133	416,684,133
Surplus/Deficit	\$ (9,632,000) (59%)	\$ (3,998,000) (39%)	\$ (5,063,000) (40%)	\$ (13,459,000) (38%)	N/A	\$ (3,800,000) (43%)	\$ (180,024,192) (54%)	\$ (215,976,192) (52%)

Sources: Tables 4.3, 5.4, 6.4, and 7.8; MuniFinancial.

## Fee Comparison

Table 1.3 presents a comparison of fees currently assessed by the City of Hollister and the proposed fee adjustments.

**Table 1.3: Impact Fees Comparison for Single-Family Residential**

	Hollister (Current) <sup>1</sup>	Hollister (Proposed) <sup>2</sup>	Amount increase/ (decrease)
Police	330	1,300	970
Fire	440	928	488
Water	2,090	670	(1,420)
Storm Drain Santa Ana	1,280	1,719	439
Storm Drain San Benito	2,460	4,286	1,826
Sewer - treatment cost	1,800	13,502	11,702
Facilities			
Community Center/City Hall/Corp. Yard	0	1,135	1,135
Park/Open Space Acquisition	0	3,845	3,845

<sup>1</sup> Current impact fees downloaded from the City's website.

<sup>2</sup> Proposed fees are from the Public Facilities Fee study prepared for the City by MuniFinancial.

## 2. MITIGATION FEE ACT FINDINGS

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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 (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 maximum justified public facilities fees documented in this report are presented in this chapter and supported in detail by the report that follows. All statutory references are to the *Act*.

### Purpose of Fee

For the first finding the City must:

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

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

### Use of Fee Revenues

For the second finding the City must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan

requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. (§66001(a)(2))

The public facilities fees documented by this report will fund expanded facilities to serve new development. All facilities funded by these fees will be located within the City of Hollister. Each public facility fee will be restricted to funding only one of the following seven types of public facilities:

- ◆ City hall/city yard and related administrative facilities
- ◆ Fire stations and related facilities
- ◆ Police stations and related facilities
- ◆ Park facilities
- ◆ Storm drain facilities
- ◆ Water facilities
- ◆ Sewer facilities

Summary descriptions of the planned facilities such as size and cost estimates were provided by City staff and are included in this report. More detailed descriptions of certain planned facilities, including their specific location if known at this time, are included in master plans, capital improvement plans, or other City planning documents or are available from City staff. The City may change the list of planned facilities to meet changing circumstances and needs, as it deems necessary. The fee program should be updated if these changes result in a significant change in the fair share cost allocated to new development.

Planned facilities to be funded by each fee are described in the *Facilities, Inventories, Plans and Standards* or *Facilities to Accommodate Growth* section within each facility fee chapter.

## Benefit Relationship

For the third finding the City must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The City will restrict fee revenues to the acquisition of land, construction of public buildings, and purchase of related equipment, furnishings, vehicles, and services that serve new development. Public facilities funded by each fee will provide a citywide network of services accessible to the additional residents and workers

associated with new development. Fees will not fund planned facilities needed to correct existing deficiencies. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

The planned facilities that will be funded by each fee are described in the *Facilities, Inventories, Plans and Standards* or *Facilities to Accommodate Growth* section within each facility fee chapter.

## Burden Relationship

For the fourth finding the City must:

Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. (§66001(a)(4))

The need for each type of facility is based on a facility standard that represents the demand generated by new development for that facility. Demand for facilities is determined as follows:

- ◆ Service population in terms of residents and employment indicates demand for city hall/city yard, police, fire, and park facilities;
- ◆ Storm water generation as measured by impervious surface area indicates demand for storm drain facilities;
- ◆ Water use indicates demand for water facilities; and
- ◆ Wastewater generation indicates demand for sewer facilities.

For each facility type demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. Service population standards are calculated based on residents associated with residential development and employment associated with nonresidential development. To calculate a single per capita standard, one worker is weighted less than one resident based on an analysis of the relative demand between residential and nonresidential development. For storm drain, and water, facility standards are based on an equivalent dwelling unit (EDU) that measures the demand for service by land use category in proportion to one single-family dwelling unit. For sewer facilities, land use categories are based on strength and flow of customer classes, which are based on industry standard.

The same facility standards used to determine growth needs are also used to determine if planned facilities will partially serve existing development by

correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that each public facilities fee will not unfairly burden new development with the cost of facilities associated with serving existing development

See the *Growth Projections* chapter for a description of how service population and growth projections are calculated. For water and storm drain, growth in EDU projections are described in each specific chapter. Facility standards are described in the *Facilities, Inventories, Plans and Standards* or *Facilities to Accommodate Growth* section of each fee chapter.

## Proportionality

For the fifth finding the City must:

Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (§66001(b))

This reasonable relationship between each public facilities fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated size of the service population or number of EDUs that the project will accommodate. The total fee for a specific project is based on its size as measured by dwelling units or building square feet. The fee schedule converts the estimated service population or EDUs that a development project will accommodate into a fee based on the size of the project. Larger projects of a certain land use type will have a higher service population or more EDUs and pay a higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the public facilities fee for a specific development project and the cost of the facilities attributable to that project.

See the *Growth Projections* chapter or *Equivalent Dwelling Units* section in each specific chapter for a description of how service population or EDUs are determined for different types of land uses using occupancy density factors. See the *Fee Schedule* section of each facility chapter for a presentation of the public facilities fee schedule.

### 3. GROWTH PROJECTIONS

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This chapter explains how development projections are used to calculate public facilities fees, and summarizes estimates of existing development and projections of growth used for this study. Existing development is estimated for 2006 and the planning horizon is 2023. The projected growth in equivalent dwelling units (EDU) for storm drain and water is shown in each specific chapter (Chapters 8 through 9).

#### Use of Growth Projections for Impact Fees

Estimates of existing development and projections of growth are critical assumptions used throughout fee chapters that follow in this report. These estimates are used as follows:

- ◆ Estimates of total development at the 2023 planning horizon are used to determine the total amount of public facilities required to accommodate growth, and to allocate those costs on a per unit basis, for example costs per capita or per EDU.
- ◆ Estimates of growth from 2006 to 2023 are used to allocate to new development its fair share of total planned facility needs.

To measure existing development and future growth, we use population and employment, also identified as residents and workers, respectively, for the building-related and park fee categories. We use these measures because numbers of residents and workers are reasonable indicators of the level of demand for public facilities. The City builds public facilities primarily to serve these populations and, typically, the greater the population the larger the facility required to provide a given level of service. To measure growth for the utility fees, including storm drain, and water we use equivalent dwelling units.

#### Service Population & Equivalent Dwelling Units

Different types of development use public facilities at different rates in relation to each other, depending on the services provided. In Chapters 4 through 7, a specific service population is identified for each facility type to reflect total demand. The service population weights residential land uses type against nonresidential land uses based on the relative demand for services between residents and workers. In

Chapters 8 through 9, a specific measure of demand based upon water flow is identified for each facility type to reflect demand. The equivalent dwelling unit factor weights each land use type against one single-family unit's demand for services. For chapter 10, sewer discharge is based on land use category strength and flow.

## 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 used in this analysis are defined below.

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

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the public facilities fee would be calculated separately for each land use type. In addition, for the wastewater section, customer classes are further disaggregated. Please see Chapter 10 for detail.

The City should have the discretion to impose the public facilities fee based on the specific aspects of a proposed development regardless of zoning. The guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

## Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. To do this, they must vary by the estimated service population generated by a particular development project. Developers pay

the fee based on the number of additional housing units or building square feet of nonresidential development, so the fee schedule must convert service population estimates to these measures of project size. This conversion is done with average occupant density factors by land use type, shown in **Table 3.1**.

The residential occupancy density factors shown in the table are derived from the 2000 Census and from the Department of Finance estimates for January 1, 2006 (the most recent State data available). The nonresidential factors are based on *Employment Density Study Summary Report*, prepared for the Southern California Association of Governments, October 2001 by The Natelson Company. For example, the industrial density factor represents an average for light industrial, heavy industrial, and warehouse uses likely to occur in Hollister.

**Table 3.1: Occupant Density**

<u>Residential</u>		
Single Family	3.51	Residents Per Single Family Unit
Multifamily	3.40	Residents Per Multi-family Unit
<u>Nonresidential</u>		
Commercial	2.50	Employees Per 1,000 Sq Ft
Office	3.33	Employees Per 1,000 Sq Ft
Industrial	1.67	Employees Per 1,000 Sq Ft

Note: Population densities based on 2000 Census data by dwelling unit type adjusted based on 2006 DOF estimate of average population per dwelling unit excluding group quarters.

Source: 2000 Census, Tables H31-H33; California Department of Finance (DOF), Table E-5; The Natelson Company, Inc., *Employment Density Study Summary Report*, prepared for the Southern California Association of Governments, October 31, 2001; MuniFinancial.

## Growth Projections for Hollister

The base year for this study is the year 2006. The existing facilities in 2004 combined with the planned facilities in 2023 will make up the master plan standard in our study.

Base year residential and employment estimates are calculated using the California Department of Finance (DOF) January 1, 2006 estimates. Base year employment estimates are from the Association of Monterey Bay Area Governments’ latest projection series and interpolated to 2006 by MuniFinancial.

**Table 3.2** show estimates of the growth in terms of residents and workers. The substantial level of anticipated growth would require a significant expansion of public facilities to accommodate new development.

**Table 3.2: Public Facilities Service Population**

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	<b>Residents</b>	<b>Workers</b>
Existing (2006)	37,100	13,200
New Development (2006-2023)	<u>19,000</u>	<u>7,700</u>
Total (2023)	56,100	20,900

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Sources: California Department of Finance; City of Hollister; MuniFinancial

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## 4. CITY HALL/CITY YARD FACILITIES

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This chapter presents an analysis of the need for city hall/city yard and related administrative facilities to accommodate new development in the City of Hollister. A fee schedule is presented based on the cost of these facilities to ensure that new development provides adequate funding to meet its needs.

### Service Population

The City's city hall/city yard facilities serve both residents and businesses. Demand for services and associated facilities is based on the City's service population including residents and workers.

**Table 4.1** shows the estimated service population in 2006 and 2023. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.24-weighting factor for workers is based on a 40-hour workweek divided by a total of 168 hours in a week.

**Table 4.1: City Hall/City Yard Service Population**

	Residents	Workers	Service Population
Existing (2006)	37,100	3,200	40,300
New Development (2006-2023)	<u>19,000</u>	<u>1,800</u>	<u>20,800</u>
Total (2023)	56,100	5,000	61,100
Weighting factor	1.00	0.24	

Note: Numbers shown in table are calculated by multiplying the public facilities service population in Table 3.2 by the perspective weighting factor in the above table.

Source: Table 3.2; MuniFinancial.

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## Facility Inventories, Plans & Standards

The City owns 25,100 square feet of building space situated on approximately 6 acres for city administration and city yard facilities. These existing facilities house the City Council chambers, the City Manager and City Clerk’s offices, and other governance and administrative functions such as Finance, Human Resources, and Community Development.

Planned facilities are based on City staff estimates to serve the 2023 planning horizon. For administrative offices the City intends to expand into a new 43,000 square foot facility. The City also plans to expand its corporation yard and warehouse facilities.

**Table 4.2** summarizes existing and planned city hall/city yard facilities. The table also shows the master plan facility standard expressed in terms of costs per capita for all facilities in 2023.

**Table 4.2: City Hall/City Yard Master Plan Standard**

	Inventory	Unit Cost <sup>1</sup>	Value	Total
<b>Existing Facilities</b>				
Land				
City Hall	0.27	\$ 235,000	\$ 63,000	
Corporation Yard	<u>5.50</u>	235,000	<u>1,293,000</u>	
Subtotal	5.77		\$ 1,356,000	
Buildings				
City Hall	7,472	103	\$ 766,000	
Corporation Yard				
Main Building (Offices)	9,050	76	686,000	
Main Building (Garage)	6,000	27	160,000	
Storage Building	1,040	70	73,000	
Utility Building	<u>1,536</u>	26	<u>40,000</u>	
Subtotal	25,098		\$ 1,725,000	
Total Existing Facilities				\$ 3,081,000
<b>Planned Facilities</b>				
Land				
City Admin	2.00	\$ 235,000	\$ 470,000	
City Yard Expansion	<u>7.50</u>	235,000	<u>1,763,000</u>	
Subtotal	9.50		\$ 2,233,000	
Buildings				
City Admin	43,378	\$ 225	\$ 9,760,000	
City Yard Expansion	<u>22,000</u>	191	<u>4,200,000</u>	
Subtotal	65,378		\$ 13,960,000	
Total Planned Facilities				\$ 16,193,000
Total Facilities				\$ 19,274,000
2023 Service Population				<u>61,100</u>
Cost per Capita				\$ 315
Facility Standard per Resident				\$ 315
Facility Standard per Worker <sup>2</sup>				76

<sup>1</sup> Unit costs based on current market value.

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

Sources: Table 4.1; City of Hollister; MuniFinancial.

## Allocation of Facilities Costs to New Development

The allocation of costs for planned facilities between existing and new development is shown in **Table 4.3**. The table shows an estimate of the total costs of facilities associated with new development based on the facility standard shown in Table 4.2.

**Table 4.3: Allocation of Planned City Hall/City Yard Space Costs To New Development**

Facility Standard Per Capita	\$ 315
New Development Service Population (2006-2023)	<u>20,800</u>
New Development Contribution to Planned Facilities	\$ 6,561,000
Total Cost of Planned Facilities	<u>16,193,000</u>
Deficiency To Be Funded By Non-fee Revenue Sources	\$ (9,632,000)

Sources: Tables 4.1 and 4.2; MuniFinancial.

The importance of Table 4.3 is the bottom line that shows the share of planned facility costs that must come from revenue sources other than public facilities fees. This amount represents the remainder after allocating to new development its share of those costs. The City can raise the funding needed to complement public facilities fee revenues over the planning horizon (through 2023). This funding is necessary to justify the fee imposed on new development using the master plan standard documented here. If this funding does not materialize, then new development would have paid too high a fee.

### Alternative Funding Sources

The City anticipates using existing revenue sources or developing new sources to fund the non-fee share of planned facility costs. Likely potential sources of revenue include existing or new general fund revenues, or existing or new taxes. Any new tax would require two-thirds voter approval. Any new assessments or property-related charge would require majority property owner approval.

### Fee Schedule

Table 4.4 shows the city hall/city yard public facilities fee based on the master plan standard shown in Table 4.2. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

**Table 4.4: City Hall/City Yard Public Facilities Fee**

Land Use	Costs per Capita	Density <sup>1</sup>	Fee <sup>2</sup>	Admin Fee <sup>2,3</sup>	Total Fee <sup>2</sup>
<i>Residential</i>					
Single Family Unit	\$ 315	3.51	\$ 1,107	\$ 28	\$ 1,135
Multi-family Unit	315	3.40	1,071	27	1,098
<i>Nonresidential</i>					
Commercial	\$ 76	2.50	\$ 190	\$ 5	\$ 195
Office	76	3.33	253	6	259
Industrial	76	1.67	127	3	130

<sup>1</sup> Persons per dwelling unit or square feet per worker.

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

<sup>3</sup> Administration fee of 2.5 percent.

Sources: Tables 3.1 and 4.2; MuniFinancial.

## Implementation

This section identifies tasks that the City should complete when implementing the fee programs.

### Programming Revenues and Projects with the CIP

The City should update its Capital Improvement Plan (CIP) to program fee revenues to specific projects. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The City may alter the scope of the planned projects listed in Table 4.2, or substitute new projects as long as the project continues to represent an expansion of the city hall/city yard facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

For the five-year planning period of the CIP, the City should allocate all existing fund balances and projected fee revenue to specific city hall/city yard facilities projects. The City can hold funds in a project account for longer than five years if necessary to collect sufficient funds to complete a project.

### Identify Non-fee Revenue Sources

The City must identify non-fee revenue sources to fully fund the planned facilities and justify the maximum public facilities fee. The City should take any actions necessary to secure those funds.

## **Inflation Adjustment**

The City should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The City should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the City's recent capital project experience or taken from any reputable source, such as the *Engineering News Record*. To calculate the fee increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

## **Reporting Requirements**

The City should comply with the annual and five-year reporting requirements of *Government Code 66000 et seq.* For facilities to be funded with a combination of public facilities fees and other revenues, the City must identify the source and amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.

## 5. FIRE FACILITIES

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This chapter summarizes an analysis of the need for fire stations and related facilities to accommodate new development in the City of Hollister. The chapter documents a reasonable relationship between new development and the maximum justified public facilities fee for funding of those facilities.

### Service Population

The fire department serves both residents and workers in the service area. Service population is used as a measure of the need for fire station facilities because calls for service are generated increasingly by people in need of medical assistance, rather than structures requiring fire suppression. The demand for fire service is correlated with the distribution of residents and workers within the service area.

Table 5.1 shows the estimated service population for 2006 and 2023. In calculating the service population, residents are given a weight of 1.0 and workers are weighted at 0.69 to reflect lower per capita service usage. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker usage of services is less than average per-resident usage.

**Table 5.1: Fire Service Population**

	Residents	Workers	Service Population
Existing (2006)	37,100	9,100	46,200
New Development (2006-2023)	19,000	5,300	24,300
Total (2023)	56,100	14,400	70,500
Weighting factor	1.00	0.69	

Note: Numbers shown in table are calculated by multiplying the public facilities service population in Table 3.2 by the perspective weighting factor in the above table.

Source: Table 3.2; MuniFinancial.

The 0.69 per-worker weighting used here is derived from a study carried out by staff in the City of Phoenix, and is one of the best sources of this data that we are

aware of. We used data from that study to calculate a per capita factor that is independent of land use patterns. Relative demand for fire service between residents and workers does not vary substantially on a per capita basis across communities, enabling us to use this data for all the communities we assist in the documentation of a fire stations public facilities fee.

**Facility Inventories, Plans & Standards**

The fire department presently provides 24-hour protection to the City of Hollister from two stations. City staff provided existing and planned facility inventories to serve a 2023 planning horizon. As growth occurs the City will require additional facilities to serve new development. Specifically, the City will require 1 new station and a training facility.

Table 5.2 provides detailed data on the department’s existing and planned vehicles and equipment, including equipment needed to stock each vehicle.

**Table 5.2: Existing & Planned Fire Vehicles**

	Vehicle	Equipment	Total
<i>Existing Vehicles</i>			
1997 Ferrara Ladder Truck	\$ 700,000	\$ 60,000	\$ 760,000
1987 Grumman 1,500 gpm pumper	400,000	60,000	460,000
2004 KME 1500 gpm pumper	355,000	60,000	415,000
2004 KME 1500 gpm pumper	355,000	60,000	415,000
2001 SVI Air/Light Unit	250,000	-	250,000
2001 SVI Rescue Unit	275,000	-	275,000
1994 Chevrolet Tahoe Command Vehicle	35,000	-	35,000
2002 Ford Expedition	35,000	-	35,000
2003 Chevrolet Pick-up Truck	30,000	-	30,000
Total	\$ 2,435,000	\$ 240,000	\$ 2,675,000
<i>Planned Vehicles</i>			
KME 1500 gpm pumper	\$ 355,000	\$ 60,000	\$ 415,000

Source: City of Hollister Fire Department; MuniFinacial

Table 5.3 provides a summary of the existing and planned facilities provided by City staff to serve a 2023 service population. The table also shows the planned facility standard expressed in terms of costs per capita for all facilities in 2023.

**Table 5.3: Fire Master Plan Standard**

	Inventory	Unit Cost <sup>1</sup>	Value	Total
<b>Existing Facilities</b>				
Land				
Fire Station 1	0.29	\$ 235,000	\$ 68,000	
Fire Station 2	<u>3.40</u>	235,000	<u>799,000</u>	
Subtotal	3.69		\$ 867,000	
Buildings				
Fire Station 1	8,300	\$ 270	\$ 2,241,000	
Fire Station 2	<u>8,000</u>	270	<u>2,160,000</u>	
Subtotal	16,300		\$ 4,401,000	
Vehicles & Equipment	N/A	N/A	\$ 2,675,000	
Total Existing Facilities				\$ 7,943,000
<b>Planned Facilities</b>				
Land				
Fire Station 1 Relocation	1.50	\$ 235,000	\$ 353,000	
Fire Station 3	<u>1.00</u>	235,000	<u>235,000</u>	
Subtotal	2.50		\$ 588,000	
Buildings				
Fire Station 1 Relocation <sup>2</sup>	3,700	\$ 270	\$ 999,000	
Training Facility	N/A	N/A	6,000,000	
Fire Station 3	<u>8,000</u>	270	<u>2,160,000</u>	
Subtotal	11,700		\$ 9,159,000	
Vehicles & Equipment				
Vehicles	N/A	N/A	\$ 415,000	
Communications System <sup>3</sup>	N/A	N/A	<u>105,000</u>	
Subtotal			\$ 520,000	
Total Planned Facilities				\$ 10,267,000
Total Facilities				\$ 18,210,000
2023 Service Population				<u>70,500</u>
Cost per Capita				\$ 258
Facility Standard per Resident				\$ 258
Facility Standard per Worker <sup>4</sup>				178

<sup>1</sup> Unit costs based on current market value.

<sup>2</sup> Represents net increase in square feet from existing 8,300 sq ft to planned 12,000 sq ft facility.

<sup>3</sup> Communications system assumes \$700,000 total value split 85 percent for police and 15 percent for fire.

<sup>4</sup> Based on a weighing factor of 0.69.

Sources: Tables 5.1 and 5.2; City of Hollister; MuniFinancial.

## Allocation of Facilities Costs to New Development

The allocation of planned facilities costs between existing and new development is shown in **Table 5.4**. The table shows an estimate of the total cost of facilities associated with new development based on the facility standard shown in Table 5.3.

**Table 5.4: Allocation of Planned Fire Costs to New Development**

Facility Standard Per Capita	\$ 258
New Development Service Population (2006-2023)	<u>24,300</u>
New Development Contribution to Planned Facilities	\$ 6,269,000
Total Cost of Planned Facilities	<u>10,267,000</u>
Deficiency To Be Funded By Non-fee Revenue Sources	\$ (3,998,000)

Sources: Tables 5.1 and 5.3; MuniFinancial.

The importance of Table 5.4 is the bottom line that shows the share of planned facility costs that must come from revenue sources other than public facilities fees. This amount represents the remainder after allocating to new development its share of those costs. The City can raise the funding needed to complement public facilities fee revenues over the planning horizon of this study (through 2023). This funding is necessary to justify the fee imposed on new development using the master plan standard documented here. If this funding does not materialize, then new development would have paid too high a fee.

### Alternative Funding Sources

The City anticipates using existing revenue sources or developing new sources to fund the non-fee share of planned facility costs. Likely potential sources of revenue include redevelopment funds, existing or new general fund revenues, or existing or new taxes or assessments. Any new tax would require majority voter approval. Any new property related assessments or charges would require majority property owner approval.

### Fee Schedule

Table 5.5 shows the Fire facilities public facilities fee based on the master plan facility standard shown in Table 5.3. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

**Table 5.5: Fire Public Facilities Fee**

Land Use	Costs per Capita	Density <sup>1</sup>	Fee <sup>2</sup>	Admin Fee <sup>2,3</sup>	Total Fee <sup>2</sup>
<i>Residential</i>					
Single Family Unit	\$ 258	3.51	\$ 905	\$ 23	\$ 928
Multi-family Unit	258	3.40	876	22	898
<i>Nonresidential</i>					
Commercial	\$ 178	2.50	\$ 445	\$ 11	\$ 456
Office	178	3.33	593	15	608
Industrial	178	1.67	297	7	304

<sup>1</sup> Persons per dwelling unit or square feet per worker.

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

<sup>3</sup> Administration fee of 2.5 percent.

Sources: Tables 3.1 and 5.4; MuniFinancial.

## Implementation

This section identifies tasks that the City should complete when implementing the fee programs.

### Programming Revenues and Projects with the CIP

The City should update its Capital Improvement Plan (CIP) to show the programming of fee revenues to the new fire stations or related facilities. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The City may alter the scope of the planned station and equipment listed in Tables 5.2 and 5.3, or substitute new projects, as long as the project continues to represent an expansion of the Department’s capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

For the five-year planning period of the CIP, the City should allocate all existing fund balances and projected fee revenue to expansion projects. The City can hold funds in an account for the new stations longer than five years if necessary to collect sufficient funds to complete the project.

### Identify Non-fee Revenue Sources

The City must identify non-fee revenue sources to fully fund the planned facilities and justify the maximum public facilities fee. The City should take any actions necessary to secure those funds.

## **Inflation Adjustment**

The City should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The City should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the City's recent capital project experience or taken from any reputable source, such as the *Engineering News Record*. To calculate the fee increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

## **Reporting Requirements**

The City should comply with the annual and five-year reporting requirements of *Government Code 66000 et seq.* For facilities to be funded with a combination of public facilities fees and other revenues, the City must identify the source and amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.

## 6. POLICE FACILITIES

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This chapter presents an analysis of the need for police stations and related facilities to accommodate new development in the City of Hollister. A fee schedule is presented based on the cost of these facilities to ensure that new development provides adequate funding to meet its needs.

### Service Population

The City's police facilities serve both residents and businesses. The need for these services and associated facilities is measured by the City's service population, which is the number of residents and workers within its service area.

**Table 6.1** shows the estimated service population in 2006 and 2023. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.24-weighting factor for workers is based on a 40-hour workweek divided by a total of 168 hours in a week.

**Table 6.1: Police Service Population**

	Residents	Workers	Service Population
Existing (2006)	37,100	3,200	40,300
New Development (2006-2023)	19,000	1,800	20,800
Total (2023)	56,100	5,000	61,100
Weighting factor	1.00	0.24	

Note: Numbers shown in table are calculated by multiplying the public facilities service population in Table 3.2 by the perspective weighting factor in the above table.

Source: Table 3.2; MuniFinancial.

**Facility Inventories, Plans & Standards**

The police department occupies 24,500 square feet of building space on 7.15 acres. The department has the primary responsibility of providing local law enforcement and those community services that promote a strong sense of welfare and safety for its citizens. As growth continues to push the geographic limits of the City, the department will increase the size of the main station at the current site and construct a satellite station to serve growth within the City of Hollister. The new substation would be an addition to the City’s new fire station and thereby save on future land costs. The City will also construct an animal control facility. City staff provided estimates of all existing and planned facility inventories to serve the 2023 planning horizon.

**Table 6.2** summerizes the existing and planned equipment associated with police facilities. **Table 6.3** summarizes existing and planned police facilities, including vehicles associated with police functions. The table also shows the planned facility standard expressed in terms of costs per capita for all facilities in 2023.

**Table 6.2: Police Vehicles & Equipment**

	Unit	Value	Total
<i>Existing Facilities</i>			
Vehicles & Equipment	N/A	N/A	\$ 1,200,000
<i>Planned Facilities</i>			
Vehicles			
Patrol	50	\$ 30,000	\$ 1,500,000
Parking Control	3	20,000	60,000
Evidence Van	1	80,000	80,000
Surveillance Van	1	250,000	250,000
Motorcycle	4	40,000	160,000
VIP	5	30,000	150,000
Mobile Communications Van	1	400,000	400,000
Subtotal			\$ 2,600,000
Equipment			
Communications System <sup>1</sup>	1	\$ 595,000	\$ 595,000
Total Planned Facilities			\$ 3,195,000

<sup>1</sup> Communications system assumes \$700,000 total value split 85 percent for police and 15 percent for fire.

Source: City of Hollister Police Department; MuniFinancial

**Table 6.3: Police Master Plan Standard**

	Inventory	Unit Cost <sup>1</sup>	Value	Total
<b><u>Existing Facilities</u></b>				
Land				
Main Police Facility	7.15	\$ 235,000	\$ 1,680,000	
Subtotal	7.15		\$ 1,680,000	
Buildings				
Main Police Facility	24,500	270	\$ 6,615,000	
Subtotal	24,500		\$ 6,615,000	
Vehicles & Equipment	N/A	N/A	\$ 1,200,000	
Total Existing Facilities				\$ 9,495,000
<b><u>Planned Facilities</u></b>				
Land				
Animal Control Facility	2.69	\$ 235,000	\$ 632,000	
Subtotal	2.69		\$ 632,000	
Buildings				
Animal Control Facility	10,000	200	\$ 2,000,000	
Substation	500	270	135,000	
Main Police Facility <sup>2</sup>	24,500	270	6,615,000	
Subtotal	35,000		\$ 8,750,000	
Vehicles & Equipment	N/A	N/A	\$ 3,195,000	
Total Planned Facilities				\$ 12,577,000
Total Facilities				\$ 22,072,000
2023 Service Population				61,100
Cost per Capita				\$ 361
Facility Standard per Resident				\$ 361
Facility Standard per Worker <sup>3</sup>				87

<sup>1</sup> Unit costs based on current market value.

<sup>2</sup> Represents addition to current facility.

<sup>3</sup> Based on a weighing factor of 0.24.

Sources: Tables 6.1 and 6.2; City of Hollister; MuniFinancial.

## Allocation of Facilities Costs to New Development

The allocation of costs for planned facilities between existing and new development is shown in **Table 6.4**. The table shows an estimate of the total costs of facilities associated with new development based on the facility standard shown in Table 6.3.

**Table 6.4: Allocation of Planned Police Costs to New Development**

	<b>Total</b>
Facility System Standard Per Capita	\$ 361
New Development Service Population (2006-2025)	<u>20,800</u>
New Development Contribution to Planned Facilities	\$ 7,514,000
 Total Cost of Planned Facilities	 <u>12,577,000</u>
 Deficiency To Be Funded By Non-fee Revenue Sources	 \$ (5,063,000)

Sources: Tables 6.1 and 6.3; MuniFinancial.

The importance of Table 6.4 is the bottom line that shows the share of planned facility costs that must come from revenue sources other than public facilities fees. This amount represents the remainder after allocating to new development its share of those costs. The City can raise the funding needed to complement public facilities fee revenues over the planning horizon (through 2023). This funding is necessary to justify the fee imposed on new development using the master plan standard documented here. If this funding does not materialize, the new development would have paid too high a fee.

### Alternative Funding Sources

The City anticipates using existing revenue sources or developing new sources to fund the non-fee share of planned facility costs. Likely potential sources of revenue include redevelopment funds, existing or new general fund revenues, or existing or new taxes or assessments. Any new tax would require two-thirds voter approval. Any new assessments or property-related charge would require majority property owner approval.

### Fee Schedule

Table 6.5 shows the Police public facilities fee based on the master plan standard shown in Table 6.3. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

**Table 6.5: Police Public Facilities Fee**

Land Use	Cost per Capita	Density <sup>1</sup>	Fee <sup>2</sup>	Admin Fee <sup>2,3</sup>	Total Fee <sup>2</sup>
<i>Residential</i>					
Single Family Unit	\$ 361	3.51	\$ 1,268	\$ 32	\$ 1,300
Multi-family Unit	361	3.40	1,227	31	1,258
<i>Nonresidential</i>					
Commercial	\$ 87	2.50	\$ 217	\$ 5	\$ 222
Office	87	3.33	289	7	296
Industrial	87	1.67	144	4	148

<sup>1</sup> Persons per dwelling unit or square feet per worker.

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

<sup>3</sup> Administration fee of 2.5 percent.

Sources: Tables 3.1 and 6.4; MuniFinancial.

## Implementation

This section identifies tasks that the City should complete when implementing the fee programs.

### Programming Revenues and Projects with the CIP

The City should update its Capital Improvement Plan (CIP) to program fee revenues to specific projects. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The City may alter the scope of the planned projects listed in Tables 6.2 and 6.3, or substitute new projects as long as the projects continue to represent an expansion of the City’s public safety capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

For the five-year planning period of the CIP, the City should allocate all existing fund balances and projected fee revenue to police facilities projects. The City can hold funds in a project account for longer than five years if necessary to collect sufficient funds to complete a project.

### Identify Non-fee Revenue Sources

The City must identify non-fee revenue sources to fully fund the planned facilities and justify the maximum public facilities fee. The City should take any actions necessary to secure those funds.

## **Inflation Adjustment**

The City should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The City should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the City's recent capital project experience or taken from any reputable source, such as the *Engineering News Record*. To calculate the fee increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

## **Reporting Requirements**

The City should comply with the annual and five-year reporting requirements of *Government Code 66000 et seq.* For facilities to be funded with a combination of public facilities fees and other revenues, the City must identify the source and amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.

## 7. PARK FACILITIES

The purpose of the fee is to ensure that new development funds its fair share of park facilities. The City would use fee revenues to expand park facilities to serve new development.

### Service Population

Park facilities serve both residents and workers in the service area. Service population is used as a measure of the need for park facilities because both residents and workers use park facilities.

Table 7.1 shows the estimated service population for 2006 and 2023. In calculating the service population, residents are given a weight of 1.0 and workers are weighted at 0.19 to reflect lower per capita service usage. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker usage of services is less than average per-resident usage.

**Table 7.1: Parks Service Population**

	Residents	Workers	Service Population
Existing (2006)	37,100	2,500	39,600
New Development (2006-2023)	19,000	1,500	20,500
Total (2023)	56,100	4,000	60,100
Weighting factor	1.00	0.19	

Note: Numbers shown in table are calculated by multiplying the public facilities service population in Table 3.2 by the perspective weighting factor in the above table.

Source: Table 3.2; Hausrath Economics Group, *Phoenix Park and Library EDU Factors*; MuniFinancial.

The 0.19 per-worker weighting used here is derived from a study carried out by staff in the City of Phoenix, and is one of the best sources of this data that we are aware of. We used data from that study to calculate a per capita factor that is independent of land use patterns. Relative demand for parks between residents and workers does not vary substantially on a per capita basis across communities,

enabling us to use this data for all the communities we assist in the documentation of a parks public facilities fee.

## Facility Inventories, Plans & Standards

This section describes the City of Hollister’s existing facility inventory, standard, and planned park facilities.

### Existing Inventory

The City owns and operates, or has agreements with other agencies to use, various park facilities. These facilities, summarized in **Table 7.2**, include neighborhood and community parks and school fields. School fields are available for use by City residents through agreements with the school districts.

**Table 7.2: Existing Park Inventory (acres)**

Facility	Existing Improved	Existing Unimproved	Existing Parks Total
<i>Mini-Parks</i>			
Airport Park	0.75	-	0.75
Las Brisas Estates Park	1.00	-	1.00
John Z. Hernandez Memorial Park	0.25	-	0.25
Tony Aguirre Memorial Park	1.00	-	1.00
McCarthy Street	1.50	-	1.50
Subtotal	4.50	-	4.50
<i>Neighborhood Parks</i>			
Dunne Park	3.50	-	3.50
Frank Klauer Memorial Park	5.00	-	5.00
Southeast Park	2.50	-	2.50
Cerra Vista Park	3.50	-	3.50
Calaveras Park	7.00	-	7.00
Subtotal	21.50	-	21.50
<i>Community Parks</i>			
Vista Hill Park	3.00	12.00	15.00
<i>County Parks</i>			
Veterans Memorial Park	35.00	-	35.00
<i>Special Use Facilities</i>			
Marguerite Maze Fields	7.00	-	7.00
Rancho San Justo	13.00	-	13.00
Hollister Skate Park	1.00	-	1.00
Subtotal	21.00	-	21.00
<i>Community Center</i>			
Community Center	1.50	-	1.50
<b>Total</b>	<b>86.50</b>	<b>12.00</b>	<b>98.50</b>

Sources: *Park Facility Master Plan*, Bellinger Foster Steinmetz Landscape Architecture, February 2002; City of Hollister; MuniFinancial.

### Park Facility Standards

To calculate new development’s need for new parks, cities commonly uses a ratio expressed in terms of developed park acres per 1,000 residents. The current Hollister General Plan policy standard for parks citywide is 3.0 acres per 1,000 residents with a goal of 4.0 per 1,000 residents. The City currently has 93.50 acres of equivalent improved parkland. To obtain the goal of 4.0 acres per 1,000 residents standard, the City must acquire and improve an additional 130.50 acres by 2023 as illustrated in **Table 7.3**.

**Table 7.3: General Plan Park Standard**

General Plan Policy Standard (park acres per 1,000 capita)	4.00
2023 Population	56,100
Total Equivalent Improved Acreage	224.00
Park Inventory	
Existing Improved Park Inventory (acres)	86.50
Existing Unimproved Parks Inventory (acres)	12.00
Land Costs Percent of Total Park Costs <sup>1</sup>	54%
Equivalent Improved Acres	6.00
Total Existing Park Inventory	92.50
Acres Needed to Obtain GP Standard	131.50

<sup>1</sup> Based on costs per acre of \$138,000 for land, \$115,000 for improvements, and \$253,000

Sources: Tables 7.1 and 7.2; City of Hollister; MuniFinancial.

### Unit Costs for Land Acquisition and Improvement

Recent cost data from the parks master plan and a real estate study completed by Economic Planning Systems (EPS) for parkland acquisition averages \$134,000 per acre within the City. The master plan estimates costs per acre for park improvement averages \$115,000 per acre. Thus, the total estimated cost to acquire and improve one acre for a park is \$249,000. Unit cost assumptions are summarized below:

- ◆ **Parkland acquisition cost:** The parkland acquisition cost per acre represents average cost of planned acreage to be purchased and assumes current market values for residential land in the City of Hollister for additional parks.

- ◆ **Park improvement cost:** The parkland improvement cost per acre represents the average cost of capital improvement on parkland such as landscaping and recreational facilities.

Table 7.4 summarizes the park facilities unit costs.

**Table 7.4: Park Facilities Unit Costs**

	<b>Cost Per Acre</b>
Land Acquisition Cost <sup>1</sup>	\$ 134,000
Park Improvement Cost	<u>115,000</u>
Total/Average	\$ 249,000

<sup>1</sup> Represents average per acre cost of land acquisition based on costs estimated in the Park Facility Master Plan and costs for additional parks needed to achieve facility standard (latter valued at \$400,000 per acre).

Sources: Sources: Park Facility Master Plan, Bellinger Foster Steinmetz Landscape Architecture, February 2002; *Review of Hollister Park Fees and Land Values - Revised Memorandum*; EPS #11220, prepared by Economic & Planning Systems, February 2002; MuniFinancial.

### Land Acquisition

Table 7.5 shows the planned acreage to be acquired to accommodate growth currently included in the City’s parks master plan. Based on current plans the City would purchase and improve 86.5 acres. An additional 45 acres would be also purchased and improved to obtain the goal of 4.0 acres per 1,000 residents. Table 7.6 shows the cost per capita for the land acquisition component of the parks public facilities fee.

**Table 7.5: Planned Park Inventory (acres)**

<b>Facility</b>	<b>Total</b>
Ladd Lane	10.00
Union/Cienega	30.00
Meridian	20.00
Westside	6.50
Southeast	2.50
Chappel Street	5.00
Camino Pariso Street	5.00
Radio Tower	6.50
Nash Rd	5.00
Community Center	2.50
Future Miscellaneous Acquisition	<u>38.50</u>
<b>Total</b>	<b>131.50</b>

Sources: Table 7.3; *Park Facility Master Plan*, Bellinger Foster Steinmetz Landscape Architecture, February 2002; City of Hollister; MuniFinancial.

**Table 7.6: Land Acquisition Cost**

Land Acquisition Cost (Per Acre)	\$	134,000
General Plan Standard (Acres)		<u>4.00</u>
Land Cost per Capita	\$	536
Facility Standard per Resident	\$	536
Facility Standard per Worker <sup>2</sup>		102

<sup>1</sup> Unit costs based on current market value.

<sup>2</sup> Based on a weighing factor of 0.19.

Sources: Table 7.3 and 7.5; City of Hollister; MuniFinancial.

## Land Improvement

Table 7.7 summarizes the costs for land improvement, which includes land and buildings. In addition to improving the 131.5 acres needed to obtain the General Plan policy standard goal of 4.0 acres per 1,000 residents, the City also intends to construct a new 15,000 square foot community center.

**Table 7.7: Buildings and Park Improvement Costs**

	Inventory	Unit Cost <sup>1</sup>		
<b>Buildings</b>				
Existing Community Center	10,000	\$ 175	\$	1,750,000
Planned Community Center	<u>15,000</u>	175		<u>2,625,000</u>
Total Existing Facilities			\$	4,375,000
Service Population				<u>60,100</u>
Cost per Capita			\$	73
<b>Park Improvements</b>				
Park Improvement Cost (per Acre)			\$	115,000
General Plan Standard (Acres per 1,000 Residents)				<u>4.00</u>
Cost Per Capita				<u>460</u>
Total Cost per Capita			\$	533
Facility Standard per Resident			\$	533
Facility Standard per Worker <sup>2</sup>				101

<sup>1</sup> Unit costs based on current market value.

<sup>2</sup> Based on a weighing factor of 0.19.

Sources: Table 7.1, 7.3 and 7.5; City of Hollister; MuniFinancial.

## Allocation of Facilities Costs to New Development

The allocation of costs for planned facilities between existing and new development is shown in **Table 7.8**. The table shows an estimate of the total costs of facilities associated with new development based on the facility standards shown in Tables 7.6 and 7.7.

**Table 7.8: Allocation of Planned Parks Costs to New Development**

	New Development Contribution	Total Planned Facilities	Deficiency To Be Funded By Non-fee Revenue Sources
<b><u>Land Acquisition</u></b>			
Facility Standard (Acres per 1,000 residents)	4.00		
New Development Service Population (2006-2023)	<u>20,500</u>		
New Development Contribution to Planned Facilities (Acres)	82.00		
Cost per Acre	<u>\$ 134,000</u>		
New Development Contribution to Land Acquisition	\$ 10,988,000		
Total Cost of Planned Facilities			
Planned Land Acquisition (Acres)		131.50	
Cost per Acre		<u>\$ 134,000</u>	
Total Cost of Planned Land Acquisition		\$ 17,621,000	
<b><u>Buildings</u></b>			
Facility Standard (\$ per Capita)	\$ 73		
New Development Service Population (2006-2025)	<u>20,500</u>		
New Development Contribution to Planned Facilities	\$ 1,492,000		
Total Cost of Planned Buildings		<u>2,625,000</u>	
<b><u>Park Improvements</u></b>			
Facility Standard (Acres per 1,000 Residents)	4.00		
New Development Service Population (2006-2023)	<u>20,500</u>		
New Development Contribution to Land Improvement (Acres)	82.00		
Cost per Acre	<u>\$ 115,000</u>		
New Development Contribution to Land Improvement	\$ 9,430,000		
Total Cost of Planned Facilities			
Planned Park Development (Acres)		131.50	
Cost per Acre		<u>\$ 115,000</u>	
Total Cost of Planned Park Improvement		\$ 15,123,000	
<b>Total</b>	<b>\$ 21,910,000</b>	<b>\$ 35,369,000</b>	<b>\$ (13,459,000)</b>

Sources: Tables 7.1, 7.4, 7.5, and 7.6; MuniFinancial.

The importance of Table 7.8 is the bottom line that shows the share of planned facility costs that must come from revenue sources other than public facilities fees. This amount represents the remainder after allocating to new development its share of those costs. The City can raise the funding needed to complement public facilities fee revenues over the planning horizon (through 2023). This funding is necessary to justify the fee imposed on new development using the master plan standard documented here. If this funding does not materialize, the new development would have paid too high a fee.

## Alternative Funding

The City anticipates using existing revenue sources or developing new sources to fund the non-fee share of planned facility costs. Likely potential sources of revenue include grant funds, contributions from developers, Quimby Act dedication of

land, existing or new general fund revenues, or existing or new taxes or assessments. Any new tax would require two-thirds voter approval. Any new assessments or property-related charge would require majority property owner approval.

## Fee Schedule

**Table 7.9** shows the Parks public facilities fee based on the master plan standard. The cost per capita is converted to a fee per unit of development based on dwelling unit and building space densities (persons per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development).

**Table 7.9: Park Facilities Fees**

Land Use	Cost per Capita	Density <sup>1</sup>	Fee <sup>2</sup>	Admin Fee <sup>2,3</sup>	Total Fee <sup>2</sup>
<i>Residential</i>					
Single Family					
Land Acquisition	\$ 536	3.51	\$ 1,881	\$ 47	\$ 1,928
Land Improvement	533	3.51	1,870	47	1,917
Total Single Family Fee			\$ 3,751	\$ 94	\$ 3,845
Multi-family					
Land Acquisition	\$ 536	3.40	\$ 1,820	\$ 46	\$ 1,866
Land Improvement	533	3.40	1,810	45	1,855
Total Multi-family Fee			\$ 3,630	\$ 91	\$ 3,721
<i>Nonresidential</i>					
Commercial					
Land Acquisition	\$ 102	2.50	\$ 255	\$ 6	\$ 261
Land Improvement	101	2.50	253	6	259
Total Commercial Fee			\$ 508	\$ 13	\$ 521
Office					
Land Acquisition	\$ 102	3.33	\$ 339	\$ 8	\$ 347
Land Improvement	101	3.33	337	8	345
Total Office Fee			\$ 676	\$ 17	\$ 693
Industrial					
Land Acquisition	\$ 102	1.67	\$ 170	\$ 4	\$ 174
Land Improvement	101	1.67	168	4	172
Total Industrial Fee			\$ 338	\$ 8	\$ 346

<sup>1</sup> Persons per dwelling unit or square feet per worker.

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

<sup>3</sup> Administration fee of 2.5 percent.

Sources: Tables 3.1 and 7.6; MuniFinancial.

## Implementation

This section identifies tasks that the City should complete when implementing the fee programs.

### Programming Revenues and Projects with the CIP

The City should update its Capital Improvement Plan (CIP) to program fee revenues to specific projects. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The City may alter the scope of the planned projects listed in Tables 7.5 and 7.7, or substitute new projects as long as the project continues to represent an expansion of the City's parks facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

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

### Identify Non-fee Revenue Sources

The City must identify non-fee revenue sources to fully fund the planned facilities and justify the maximum public facilities fee. The City should take any actions necessary to secure those funds.

### Inflation Adjustment

The City should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The City should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the City's recent capital project experience or taken from any reputable source, such as the *Engineering News Record*. To calculate the fee increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

### Reporting Requirements

The City should comply with the annual and five-year reporting requirements of *Government Code 66000 et seq.* For facilities to be funded with a combination of public facilities fees and other revenues, the City must identify the source and

amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.

## 8. STORM DRAIN FACILITIES

This chapter summarizes an analysis of the need for storm drain facilities to accommodate new development within the Santa Ana and San Benito basins. The chapter documents a reasonable relationship between new development and the maximum justified impact fee for funding of these facilities.

### Equivalent Dwelling Units

All new development generates storm water runoff by increasing the amount of land that is impervious to precipitation. Consequently, all new development generates the need for and benefits from storm drain facilities. **Table 8.1** presents the percent impervious factors by land use type as presented in *Storm Drain Master Plan 2001*, prepared by MacKay & Soms Infrastructure Group and Camp Dresser, McKee, Inc in October 2001.

**Table 8.1: Impervious Surface**

	Percent Impervious	Average Percent Impervious	DU or Acre <sup>1</sup>	Equivalent Dwelling Unit (EDU)
<i>Residential (dwelling units)</i>				
Single Family		35%	3.50	1.00
Rural	15%			
Low Density	35%			
Multi-family		50%	10.00	0.50
Central Residential	40%			
Medium Density	60%			
High Density	75%			
<i>Nonresidential (acres)</i>				
Commercial/Office	90%	85%	1.00	8.50
Industrial	80%	80%	1.00	8.00

<sup>1</sup> Dwelling units for residential and acres for non residential. Residential average based on midpoint of dwelling units per acre.

Source: *Storm Drain Master Plan 2001*, MacKay & Soms Infrastructure Group & Camp Dresser, McKee, Inc., October 2001; MuniFinancial.

**Table 8.2** presents the growth in equivalent dwelling unit (EDU) based on current and projected development through 2023 from the California Department of

Finance (DOF) and the EDU calculations shown in Table 8.1. City staff provided the growth increment projected for each basin.

**Table 8.2: Total Equivalent Dwelling Units (EDUs)**

	2006	2023	Growth	EDU	Total EDU Growth
<i><u>Residential</u></i>					
Santa Ana					
Single Family Units			3,108	1.00	3,100
Multi-family Units			500	0.50	300
Total			3,608		3,400
San Benito					
Single Family Units			1,792	1.00	1,800
Multi-family Units			100	0.50	100
Total			1,892		1,900
Total					
Single Family Units	9,300	14,200	4,900	1.00	4,900
Multi-family Units	1,200	1,800	600	0.50	300
Total	10,500	16,000	5,500		5,200
<i><u>Nonresidential</u></i>					
Santa Ana					
Workers			4,863		
Sq Ft Per Worker			500		
Total Bldg Sq Ft			2,432,000		
Building Sq Ft Per Acre (0.25 FAR)			10,900		
Total Nonresidential Acres			200	8.50	1,700
San Benito					
Workers			2,837		
Sq Ft Per Worker			500		
Total Bldg Sq Ft			1,418,000		
Building Sq Ft Per Acre (0.25 FAR)			10,900		
Total Nonresidential Acres			100	8.50	900
Total					
Workers	13,200	20,900	7,700		
Sq Ft Per Worker	500	500	500		
Total Bldg Sq Ft	6,600,000	10,450,000	3,850,000		
Building Sq Ft Per Acre (0.25 FAR)	10,900	10,900	10,900		
Total Nonresidential Acres	600	1,000	400	8.50	3,400
<i><u>Total EDUs (2006 - 2023)</u></i>					
Santa Ana					5,100
San Benito					2,800
Total					7,900

Source: Tables 3.2 and 8.1; California Department of Finance (DOF); City of Hollister Planning and Engineering Departments; MuniFinancial

## Storm Drain Facilities to Accommodate Growth

Hydrologic modeling uses a “design storm” to estimate the precipitation that must be accommodated by storm drain facilities. The measure of a design storm is typically expressed in terms of the probability of a particular storm in any one year. For example, a 100-year storm is the storm that would occur on average once during 100 years. Facilities designed to accommodate runoff from this type of storm provide 100-year flood protection.

The modeling completed for the 2001 storm drain study was based on 10- or 15-year design storms, depending on the size of the tributary area being analyzed. For most storm drain pipes in the City, the 15-year storm is applicable. The 10-year storm applies to approximately one-third of the pipes in the most upstream part of the City’s storm drain system. No pipes in the system convey flows that would require sizing for a 100-year event. However, all detention basin and channel improvements must be sized for the 100-year event.

**Tables 8.3 through 8.5** present the storm drain facilities required to serve new development as reported by the 2001 master plan and revised by City staff to serve the 2023 development projections shown in Table 8.2. The costs represent expansion of pipe sizes to serve new development through 2023 as determined by City staff. The total costs shown in Table 8.4 were inflated to 2006 dollars using the *Engineering News Record* (ENR) Construction Cost Index. **Table 8.6** presents the cost per EDU for each basin based on the project cost in Table 8.5 and the total EDUs shown in Table 8.1.

**Table 8.3: Santa Ana Drainage Projects**

<b>Pipe ID</b>	<b>Existing Diameter (inches)</b>	<b>Replacement Diameter (inches)</b>	<b>Cost of Replacement Pipes</b>
SA3-001	48	54	\$ 122,082
SA3-002	33	54	339,087
SA3-003	30	42	252,201
SA4-002	36	48	124,232
SA4-003	30	42	566,556
SA5-001	36	42	288,233
SA9-003	48	60	169,403
SA9-009	48	54	242,263
SA9-009-BP	48	54	48,584
SA9-011	48	54	347,646
SA9-013	36	42	220,259
SA9-015	18	36	345,817
SA9-017	18	36	215,818
SA9-201	24	42	200,816
SA9-205	24	36	77,614
SA9-210	24	36	268,050
SA10-001	60	84	310,345
SA10-003	60	84	855,842
SA10-007	30	36	341,057
SA10-009	30	36	475,259
SA10-011	30	42	206,757
SA10-101	60	66	275,505
SA11-009	36	42	103,042
SA13-001	18	24	116,063
SA13-003	18	42	168,941
SA13-007	24	30	343,202
<b>Total</b>			<b>\$ 7,024,674</b>

Source: *Storm Drain Master Plan 2001*, MacKay & Soms Infrastructure Group & Camp Dresser, McKee, Inc., October 2001; MuniFinancial.

**Table 8.4: San Benito Drainage Projects**

Pipe ID	Existing Diameter (inches)	Replacement Diameter (inches)	Cost of Replacement Pipes
SB1-047-BP	None	30	\$ 26,000
SB1-049	36	48	317,628
SB1-051	36	42	138,316
SB1-053	36	42	129,780
SB1-055	30	42	44,431
SB1-057	30	36	182,105
SB1-059	21	30	202,383
SB1-153	18	24	30,143
SB1-155	15	24	47,907
SB1-420	12	18	92,715
SB1-425	18	24	144,558
SB1-430	18	24	222,643
SB1-435	18	24	265,301
SB1-440	18	24	191,103
SB1-905	24	30	181,604
SB1-4th St	None	18	280,000
SB1-College St	None	18	63,000
SB2-001	42	54	221,486
SB2-003	42	54	193,988
SB2-005	35	48	400,349
SB2-007-BP	35	48	60,443
SB2-007-BP	35	48	315,287
SB2-009	35	48	325,473
SB2-205	15	24	253,197
SB3-003	60	66	542,837
SB3-009	48	54	129,270
SB3-011	48	54	108,267
SB3-013	24	36	174,513
SB3-015	18	36	309,296
SB3-017	18	30	250,455
SB3-Hawkins	None	18	60,000
SB3-San Benito	None	18	145,000
SB3-East St	None	18	145,000
SB5-011	42	72	641,192
SB5-013	42	72	190,516
SB5-015	42	72	44,287
SB5-017	42	72	212,403
SB5-019	36	66	584,026
SB5-021	36	54	328,280
SB5-023	36	54	233,463
SB5-025	30	54	59,403
SB5-027	30	54	114,001
SB5-601	15	30	250,075
SB5-603	15	30	133,237
SB5-605	15	24	215,778
SB5-610	15	18	83,189
SB5-615	15	18	144,848
SB5-610	15	18	187,415
Total			\$ 9,616,591

Source: *Storm Drain Master Plan 2001*, MacKay & Soms Infrastructure Group & Camp Dresser, McKee, Inc., October 2001; MuniFinancial.

**Table 8.5: Total Storm Drain Cost**

	Santa Ana	San Benito
Total (2001\$)	\$ 7,025,000	\$ 9,617,000
Inflation Factor <sup>1</sup>	1.22	1.22
Total (2006\$)	\$ 8,552,000	\$ 11,708,000

<sup>1</sup> Based on ENR Construction Index 2001 to August 2006.

Source: Tables 8.3 and 8.4; *Engineering News Record (ENR)*, Construction Cost Index; City of Hollister; MuniFinancial.

**Table 8.6: Cost Per EDU**

	Santa Ana	San Benito
Total Cost	\$ 8,552,000	\$ 11,708,000
Total EDUs (2006 - 2023)	5,100	2,800
Cost Per EDU	\$ 1,677	\$ 4,181

Source: Table 8.2 and 8.5; City of Hollister; MuniFinancial.

## Fee Schedule

Tables 8.7 and 8.8 show the storm drain public facilities fee based on the cost per EDU shown in Table 8.6. The cost per EDU is converted to a fee per unit of development based on dwelling units for residential and acres for nonresidential development.

**Table 8.7: Santa Ana Storm Drain Facilities Fee**

Land Use	Cost per EDU	EDU	Fee <sup>1</sup>	Admin Fee <sup>2</sup>	Total Fee <sup>1</sup>
<i>Residential</i>					
Residential	\$ 1,677	1.00	\$ 1,677	\$ 42	\$ 1,719
Multi-family	1,677	0.50	838	21	859
<i>Nonresidential</i>					
Commercial/Office	\$ 1,677	9.00	\$ 15,092	\$ 377	\$ 15,469
Industrial	1,677	8.00	13,415	335	13,750

<sup>1</sup> Fee per dwelling unit for residential or per acre for nonresidential.

<sup>2</sup> Administration fee of 2.5 percent.

Sources: Tables 8.1 and 8.6; MuniFinancial.

**Table 8.8: San Benito Storm Drain Facilities Fee**

Land Use	Cost per		Fee <sup>1</sup>	Admin	Total
	EDU	EDU		Fee <sup>2</sup>	Fee <sup>1</sup>
<i>Residential</i>					
Residential	\$ 4,181	1.00	\$ 4,181	\$ 105	\$ 4,286
Multi-family	4,181	0.50	2,091	52	2,143
<i>Nonresidential</i>					
Commercial/Office	\$ 4,181	9.00	\$ 37,633	\$ 941	\$ 38,574
Industrial	4,181	8.00	33,451	836	34,287

<sup>1</sup> Fee per dwelling unit for residential or per acre for nonresidential.

<sup>2</sup> Administration fee of 2.5 percent.

Sources: Tables 8.1 and 8.6; MuniFinancial.

## Implementation

This section identifies tasks that the City should complete when implementing the fee programs.

### Programming Revenues and Projects with the CIP

The City should update its Capital Improvement Plan (CIP) to program fee revenues to specific projects. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The City may alter the scope of the planned projects listed in Tables 8.3 and 8.4, or substitute new projects as long as the project continues to represent an expansion of the City’s storm drain facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

For the five-year planning period of the CIP, the City should allocate all existing fund balances and projected fee revenue to specific storm drain facilities projects. The City can hold funds in a project account for longer than five years if necessary to collect sufficient funds to complete a project.

### Inflation Adjustment

The City should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The City should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the City’s recent capital project experience or taken from any reputable source, such as the *Engineering News Record*. To calculate the fee

increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

### **Reporting Requirements**

The City should comply with the annual and five-year reporting requirements of *Government Code 66000 et seq.* For facilities to be funded with a combination of public facilities fees and other revenues, the City must identify the source and amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.

## 9. WATER FACILITIES

This chapter presents an analysis of the need for water facilities to accommodate new development in the City of Hollister. A fee schedule is presented based on the cost of these facilities to ensure that new development provides adequate funding to meet its needs.

### Equivalent Dwelling Units

The demand for water facilities by growth in the City of Hollister was assigned based upon the flow per land use presented in **Table 9.1**. The flow per land use was converted to equivalent dwelling unit (EDU) factors by converting flow to demand per dwelling unit for residential and per 1,000 building square feet for nonresidential. **Table 9.2** presents the growth in water demand measured in EDUs.

**Table 9.1: Water Demand by Land Use**

	Total Flow (MGD)	Demand Per DU/KSF	Equivalent Dwelling Unit (EDU)
<i>Residential</i>			
Residential	1.76	243	1.00
Multi-family	1.76	243	1.00
<i>Nonresidential</i>			
Commercial/Office	0.44	214	0.88
Industrial	0.26	92	0.38
<i>Average Nonresidential</i>	<i>0.70</i>	<i>144</i>	<i>0.59</i>

Source: *City of Hollister Water Master Plan Update, March 1996*; City of Hollister; MuniFinancial.

**Table 9.2: Total Equivalent Dwelling Units (EDUs)**

	2006	2025	Growth	EDU	Total EDU Growth
<i>Residential</i>					
Single Family Units	9,300	14,200	4,900	1.00	4,900
Multi-family Units	<u>1,200</u>	<u>1,800</u>	<u>600</u>	1.00	<u>600</u>
Total	10,500	16,000	5,500		5,500
<i>Nonresidential</i>					
Workers	13,200	20,900	7,700		
Sq Ft Per Worker	<u>500</u>	<u>500</u>	<u>500</u>		
Total Nonresidential Bldg Sq Ft ('000)	6,600	10,450	3,850	0.59	<u>2,300</u>
Total EDU Growth (2006 - 2023)					7,800

Source: Table 9.1; California Department of Finance (DOF); MuniFinancial

## Water Facilities to Accommodate Growth

**Table 9.3** presents the future water improvements to serve new development to 2023 within the City of Hollister as determined by City staff. The City intends to add an additional well, storage tank, and 2.0 MGD well-head treatment system. City staff estimates that 50 percent of the well-head treatment system will correct for an existing deficiency. Therefore, only 50 percent of the total \$7.6 million cost for the facility is included in the calculation. **Table 9.4** presents the cost per EDU based on the facilities costs shown in Tables 9.3 and the growth in EDUs in Table 9.2.

**Table 9.3: Future Water System Improvements**

	Cost
2.0 MGD Well-Head Treatment System	
Existing Development's Share	
New Development's Share of 2.0 MGD Well-Head Treatment System	\$ 3,800,000
New Well	300,000
New Tank	<u>1,000,000</u>
Total Cost to New Development	\$ 5,100,000
<i>Total Planned Facilities Cost</i>	<i>8,900,000</i>

<sup>†</sup> Total cost \$7.6 million. Represents new development's fair share of facility.

Source: City of Hollister; MuniFinancial.

**Table 9.4: Cost Per EDU**

Total Cost for New Water Facilities (2006 \$)	\$	5,100,000
Growth in EDUs (2006-2023)		<u>7,800</u>
Cost Per EDU	\$	654

Source: Table 9.2 and 9.3; MuniFinancial.

### Alternative Funding

The City anticipates using existing revenue sources or developing new sources to fund the non-fee share of planned facility costs. Likely potential sources of revenue include utility rates, grant funds, developer contributions, redevelopment funds, existing or new general fund revenues, or existing or new taxes or assessments. Any new tax would require two-thirds voter approval. Any new assessments or property-related charge would require majority property owner approval.

### Fee Schedule

Table 9.5 shows the water connection fee based on the cost per EDU shown in Table 9.4. The cost per EDU is converted to a fee per unit of development based on the EDU calculation shown in Table 9.1.

**Table 9.5: Water Facilities Fee**

Land Use	Cost per EDU	EDU	Fee <sup>1</sup>	Admin Fee <sup>2</sup>	Total Fee <sup>1</sup>
<i>Residential</i>					
Residential	\$ 654	1.00	\$ 654	\$ 16	\$ 670
Multi-family	654	1.00	654	16	670
<i>Nonresidential</i>					
Commercial/Office	\$ 654	0.88	\$ 577	\$ 14	\$ 591
Industrial	654	0.38	249	6	255

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

<sup>2</sup> Administration fee of 2.5 percent.

Sources: Tables 9.1 and 9.4; MuniFinancial.

## Implementation

This section identifies tasks that the City should complete when implementing the fee programs.

### Programming Revenues and Projects with the CIP

The City should update its Capital Improvement Plan (CIP) to program fee revenues to specific projects. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The City may alter the scope of the planned projects listed in Table 9.3, or substitute new projects as long as the project continues to represent an expansion of the City's water facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

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

### Identify Non-fee Revenue Sources

The City must identify non-fee revenue sources to fully fund the planned facilities and justify the maximum impact fee. The City should take any actions necessary to secure those funds.

### Inflation Adjustment

The City should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The City should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the City's recent capital project experience or taken from any reputable source, such as the *Engineering News Record*. To calculate the fee increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

### Reporting Requirements

The City should comply with the annual and five-year reporting requirements of *Government Code 66000 et seq.* For facilities to be funded with a combination of impact fees and other revenues, the City must identify the source and amount of

the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.

## 10. SEWER FACILITIES

This section presents an analysis of the need for sewer facilities to accommodate new development in the City of Hollister. A fee schedule is presented based on the cost of these facilities to ensure that new development provides adequate funding to meet its needs. The connection fees in this fee schedule are based on a Wastewater Treatment Plant component.

### Wastewater Treatment Plant Component

The wastewater treatment plant reached its treatment capacity in 2002; therefore, a new wastewater treatment plant is necessary to accommodate new growth. The proposed design capacity of five million gallons per day (5 mgd) for the Plant is in accordance with the growth projections in the City’s General Plan. The treatment process will be upgraded as well, incorporating membrane bioreactor technology to help meet tertiary effluent water quality standards in accordance with regional reclaimed water objectives for reuse and recycling of treated effluent.

Corresponding to the facility expansion is the need to increase the wastewater strength handling capacities of biochemical oxygen demand (BOD) and suspended solids (SS). **Table 10.1** depicts the increase in strength and flow demands associated with new development.

The total increase is the difference between the current usage and the projected usage at build-out. Note that BOD and SS strengths are based on the average waste strength of 350 and 400 mg/L, respectively, handled by the system.

**10.1: Additional Capacity**

	Current Usage	Expansion Project	Total Additional Demand
Flow	2,700,000 GPD	5,000,000 GPD	<b>2,300,000 GPD</b>
BOD	7,881 lbs/day	14,595 lbs/day	<b>6,714 lbs/day</b>
SS	9,007 lbs/day	16,680 lbs/day	<b>7,673 lbs/day</b>

*Note:*

BOD based on average waste strength to the system of 350 mg/L.  
 SS based on average waste strength to the system of 400 mg/L.

Sources: CH2MHLL; City of Hollister; MuniFinancial.

Table 10.2 depicts the costs associated with the WWTP expansion and Capital Improvement Projects associated with new development. City staff and consultant provided estimated total project construction costs.

### 10.2: Capital Improvement Cost

Project	Cost	Date Construction Awarded	46% Growth	54% Deficiency
Domestic WWTP	\$ 73,000,000	10 / 2006	\$ 33,580,000	\$ 39,420,000
Seasonal Storage Ponds	22,000,000	3 / 2007	10,120,000	11,880,000
Debt Financing Cost <sup>1</sup>	213,378,133	6 / 2007	98,153,941	115,224,192
Effluent Disposal System	25,000,000	9 / 2007	11,500,000	13,500,000
<b>Total</b>	<b>\$ 333,378,133</b>		<b>\$ 153,353,941</b>	<b>\$ 180,024,192</b>

<sup>1</sup> Cost include refunding of 1993 bonds, reserve fund, capital interest, and cost of issue.

Sources: CH2MHLL; City of Hollister; Stone and Youngberg; MuniFinancial.

Table 10.3 outlines the debt financing assumptions used for the financing plan. Debt financing assumptions are based on the Hollister wastewater bond schedule provided by the investment banking firm Stone and Youngberg. This financing is necessary because there are not sufficient reserves.

### 10.3: 2006 Wastewater Revenue Bonds

	Principal	Interest	Gross Debt Service	Capitalized Interest	Net Det Service
6/30/2007	\$ 770,000	\$ 6,083,872	\$ 6,853,872	\$ (4,333,043)	\$ 2,520,829
6/30/2008	535,000	9,105,070	9,640,070	(5,899,565)	3,740,505
6/30/2009	560,000	9,079,739	9,639,739	(3,039,783)	6,599,957
6/30/2010	2,440,000	9,008,019	11,448,019		11,448,019
6/30/2011	2,560,000	8,886,739	11,446,739		11,446,739
6/30/2012	2,690,000	8,756,769	11,446,769		11,446,769
6/30/2013	2,830,000	8,617,354	11,447,354		11,447,354
6/30/2014	2,980,000	8,468,007	11,448,007		11,448,007
6/30/2015	3,140,000	8,308,793	11,448,793		11,448,793
6/30/2016	3,310,000	8,139,045	11,449,045		11,449,045
6/30/2017	3,490,000	7,957,973	11,447,973		11,447,973
6/30/2018	3,680,000	7,765,255	11,445,255		11,445,255
6/30/2019	3,895,000	7,553,914	11,448,914		11,448,914
6/30/2020	4,120,000	7,328,633	11,448,633		11,448,633
6/30/2021	4,355,000	7,094,481	11,449,481		11,449,481
6/30/2022	4,605,000	6,843,539	11,448,539		11,448,539
6/30/2023	4,870,000	6,574,653	11,444,653		11,444,653
6/30/2024	5,160,000	6,287,508	11,447,508		11,447,508
6/30/2025	5,465,000	5,980,673	11,445,673		11,445,673
6/30/2026	5,795,000	5,653,263	11,448,263		11,448,263
6/30/2027	6,140,000	5,304,744	11,444,744		11,444,744
6/30/2028	6,510,000	4,934,732	11,444,732		11,444,732
6/30/2029	6,905,000	4,540,617	11,445,617		11,445,617
6/30/2030	7,325,000	4,120,099	11,445,099		11,445,099
6/30/2031	7,775,000	3,672,750	11,447,750		11,447,750
6/30/2032	8,250,000	3,197,197	11,447,197		11,447,197
6/30/2033	8,755,000	2,691,710	11,446,710		11,446,710
6/30/2034	9,290,000	2,154,407	11,444,407		11,444,407
6/30/2035	9,865,000	1,583,095	11,448,095		11,448,095
6/30/2036	10,470,000	976,095	11,446,095		11,446,095
6/30/2037	11,115,000	331,783	11,446,783		11,446,783
<b>Total</b>	<b>159,650,000</b>	<b>187,000,524</b>	<b>346,650,524</b>	<b>(13,272,391)</b>	<b>333,378,133</b>

Source: Stone and Youngberg.

Table 10.4 depicts the total financing cost between new development and existing deficiencies based on the percentages from 10.2.

**10.4: Total Net Debt Service Associated with Sewer Treatment Plant**

		46%	54%
Total Net Debt Service		Growth	Deficiency
\$	333,378,133	\$ 153,353,941	\$ 180,024,192

Sources: CH2MHLL; City of Hollister; Stone and Youngberg; MuniFinancial.

Based on the data from Table 10.4, the growth component is broken into strength and flow. These are based on the allocation of net project costs of \$153,353,941 by factors of 72%, 22%, and 6% for Flow, BOD, and SS, respectively (allocation factors were provided by CH2MHILL). The cost by strength and flow are shown below.

**10.5: Cost broken by Strength and Flow**

		72%	22%	6%
Net Debt Service				
Attributed to Growth		Flow	BOD	SS
\$	153,353,941	\$ 110,414,838	\$ 33,737,867	\$ 9,201,236

Sources: City of Hollister; CH2MHLL; MuniFinancial.

Table 10.6 takes the total cost determined in Table 10.5 for Flow, BOD, and SS and divides that by the total additional demand shown in Table 10.1. This then gives us the unit cost for Flow at \$48.00, BOD at \$5,025, and SS at \$1,199.

**10.6: Expansion Component Connection Charge Unit Costs**

	<b>Unit Costs</b>
Flow	\$ 48 GPD
BOD	5,025 lbs/day
SS	1,199 lbs/day

Sources: City of Hollister; CHM2HLL; MuniFinancial.

## Alternative Funding

The City anticipates using existing revenue sources or developing new sources to fund the non-fee share of planned facility costs. Likely potential sources of revenue include utility rate, grant funds, developer contributions, redevelopment funds, existing or new general fund revenues, or existing or new taxes or assessments. Any new tax would require two-thirds voter approval. Any new assessments or property-related charge would require majority property owner approval.

## Fee Schedule

**Table 10.7** below lists the strength and flow characteristics of each customer class. The concentrations of BOD and SS were converted to pounds per day by multiplying each concentration by its corresponding Flow and a conversion factor of  $8.34e^{-6}$  (units of conversion factor are pounds per gallon per mg/L). The strength and flow characteristics shown in bold are then multiplied by their corresponding unit costs (shown above in Table 10.6) to obtain the portions of the connection charge relating to Flow, BOD, and SS for each customer class. The sum of these is the total WWTP component of the connection charge, shown for each customer type in **Table 10.8**. Included in the fee is a 2.5% administration charge.

**10.7: Wastewater Characteristics by Customer Class**

<u>Customer Class</u>	<u>Unit</u>	<u>Flow (GPD)</u>	<u>BOD (mg/L)</u>	<u>SS (mg/L)</u>	<u>BOD (lbs/day)</u>	<u>SS (lbs/day)</u>
Single Dwelling	Dwelling Unit	226	200	200	<b>0.38</b>	<b>0.38</b>
Multi-Dwelling	Dwelling Unit	160	200	200	<b>0.27</b>	<b>0.27</b>
Mobile Homes	Dwelling Unit	145	200	200	<b>0.24</b>	<b>0.24</b>
School	Student	11	130	100	<b>0.01</b>	<b>0.01</b>
Light Industrial	1000 sq ft	25	220	220	<b>0.05</b>	<b>0.05</b>
Warehouse	1000 sq ft	25	210	210	<b>0.04</b>	<b>0.04</b>
Market w/ Grinder	1000 sq ft	60	800	800	<b>0.40</b>	<b>0.40</b>
Church	1000 sq ft	60	200	200	<b>0.10</b>	<b>0.10</b>
Commercial/Office	1000 sq ft	60	200	200	<b>0.10</b>	<b>0.10</b>
Theaters	1000 sq ft	90	250	280	<b>0.19</b>	<b>0.21</b>
Markets w/o Grinder	1000 sq ft	60	150	150	<b>0.08</b>	<b>0.08</b>
Pharmacy	1000 sq ft	100	150	150	<b>0.13</b>	<b>0.13</b>
Bars	1000 sq ft	350	200	200	<b>0.58</b>	<b>0.58</b>
Auto Repair	1000 sq ft	100	180	280	<b>0.15</b>	<b>0.23</b>
Service Stations	1000 sq ft	100	180	280	<b>0.15</b>	<b>0.23</b>
Restaurants	1000 sq ft	150	1000	600	<b>1.25</b>	<b>0.75</b>
Mortuaries	1000 sq ft	100	800	800	<b>0.67</b>	<b>0.67</b>
Hospitals	Bed	200	250	100	<b>0.42</b>	<b>0.17</b>
Barber/Beauty Shop	1000 sq ft	40	210	220	<b>0.07</b>	<b>0.07</b>
Car Wash - No Recycling	1000 sq ft	3700	20	150	<b>0.62</b>	<b>4.63</b>
Motel	Sleeping Room	125	310	120	<b>0.32</b>	<b>0.13</b>
Laundromat	Machine	500	150	110	<b>0.63</b>	<b>0.46</b>
Fast Food	1000 sq ft	570	400	400	<b>1.90</b>	<b>1.90</b>
Retail Store	1000 sq ft	100	150	150	<b>0.13</b>	<b>0.13</b>

**Note:**

Lbs/day = Concentration (mg/L) × Flow (GPD) × 8.34e<sup>-6</sup> (Factor); conversion factor has units of pounds per mg/L per gallon.

Sources: City of Hollister; State Water Resource Control Board; CH2MHLL; LACSD; EPA; MuniFinancial.

**10.8: WWTP Expansion Component Connection Charge by Customer Class**

Customer Class	Unit	Flow (GPD)	BOD (mg/L)	SS (mg/L)	Connection Charge
Single Dwelling	Dwelling Unit	\$ 10,830	\$ 1,891	\$ 451	\$ 13,502
Multi-Dwelling	Dwelling Unit	7,697	1,344	321	9,596
Mobile Homes	Dwelling Unit	6,969	1,217	290	8,688
School	Student	536	61	11	623
Light Industrial	1000 sq ft	1,200	231	55	1,523
Warehouse	1000 sq ft	1,200	220	53	1,510
Market w/ Grinder	1000 sq ft	2,880	2,012	480	5,506
Church	1000 sq ft	2,880	503	120	3,591
Commercial/Office	1000 sq ft	2,880	503	120	3,591
Theaters	1000 sq ft	4,321	943	252	5,653
Markets w/o Grinder	1000 sq ft	2,880	377	90	3,431
Pharmacy	1000 sq ft	4,801	629	150	5,719
Bars	1000 sq ft	16,802	2,934	700	20,947
Auto Repair	1000 sq ft	4,801	754	280	5,981
Service Stations	1000 sq ft	4,801	754	280	5,981
Restaurants	1000 sq ft	7,201	6,287	900	14,747
Mortuaries	1000 sq ft	4,801	3,353	800	9,177
Hospitals	Bed	9,601	2,096	200	12,194
Barber/Beauty Shop	1000 sq ft	1,920	352	88	2,419
Car Wash - No Recycling	1000 sq ft	177,624	3,101	5,551	190,933
Motel	Sleeping Room	6,001	1,624	150	7,969
Laundromat	Machine	24,003	3,143	550	28,389
Fast Food	1000 sq ft	27,364	9,556	2,280	40,180
Retail Store	1000 sq ft	4,801	629	150	5,719

Note: Administration Charge is 2.5% of subtotal cost.

Sources: City of Hollister; State Water Resource Control Board; CHM2HLL; LACSD; EPA; MuniFinancial.

## Implementation

This section identifies tasks that the City should complete when implementing the fee programs.

### Programming Revenues and Projects with the CIP

The City should update its Capital Improvement Plan (CIP) to program fee revenues to specific projects. Use of the CIP in this manner documents a reasonable relationship between new development and the use of fee revenues.

The City may alter the scope of the planned projects listed in Table 10.2, or substitute new projects as long as the project continues to represent an expansion of the City's water facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

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

### Identify Non-fee Revenue Sources

The City must identify non-fee revenue sources to fully fund the planned facilities and justify the maximum impact fee. The City should take any actions necessary to secure those funds.

### Inflation Adjustment

The City should identify appropriate inflation indexes in the fee ordinance and adopt an automatic inflation adjustment to the fee annually. The City should use separate indexes for land and construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the City's recent capital project experience or taken from any reputable source, such as the *Engineering News Record*. To calculate the fee increases, each index should be weighted by the share of total planned facility costs represented by land or construction, as appropriate.

## **Reporting Requirements**

The City should comply with the annual and five-year reporting requirements of *Government Code 66000* et seq. For facilities to be funded with a combination of impact fees and other revenues, the City must identify the source and amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.