REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
January 20, 2009

Honorable Mayor and
Members of the City Council

Title: Ordinance Adding Chapter 18.48 to the Sacramento City Code to Establish Development Impact Fees for Measure A Transportation Improvements for Citywide Benefit District

Location/Council District: Citywide

Recommendation: 1) Review: a) an **Ordinance** adding Chapter 18.48 to the Sacramento City Code to Establish Transportation Development Impact Fees for Citywide Benefit District; b) a **Resolution** approving Nexus Study, Establishing the Amount of Fees and Providing for Other Matters Relative to Measure A Transportation Development Impact Fees; and c) a **Resolution** approving the Agreement on Operating Protocols for the New Measure A Sacramento Countywide Transportation Mitigation Development Impact Fee Program, 2) pass for publication the Ordinance title as required by the Sacramento City Charter (32c) to be adopted on January 27, 2009.

Contact: Azadeh Doherty, Principal Planner, 808-3137

Presenters: Azadeh Doherty

Department: Transportation

Division: Office of the Director

Organization No: 15001041

Description/Analysis

Issue: The New Measure A (½% Transportation Sales Tax) was approved by the County voters in 2004 and extended the existing Measure A sales tax for 30 years. Administered by the Sacramento Transportation Authority (STA), the New Measure A sales tax also called for implementation of the Sacramento Countywide Transportation Mitigation Development Impact Fee Program ("Measure A Mitigation Fee Program"). The Measure A Mitigation Fee Program has to be adopted by each participating jurisdiction as a condition of receiving the New Measure A sales tax revenues for the transportation improvements in the Measure A Expenditure Plan, which also was approved by the voters in 2004. The Measure A Mitigation Fee Program requires imposition of specified development impact fees by April 1, 2009, the effective date of the New Measure

A sales tax. Under the Protocols Agreement, the Measure A impact fees must be remitted to STA for reallocation to the transportation projects in the Measure A Expenditure Plan. Additionally, STA adopted the Measure A Nexus Study in 2006, which set out the Measure A impact fees. The Measure A impact fees were then adjusted by the STA Board by land use categories and set out in the Protocols Agreement. In order to implement the Measure A Mitigation Fee Program, the City must enact the Transportation Development Impact Fee ordinance and fee resolution in accordance with the provisions of AB 1600 (the "Mitigation Fee Act").

Policy Considerations: Implementing the Measure A Mitigation Fee Program supports the City's goals and policies of sustainability, accessibility, and walkable communities by generating funding needed to provide a transportation system that is effectively planned, managed, operated and maintained. Furthermore, on September 26, 2006 by Resolution No. 2006-706, the City committed to implement the Measure A Mitigation Fee Program.

Environmental Considerations:

California Environmental Quality Act (CEQA): The current proposal involves a government fiscal activity that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Therefore, the proposal is not a 'project' in accordance with Section 15378(b)(4) of the California Environmental Quality Act Guidelines. As determined by the City's Environmental Services Planning Manager, no environmental review is necessary. Environmental review of each transportation project to be funded with Measure A sales taxes and impact fees will occur prior to any commitment by the City to implement that transportation system improvement.

Sustainability Considerations: None

Other: None

Committee/Commission Action: On August 4, 2008, staff presented information regarding this fee program to the Development Oversight Commission. The Development Oversight Commission received the information and suggested continued public outreach prior to adoption of the Measure A impact fee. The Sacramento Transportation Authority has agreed to take the lead on this public information effort. On January 6, 2009, the Law and Legislation Committee heard the report on this fee ordinance and voted 4-0 to forward staff's recommendation to the full City Council.

Rationale for Recommendation: In 2006, the STA Board, which is in charge of administration of the Measure A funding, approved a resolution to adopt the Nexus Study for the Measure A Mitigation Fee Program and set the fee rates to be effective as of April 1, 2009. In September of 2006, the City Council adopted

a resolution to acknowledge the City's obligation to impose this transportation impact fee program.

Financial Considerations: The following development fees are to be implemented on specific land uses:

Single Family	$1,000 per unit
Senior Single Family	$ 800 per unit
Multi-family	$ 700 per unit
Senior Multi-Family	$ 600 per unit
Retail	$3.705 per square foot
Office	$ 1.20 per square foot
Industrial	$ 0.80 per square foot.

Special land use categories and fees are as follows:

Church	$ 9.32 per square foot
Golf Course	$ 833 per acre
Hospital	$1.678 per square foot
Hotel/Motel	$ 580 per sleeping room
Movie Theater	$1,904 per screen
Service Station	$1,300 per fueling pump
Supermarket	$2.110 per square foot
Warehouse/ Self Storage	$ 0.25 per square foot

Based on our Measure A Impact Fee Analysis, in 2008 dollars, it is projected that the City will collect approximately $150 million over the next 25 years from the Measure A Mitigation Fee Program. The City anticipates that its fair share of the Measure A impact fee revenues for roadway projects within or directly benefitting the City and the Intermodal facility will be approximately $80 million. However, in addition to its direct share, the City will expect to benefit from approximately $370 million in Regional Transit and Caltrans Measure A projects that are within the City's jurisdictional boundaries. Therefore, the total transportation improvement benefit to the City's transportation system from this impact fee program is estimated to be $450 million.

The Measure A Mitigation Fee Program will pay for approximately 26% of the total cost of Measure A Expenditure Plan improvements. The remainder of the cost will be covered through federal and state grants, Measure A sales tax revenues and other local sources.

The Measure A Nexus Study Analysis (Attachment 3) demonstrates that: (1) the fee bears a reasonable relationship to the impact of the projected new development, and (2) the amount of the fee is proportional to the cost of the facilities needed to serve new development.

Emerging Small Business Development (ESBD): The actions considered in this report are not subject to the City's ESBD requirements.

Respectfully Submitted by: Francesca Lee Halbakken
Francesca L. Halbakken
Operations Manager

Approved by: Jerry Way
Jerry Way
Director of Transportation

Recommendation Approved:

Matt M
Ray Kerridge
City Manager

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Attachment 1

Background

The New Measure A (½% Transportation Sales Tax) to fund the Measure A Expenditure Plan was approved by the County voters in 2004. The Measure A Expenditure Plan included a development impact fee to fund a portion of the costs of the transportation improvements ("Measure A Mitigation Fee Program"). Each jurisdiction is required to adopt the Measure A development impact fees and to remit those revenues to STA for reallocation to specific county-wide transportation projects included in the Measure A Expenditure Plan.

In June 2006, the STA Board, who is in charge of the administration of the Measure A Mitigation Fee Program, adopted the Development Impact Fee (Nexus) Study, which was based on the $1,000 per single family unit fee and the other land use rates were set based on the allocation of the facility costs for new development per the Measure A Expenditure Plan, and land use trip generation rates and growth projections. Under the Measure A Mitigation Fee Program, the County and cities are required to impose the Measure A development impact fees on new development as a condition of receiving the Measure A sales tax proceeds. In September of 2006, the City Council adopted a resolution to acknowledge the City's obligation to impose this transportation impact fee program by April 1, 2009. It is anticipated that the Countywide development fee revenues will account for approximately one-half of all *New* Measure A capital expenditures during the 30-year term.

The Measure A Mitigation Fee Program provided that the STA would develop a "professional and planning based process" for charging new development with the cost of traffic impacts caused by each development and dictated the new fee schedule to be based on a fee per single family residential unit of $1,000. The multi-family units, retail, office and industrial fees were calculated proportionate to the single family fee as determined by the vehicle trip generation rates assigned to each of the land uses.

Based on this calculation, the fee rates are set as follows:

- Single Family Residential - $1,000 per unit
- Senior Single Family Residential - $800 per unit
- Multi-Family Residential - $700 per unit
- Senior Multi-Family Residential - $600 per unit
- Retail - $3.705 per square foot
- Office - $1.20 per square foot
- Industrial - $0.80 per square foot
- <u>Special uses:</u>

Church	$ 9.32 per square foot
Golf Course	$ 833 per acre
Hospital	$1.678 per square foot
Hotel/Motel	$ 580 per sleeping room
Movie Theater	$1,904 per screen
Service Station	$1,300 per fueling pump

Supermarket	$2.110 per square foot
Warehouse/ Self Storage	$ .25 per square foot

The Measure A development impact fees are expected to generate approximately $1.58 billion countywide over the next 30 years (2009 to 2039). Annual impact fee revenues are estimated to range from $33 million in 2010 to $76 million in 2038. Approximately 85% percent of the development impact fees will be available for the STA's capital program as identified in the approved Ordinance and the remaining funds will be used to prepare capital improvement plans and land use studies for smart growth projects. The Measure A Ordinance proposes to distribute the collected fees to various programs based on the following percentages:

Smart Growth Incentive Program (competitive) – 15%
Local Arterial Program (28 Projects) – 35%
Transit Capital Improvements – 20%
Freeway Safety and Congestion Relief – 20%
Transportation Project Environmental Mitigation Program – 10%

The 2006 STA resolution adopting the Nexus Study requires that protocols related to impact fee implementation issues, including but not limited to, required dates of fee remittances to STA and documentation to be submitted by each local jurisdiction, shall be established by future resolution of the STA and contracts between the STA and the local jurisdictions. Last spring, STA staff circulated an initial draft Agreement on Operating Protocols for review by the County and cities' transportation directors, infrastructure finance managers, and legal counsels. The City of Sacramento responded with comments, which were incorporated in the final Agreement on Operating Protocols that the STA Board adopted in August, and amended in December to include the fees for special land uses (Exhibit A). This Agreement sets an adjusted fee schedule to include a reduced rate for senior housing, exempt low and very low income housing and projects with development agreements approved prior to April 1, 2009, and reference a specific construction cost index.

The City is required to remit the fee revenues to the STA semi-annually, along with a report of building permits issued during the reporting period by use and square footage (nonresidential), exemptions granted, and other pertinent information. The STA will separately account for the City's fee revenues as part of an aggregate STA Measure A impact fee account.

The Measure A Mitigation Fee Program also provides for the creation of an Independent Taxpayer Oversight Committee (ITOC), which will be responsible for the supervision of fiscal and performance audits regarding STA's use of sales tax and impact fee funds. ITOC will provide for an independent review to ensure that all Measure A funds are spent in accordance with provisions of the Measure A Expenditure Plan and sales tax ordinance as approved by the voters. The City's semi-annual reports will be compiled for presentation by STA to the ITOC and the STA Board, and the City will present similar information to the Council on an annual basis as required under AB 1600.

In addition to the Measure A development impact fees, the City will also be adopting a Measure A administrative fee to fund the City's cost to collect, monitor and report on the Measure A development impact fees. The Protocols Agreement requires all of the Measure A development impact fees to be remitted to STA. The City also has to charge an administrative fee in order to recover its costs to administer this impact fee program for STA. In accordance with the rate to be imposed by other jurisdictions, the proposed administration fee is 2% of the total Measure A impact fee per building permit. The administration fee revenues would be split between the Transportation and Development Services Departments which will be undertaking the fee collection, accounting and reporting responsibilities.

Attachment 2

Sacramento Countywide Transportation Mitigation Development Impact Fee Program

City of Sacramento Supplemental Nexus Analysis

September 2008

The New Measure A which was approved by County voters in 2004, introduced a transportation mitigation development impact fee program ("development impact fee") to be adopted and implemented by each participating jurisdiction and remitted to the Sacramento Transportation Authority (STA) for reallocation to specific county-wide transportation projects.

Several jurisdictions in Sacramento County currently have some form of development fees for local transportation projects, but there is no mechanism to fund large scale and/or multi-jurisdictional projects. The Measure A impact fee program is the regional fee program which was created to fund regional scale projects.

AB 1600 requires that a local agency that adopts a development impact fee specify the following:

1. Identify the purpose of the fee;
2. Identify the use of the fee by listing the public facilities for which the fee is being charged.
3. Determine how there is a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed; and
4. Determine how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed.

To satisfy the requirements of California Government Code Section 66000 et seq. for funding programs that utilize a development impact fee, the Sacramento Transportation Authority (STA) prepared a "Fee Study" which has become the basis for the implementation of this development impact fee program. (see Attachment 1).

This report provides additional analysis to supplement the STA's Fee Study and attempts to demonstrate a reasonable relationship between the projected development, the fee and the purpose for which it is charged, i.e. transportation improvements that benefit the City of Sacramento.

Capital Improvement Program

Subsequent to the approval of Measure A, STA collected detailed capital project information from each jurisdiction. The Fee Study identified several transportation facilities required by new development and determined the amount of County-wide development impact fees that may be imposed to pay the costs of the proposed facilities. A total of 55 projects were submitted and are included in the STA's capital program. The cost of the STA's capital program is estimated at $4.5 billion. The proposed projects for the City of Sacramento are listed below. Although these projects are all regional projects and will benefit all of Sacramento County, each project provides local benefits to certain areas of Sacramento. To illustrate this point, these communities are identified in the highlighted sections of the Capital Project list.

City of Sacramento - Capital Projects

Arden Way ITS (Del Paso – Ethan) – Installation of ITS elements along a seven mile segment of Arden Way between Del Paso Blvd. and Watt Ave.
Cost: n/a

Cosumnes River Blvd. (I-5 – Franklin) – Extension of Cosumnes River Blvd. from its current westerly terminus at Franklin Blvd. to I-5, and then further west to an at grade intersection with Freeport Blvd.
Cost: $56,929,000

Cosumnes River Blvd/I-5 interchange upgrade – Construction of a new interchange at I-5 to provide access to the proposed Cosumnes River Blvd. extension from Franklin Blvd. to Freeport Blvd.
Cost: $39,944,000

Folsom Blvd. (65th – Watt) – Widening of Folsom Blvd. to 4 lanes from Hornet Drive to 65th Street. Include landscaping, bike and ped. improvements, extension of Ramona Ave. and replacement of substandard railroad under-crossing.
Cost: $57,473,000

Downtown Sacramento Intermodal Station – Restoration of the historic station, relocation of the inner-city rail tracks and construction of new passenger platforms.
Cost: $334,786,000

Richards Blvd/I-5 interchange upgrade – Improve the operations and capacity of the existing Richards Blvd. Interchange.
Cost: $53,793,000

In addition to the City's capital projects, the CIP has several other projects that will directly benefit the City of Sacramento. They are Transit Capital Improvement and Freeway Safety & Congestion Relief projects:

Transit Capital Improvements

LRT extension (Downtown – Natomas- Airport) – Extension of light rail service from Downtown Sacramento to Sacramento International Airport.
Cost: $55,377,000 (phase 1)

LRT extension (Meadowview – Cosumnes River College) – Extension of South Sacramento light rail from Meadowview Road to Cosumnes River Blvd.
Cost: $223,856,000

LRT Improvements in I/80 corridor – Corridor Improvements to allow operation of express LRT service from Watt/I-80 to Downtown Sacramento.
Cost: $34,270,000

Freeway Safety & Congestion Relief

I-5/I-80 interchange upgrade & carpool lane to downtown – Reconstruct Southbound and Eastbound I-5/I-80 connector to provide HOV lanes on Interstate f from the interchange to downtown Sacramento. The project will upgrade the roadway geometry up to current standards.
Cost: $417,668,000

I-5/US50 ramp widening & connectors – Widen existing ramps and construct freeway to freeway HOV connectors.
Cost: $227,658,000

US50 /SR99 bus & carpool ramp connectors - Widen existing ramps and construct freeway to freeway HOV connectors.
Cost: $250,140,000

Expected Project Costs and Fee Revenues

The Measure A Impact Fee Program is expected to generate approximately $1.58 billion over the next 30 years (2009 to 2039) of which 85% or $1.35 billion will be available for the STA's capital program. Fee revenues will partially pay the cost of financing the transportation infrastructure through the year 2039 at levels identified by various local jurisdictions within Sacramento County.

Annual Fee revenues are estimated to range from $33 million in 2010 to $76 million in 2038. The Measure A Ordinance proposes to distribute the collected fees to various programs based on the following percentages:

Smart Growth Incentive Program (competitive) – 15%
Local Arterial Program (28 Projects) – 35%
Transit Capital Improvements – 20%
Freeway Safety and Congestion Relief – 20%
Transportation Project Environmental Mitigation Program – 10%

Based on these percentages, the following table (Table 1) shows the approximate revenues that will be allocated to each program category and, specifically, to the City of Sacramento. Table 2 shows the individual cost and total cost of all capital projects that are either a City project or benefit the City of Sacramento. Please note that all estimates are shown in 2008 dollars.

Table 1	City of Sacramento's Expected Revenue Based on STA's Expenditure plan					
Exp. Categories	**Smart Growth**	**Local Arterial**	**Transit Imp.**	**Freeway Imp.**	**Env. Mitig.**	**Tot. Expected Rev.**
County-wide share	$237,000,000	$553,000,000	$316,000,000	$316,000,000	$158,000,000	**$1,580,000,000**
City's expected direct benefit	competitive	$79,000,000				**$79,000,000**
Indirect benefit			$237,000,000	$131,666,667		**$368,666,667**
Total City Benefit						**$447,666,667**

Table 2

City's Capital Projects

Cosumnes River Blvd. (I-5 – Franklin)	$56,929,000
Cosumnes River Blvd/I-5 interchange upgrade	$39,944,000
Folsom Blvd. (65th – Watt)	$57,473,000
Downtown Sacramento Intermodal Station	$334,786,000
Richards Blvd/I-5 interchange upgrade	$53,793,000
Total Project Costs	$542,925,000
Projects that Benefit the City of Sacramento	
Downtown Natomas Airport LRT Ext.	$55,377,000
South Sacramento LRT Ext.	$223,856,000
Northeast Corridor	$34,270,000
I-5/U.S. 50 Interchange Improvements	$227,658,000
I-5/I-80 Interchange Upgrade	$417,668,000
Oak park (SR99/U.S. 50) Interchange Imp.	$250,140,000
Total project Costs that benefit the City	$1,208,969,000
Total Capital Project Costs	**$1,751,894,000**

STA's Fee (Nexus) Study

The Measure A impact fees were developed based on funding the total costs of the "Needs List" facilities as described in the STA's Expenditure Plan (see Attachment 2) over a 30 year period. All fees will be collected based on a land use category and are calculated by applying the average daily trip generation factors developed by the Institute of Traffic Engineers (ITE). The fee schedule is based on a per single family residential unit fee in the amount of $1,000. The multi-family units, retail, office and industrial/warehouse fees are calculated proportionate to the single family fee rate.

In the STA's Fee Study, the amount of development anticipated over the next 30 years was based on the SACOG's MTP land-use data which rely on the City's existing General Plan through 2030. Growth for future years (through 2039) was then extrapolated.

In this report, to further support the STA's Nexus study, the City has used its new General Plan land-use growth projections. This additional analysis calculates the projected fee revenues based on the new land-use data over the next 30 years in order to demonstrate that the fee bears a reasonable relationship to the impact of proposed development within the City of Sacramento.

Staff has evaluated the total fees collected from projected development within the City and compared it with the cost of projects that would benefit the City of Sacramento to insure that there is a "rough proportionality" between the benefits and burdens of these proposed fees.

Summary of the City's General Plan land use data used for the Measure A Developer Impact Fee Program analysis

The following data identify the existing development, anticipated growth and the projected fee revenue for each community plan area using the Measure A Impact Fee rates. Please note that the City does not use the exact same boundaries in its community plan area that SACOG uses in its analysis zones.

City's build out land use assumptions for 2030 include:

- Distribution/mix of uses for each land use – Single Family, Multi-Family, Office, Retail and Industrial.
- DU and F.A.R. ranges.
- Total dwelling units/employees and non-residential sq. ft. totals per land use.
- Existing Conditions by Community Plan Amendment is a summary of dwelling unit types and employees by sector for each community plan area.
- The GP 2030 Summary by Community Plan Amendment document is a summary of dwelling unit types and employees by sector for each community plan area.

Growth Projection - Single Family

Community Plan Area	Existing SF	2030 GP	Anticipated Growth	Fee ($1,000)
Arden Arcade	1,830	1868	38	**$38,000**
Central City	560	843	283	**$283,000**
East Sacramento	11,071	10,831	-240	**$0**
Fruitridge/Broadway	18,660	20,216	1,556	**$1,556,000**
Land Park	12,145	12,556	411	**$411,000**
North Natomas	11,614	19,580	7,966	**$7,966,000**
North Sacramento	14,525	15,972	1,447	**$1,447,000**
Pocket	14,377	14,551	174	**$174,000**
South Area	24,681	30,016	5,335	**$5,335,000**
South Natomas	9,175	9,940	765	**$765,000**
Sub-Total			17,735	**$17,975,000**

Growth Projection - Multi Family

Community Plan Area	Existing MF	2030 GP	Anticipated Growth	Fee ($700)
Arden Arcade	4,295	6,602	2,307	**$1,614,900**
Central City	18,864	58,010	39,146	**$27,402,200**
East Sacramento	3,968	6,438	2,470	**$1,729,000**
Fruitridge/Broadway	5,082	9,208	4,126	**$2,888,200**
Land Park	3,153	4,469	1,316	**$921,200**
North Natomas	2,149	18,000	15,851	**$11,095,700**
North Sacramento	4,533	7,418	2,885	**$2,019,500**
Pocket	5,573	5,684	111	**$77,700**
South Area	5,634	11,196	5,562	**$3,893,400**
South Natomas	6,787	7,834	1,047	**$732,900**
Sub -Total			74,821	**$52,374,700**

*assumption: 450 SqFt/Employee

Growth Projection - Commercial

Community Plan Area	tot. retail emp.	Existing Retail	2030 emp.	2030 GP Retail	Fee ($3.705/sqf)
Arden Arcade	7729	3,478,050	9,471	4,261,950	**$2,904,350**
Central City	26061	11,727,450	35,664	16,048,800	**$16,010,602**
East Sacramento	5632	2,534,400	6,682	3,006,900	**$1,750,613**
Fruitridge/Broadway	6951	3,127,950	10,582	4,761,900	**$6,053,785**
Land Park	3201	1,440,450	3,914	1,761,300	**$1,188,749**
North Natomas	4608	2,073,600	10,481	4,716,450	**$9,791,759**
North Sacramento	3977	1,789,650	4,548	2,046,600	**$952,000**
Pocket	2053	923,850	2,103	946,350	**$83,363**
South Area	5810	2,614,500	10,680	4,806,000	**$8,119,508**
South Natomas	3508	1,578,600	4,881	2,196,450	**$2,289,134**
Sub-Total		31,288,500		44,552,700	**$49,143,861**

*assumption: 250 SqFt/Employee

Growth Projection - Office

Community Plan Area	Off. Emp.	Existing Office	2030 Office	2030 GP Office	Fee ($1.2/sqf)
Arden Arcade	11,153	2,788,250	17,205	4,301,250	**$1,815,600**
Central City	111,938	27,984,500	144,891	36,222,750	**$9,885,900**
East Sacramento	9,232	2,308,000	10,968	2,742,000	**$520,800**
Fruitridge/Broadway	22,767	5,691,750	26,439	6,609,750	**$1,101,600**
Land Park	6,634	1,658,500	6,498	1,624,500	**-$40,800**
North Natomas	6,924	1,731,000	47,336	11,834,000	**$12,123,600**
North Sacramento	5,384	1,346,000	6,110	1,527,500	**$217,800**
Pocket	1,514	378,500	1,587	396,750	**$21,900**
South Area	6,877	1,719,250	9,870	2,467,500	**$897,900**
South Natomas	7,003	1,750,750	7,282	1,820,500	**$83,700**
Sub-Total		47,356,500		69,546,500	**$26,628,000**

*assumption: 1000 SqFt/Employee

Growth Projection - Industrial

Community Plan Area	Industrial Emp.	Existing Ind.	2030 Office	2030 GP Ind.	Fee ($0.8/sqf)
Arden Arcade	2,527	2,527,000	2,389	2,389,000	**$0**
Central City	5,357	5,357,000	2,392	2,392,000	**$0**
East Sacramento	2,578	2,578,000	1,855	1,855,000	**$0**
Fruitridge/Broadway	18,544	18,544,000	20,719	20,719,000	**$1,740,000**
Land Park	1,286	1,286,000	681	681,000	**$0**
North Natomas	4,087	4,087,000	6,612	6,612,000	**$2,020,000**
North Sacramento	6,867	6,867,000	6,975	6,975,000	**$86,400**
Pocket	12	12,000	12	12,000	**$0**
South Area	1,778	1,778,000	1,475	1,475,000	**$0**
South Natomas	396	396,000	389	389,000	**$0**
Sub-Total		43,432,000		43,499,000	$3,846,400
Total Expected Fee Rev.					$149,967,961

Summary and Conclusions

The total capital cost of the City's projects is approximately $543 million and the total cost of RT and Caltrans projects that will benefit the City of Sacramento is estimated at $1.2 billion. The total cost of all these capital projects is **$1.7** billion.

Based on this analysis, in 2008 dollars, it is projected that the City of Sacramento will collect approximately **$150,000,000** over the next 25 years from the Measure A Development Impact Fee program. The City anticipates that its fair share of the Measure A Impact Fee will be approximately $80 million. However, in addition to its direct share, the City will expect to benefit from approximately $370 million in RT and Caltrans projects that are listed in the Capital Improvement Program section and table. Therefore, the total transportation improvement benefits from this Impact Fee Program are estimated to be **$450,000,000.**

The Measure A Impact Fee then pays for almost 26% of the total cost. The remainder of the cost will be covered by federal & state grants, Measure A sales tax revenues and other local sources.

This analysis demonstrates that: (1) the fee bears a reasonable relationship to the impact of projected development, and (2) the amount of the fee is proportional to the cost of the facilities ($4.5 billion county-wide) required to serve future development.

ATTACHMENT 3

Final Draft

SACRAMENTO TRANSPORTATION AUTHORIY

DEVELOPMENT IMPACT FEE STUDY

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June 2, 2006

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EXECUTIVE SUMMARY

In July of 2004 the Governing Board of the Sacramento Transportation Authority ("STA") passed Ordinance No. STA 04-01 ("Ordinance"), which provides for the continuation of a one half of one percent retail transactions and use tax for local transportation purposes. Three key components of the ordinance are 1) An expenditure plan ("Exhibit A of the Ordinance") that defines the projects to be financed, identifies the associated costs and allocates the costs between sales tax revenue funding and DIF funding, 2) Guidelines for the implementation of the Retail Transactions and Use Tax ("Retail Tax"), and 3) Guidelines for the implementation of the Sacramento Countywide Transportation Mitigation Fee Program ("SCTMFP"). Section VII of the Ordinance deals with the SCTMFP and states that "No revenue generated from the [retail transactions and use] tax shall be used to replace transportation mitigation fees required from new development...", and requires that the STA develop "... a professional and planning based process for charging new development with the cost of traffic impacts caused by each development...". Furthermore, Section VII dictates that the new fee schedule implemented shall be based on a fee per single family unit of $1,000.00, and the fees for multi-family units, retail, office and industrial or warehouse uses shall be proportionate to the single family fee as determined by the vehicular trip generation rates assigned to each of the land uses.

In August of 2005 the STA hired Public Financial Management, Inc. ("PFM") to prepare a finance and capital improvement plan that would implement the provisions of the Ordinance. PFM hired David Taussig and Associates, Inc. ("DTA") as a sub-consultant to prepare this AB 1600 Fee Justification Study (the "Fee Study"), which would be the basis for the implementation of the SCTMFP. This Fee Study is intended to comply with Section 66000 *et. seq.* of the Government Code, which was enacted by the State of California in 1987, by identifying additional public facilities required by new development ("Future Facilities") and determining the level of County-wide development impact fees ("County-wide DIF") that may be imposed to pay the costs of the Future Facilities. Fee amounts have been determined that will partially satisfy the financing of transportation infrastructure at levels identified by the various local agencies within the County of Sacramento ("County") as being necessary to meet the needs of new development through the year 2039. The proposed projects and associated construction costs are identified in the Needs List, Table IV-1, which is included in Section IV of the Fee Study. A description of the methodology used to calculate the fees is included in Section V. All new development may be required to pay a portion of its "fair share" of the cost of the new infrastructure through the development fee program.

1. ORGANIZATION OF THE REPORT

Section I of this report provides an introduction to the study including a brief description of County surroundings, and background information on development fee financing. Section II provides an overview of the legal requirements for implementing and imposing such fees. Section III includes a discussion of projected new development and demand variables such as future population and employment assuming current growth trends in housing, commercial, and industrial development extrapolated over the next thirty-three year period to 2039. Projections of future development are based on data provided by Sacramento Area Council of Governments ("SACOG"). Section IV includes a description of the Needs List, which identifies the facilities

needed to serve new development through 2039 that are eligible for funding in the SCTMFP. The Needs List provides the total estimated facilities costs in 2005 dollars, offsetting revenues, net cost to STA and cost allocated to new development for all facilities listed in the New Measure A Ordinance as approved by Sacramento County voters. This list is a compilation of projects and costs identified by the local agency planning and engineering departments. Section V contains the methodology used to determine the fees for all facility types as well as calculations to determine fee levels. Section VI includes a summary of the proposed fees justified by this study.

2. COLLABORATION WITH LOCAL AGENCIES

Workshop meetings with representatives of the local agencies, STA management and consultants occurred during January through March of 2006, with the purpose of discussing the various schedules and procedures to be used in implementing the fees, and also the various factors and criteria used in calculating the fees. Representatives of Caltrans, Regional Transit, the County of Sacramento, and the Cities of Sacramento, Elk Grove, Folsom, Rancho Cordova, Galt and Citrus Heights all participated in the workshop meetings. At these meetings the local agencies had the opportunity to update project lists and cost estimates previously provided, to modify the cash flow timeline requirements for their respective projects and to provide comments to the methodology and assumptions used in this report.

3. METHODOLOGY AND IMPACT FEE SUMMARY

As stated above, transportation costs for mitigating the impacts of new development were apportioned to the various land uses by average daily trips generated ("ADT's) for each land use type.

Section V describes the apportionment of transportation facilities costs from the Needs List. Transportation facilities benefit future residents and employees in providing safe and efficient vehicular access to properties. It has been well documented by transportation engineers that different land uses generate trips at different rates. Therefore, all facility costs in this study are apportioned on the basis of average daily trip ("ADT") generation factors. Reliable data for the trip generation rates was obtained from the Institute of Traffic Engineers ("ITE"). An average county-wide trip generation rate for commercial retail uses was used. Refer to Section V for a more detailed discussion of the criteria and assumptions used in determining this average trip rate.

All of the transportation facilities are sized to meet the needs of future residents and employees, and based on input from the local agencies, none of the fees will be used to correct existing deficiencies in the road systems. In total, $894,041,000 can be generated from County-wide DIF collected from new development within the 30 year collection period from 2009 to 2039. The fee schedule required to finance new development's share of the costs of facilities in the Needs Lists are summarized in Table ES-1 below:

TABLE ES-1

COUNTY-WIDE DEVELOPMENT IMPACT FEE SUMMARY

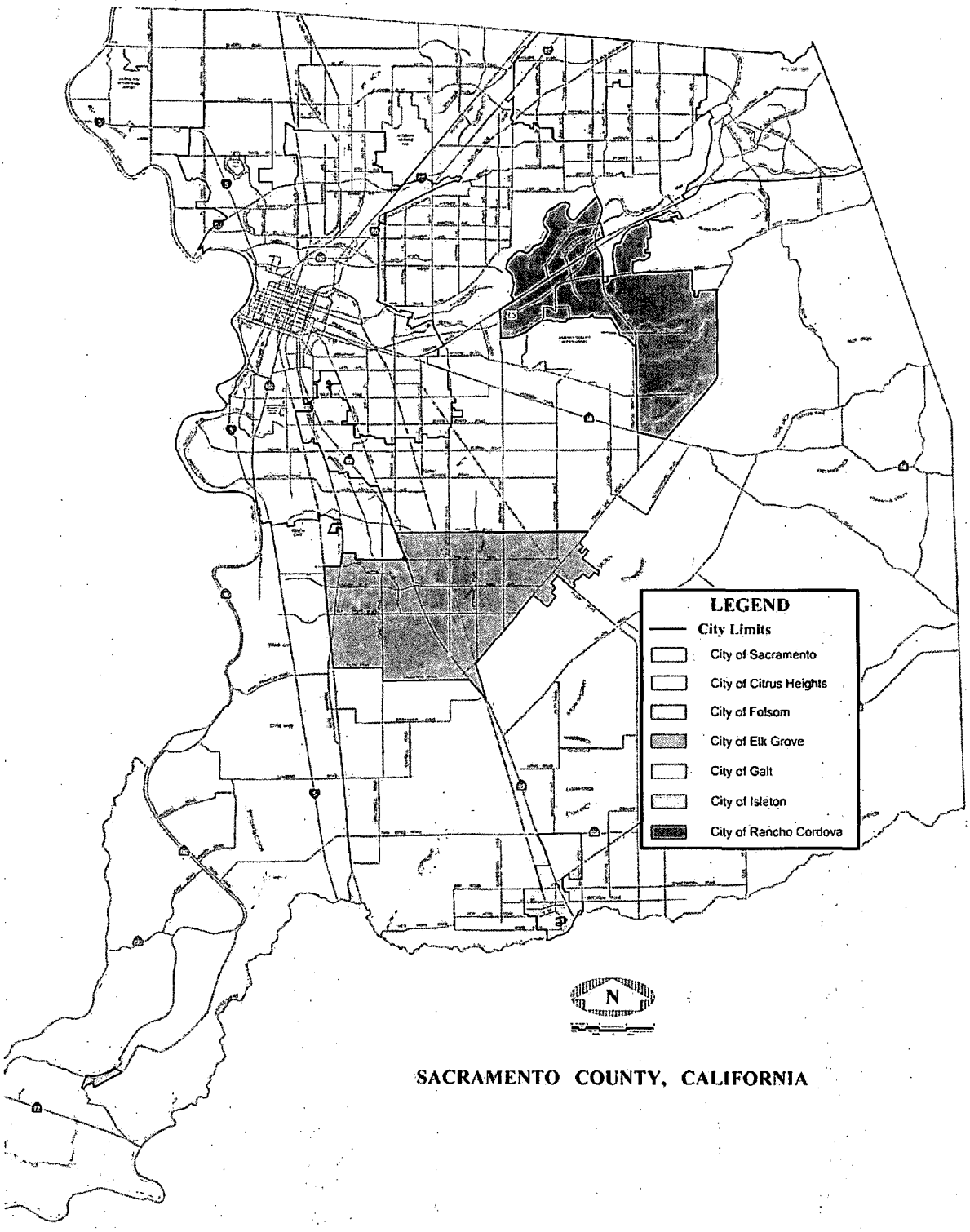
Residential (per unit)		Non - Residential (per 1,000 s.f.)	
Land Use Category	Fee	Land Use Category	Fee
Single Family	$1,000	Commercial, Retail	$3,705
Multi- Family	$700	Commercial, Office	$1,200
		Industrial	$800

The fee calculations were based on fair share analysis from the year 2005 (present development) to the year 2039 (end of the study period). Consistent with ordinance number STA-04-01, the total expected fee revenue was computed based on fee collections beginning April 1, 2009 and proceeding through March 31, 2039.

I. INTRODUCTION

The County of Sacramento (the "County"), located in central California encompassing approximately 994 square miles. The County is bordered on the east by the foothills of the Sierra Nevada, on the south and north by the counties of the San Joaquin Valley. To the west a sliver portion of the county reaches the upstream source of the San Francisco Bay. Incorporated cities within County borders include Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton and Rancho Cordova. Interstate 5, Interstate 80, and US 50 form the major spines upon which the countywide circulation system depends.

The County is experiencing a surge of new housing construction within its borders, driven by population increases, low interest rates, expanding job centers, and various economic factors and incentives available within County limits. New development and the associated increase in population over the next 3 decades will place an expected burden on the existing roadway and transit systems throughout the County. In order to mitigate the impacts of this new growth, the Sacramento Transportation Authority, ("STA"), in cooperation with state and local agencies, has identified a capital improvement program and expenditure plan that will finance various roadway projects throughout the County, a portion of which will be funded through development impact fees. Ordinance STA-04-01 identifies both a one half of one percent Retail Transaction and Use Tax ("Retail Tax") and a countywide Development Impact Fee ("DIF") program. This study, in accordance with the requirements and guidelines of AB1600, will be the basis of the implementation of the County-wide DIF program. Local agencies will be required to incorporate the fee schedule identified in this study into their own local DIF programs, and will be responsible for the collection and transfer of countywide DIF revenue to STA.


LEGEND
City Limits
City of Sacramento
City of Citrus Heights
City of Folsom
City of Elk Grove
City of Galt
City of Isleton
City of Rancho Cordova
N
SACRAMENTO COUNTY, CALIFORNIA

II. LEGAL REQUIREMENTS TO JUSTIFY IMPACT FEES

Prior to World War II, development in California was held responsible for very little of the cost of public infrastructure. Public improvements were financed primarily through jurisdictional general funds and utility charges. It was not uncommon during this period for speculators to subdivide tracts of land without providing any public improvements, expecting the closest city to eventually annex a project and provide public improvements and services.

However, starting in the late 1940s, the use of impact fees grew with the increased planning and regulation of new development. During the 1960s and 1970s, the California Courts broadened the right of local government to impose fees on developers for public improvements that were not located on project sites. More recently, with the passage of Proposition 13, the limits on general revenues for new infrastructure have resulted in new development being held responsible for a greater share of public improvements, and both the use and levels of impact fees have grown substantially. Higher fee levels were undoubtedly driven in part by a need to offset the decline in funds for infrastructure development from other sources. Spending on public facilities at all levels of government was $161 per capita in 1965, but it had fallen by almost fifty percent to less than $87 per capita by 1984 (measured in constant dollars).

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development, as the levy of such fees provides funding to maintain an agency's service standard required for an increased service population. A fee is "a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project..." (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee occurring prior to the beginning of construction of a dwelling unit or non-residential building (or prior to the expansion of existing buildings of these types). Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance.

STA has identified the need to levy impact fees to pay for transportation infrastructure. A detailed list of required public facilities (the "Needs List") is contained within Section IV herein. The fees presented in this study will finance facilities on the Needs List at levels identified by STA as appropriate to mitigate the impacts of new development. Upon the adoption of the Fee Study and required legal documents by the Governing Board, all new development will be required to pay its "fair share" of the cost of facilities on the Needs List through these fees at rate structures set in the Ordinance.

Assembly Bill ("AB") 1600, which created Section 66000 *et. seq.* of the Government Code, was enacted by the State of California in 1987. This Fee Study is intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

Furthermore, there must be a relationship between the amount of the fee and the cost of the improvements. To impose a fee as a condition for a development project, a public agency must do the following:

- Identify the purpose of the fee.
- Identify the use to which the fee is to be applied. If the use is financing public facilities, the facilities must be identified.
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
- Determine how there is a reasonable relationship between the need for a public facility and the type of development project on which the fee is being imposed.

Addressing these items will enable an impact fee to meet the nexus and rough proportionality requirements established by *Dolan versus City of Tigard* and other court cases. These findings and the nexus test for each proposed fee element are presented in Section V. Current state financing and fee assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establishing legal impact fees is to determine what share of the benefit or cost of a particular improvement can be equitably assigned to existing development, even if that improvement has not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable fees assigned.

A. PURPOSE OF THE FEE (GOVERNMENT CODE SECTION 66001(A)(1))

Population, housing, and employment estimates prepared for the Fee Study project approximately 337,865 new Single Family and Multi-Family units over the next thirty-four years (2005-2039). During that same time period, approximately 570,260,000 square feet of new commercial and industrial development are expected to generate 417,101 new employees.[1] The future residents and employees will create an additional demand for transportation systems that existing public facilities cannot accommodate. In order to accommodate new development in an orderly manner, while maintaining the current quality of life in the County, the facilities on the Needs List (Section IV, Table IV-1) will need to be constructed.

It is the projected direct and cumulative effect of future development that has required the need for a development impact fee program. New development will contribute to the need for new roadway and transit projects. Without future development many of the new projects would not be necessary. Future development drives the need for future facilities, with certain exceptions where various facility costs are shared between new and existing development due to the need to cure existing deficiencies. However, in the case of Sacramento County, the local agencies have indicated that the facilities listed on the

[1] Refer to Section III for more detailed information regarding development projections.

Needs List are required to mitigate the impacts of new growth, and that none of the facilities are required to correct existing deficiencies. The impact fees will be used for the acquisition, installation, and construction of transportation and transit projects identified on the Needs Lists and other appropriate costs to mitigate the direct and cumulative impacts of new development in the Cities and unincorporated area.

B. THE USE TO WHICH THE FEE IS TO BE PUT (GOVERNMENT CODE SECTION 66001(A)(2))

The fee will be used for the acquisition, installation, and construction of the transportation facilities identified on the Needs List, included in Section IV of the Fee Study, and other appropriate costs to mitigate the direct and cumulative impacts of new development in the County. The fee will provide a source of revenue to the STA to fund such facilities, which in turn will both preserve the quality of life in the County and protect the health, safety, and welfare of the existing and future residents and employees.

C. DETERMINE THAT THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEE'S USE AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (BENEFIT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(3))

The fees collected will be used for the construction of transportation facilities within the County. The types of development that will be paying these fees are new residential, commercial and industrial projects within the local Cities and the unincorporated areas of the County between April 1, 2009 and March 31, 2039. This expected development will generate new residents and employees that will increase the burden on existing transportation infrastructure in the form of increased traffic and transit ridership. In order to maintain existing service standards the fees to be imposed on new development, as recommended in this Study, will insure that new development contributes its fair share of funds to mitigate the impacts caused by such development.

D. DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE PUBLIC FACILITY AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (IMPACT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(4))

As determined by technical analysis consistent with the regional transportation model performed by SACOG, and State and local agency staff recommendations, the facilities to be financed are required to maintain existing service levels. These facilities are listed in Section IV and correspond directly to the impact generated by new development. For example, the projected growth of residential homes ("dwelling units") and the growth of commercial and industrial leaseable space ("square feet") translate to additional traffic on city and county streets (average daily trips, or "ADT's"). In order to prevent congestion, streets need to be created or widened, signals installed, and transit capacity needs to be enhanced.

E. THE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEE AND THE COST OF THE PUBLIC FACILITIES ATTRIBUTABLE TO THE DEVELOPMENT UPON WHICH THE FEE IS IMPOSED ("ROUGH PROPORTIONALITY" RELATIONSHIP) (GOVERNMENT CODE 66001(A)

This study uses various methodologies to apportion the cost of new facilities to new development in proportion to the magnitude of the impacts that drive the need for the facilities. Fee amounts for the various land uses are determined by apportioning costs according to their appropriate demand factors, which in this case consists of traffic trip generation rates. Section V "Methodology and Fee Calculation," defines the various trip rate factors, describes the various methodologies for apportioning costs, and presents the calculations that justify the proposed fees for each facility group.

TABLE II-A

SACRAMENTO TRANSPORTATION AUTHORITY
PROPOSED LAND USE CATEGORIES

Land Use Classification for Fee Study
Single Family Residential
Multi-Family Residential
Commercial, Retail
Commercial, Office
Industrial

III. DEMOGRAPHICS

In order to determine the public facilities needed to serve new development as well as establish fee amounts to fund such facilities, the number of dwelling units, commercial and industrial square footages, population and employment for both existing and projected development must be quantified. Estimates of existing and future residential units and square footage of commercial development through 2025 were provided by Sacramento Area Council of Governments ("SACOG"), data file "TAZ_2004 to 2032" dated 04/11/06. DTA isolated only the Sacramento County Traffic Analysis Zones ("TAZ") and totaled the columns for dwelling units and population to determine Sacramento County –specific demographics. In order to extrapolate growth to the year 2039, DTA computed average growth rate for SACOG's twenty-one year interval occurring between 2004 and 2025. The trends in growth rates for the various land uses were then used to extrapolate future residential units and future commercial and industrial employment in the year 2039. Commercial and industrial employment data were then converted to building square footages by multiplying the employment population data by employee density factors given by SACOG. See Appendix A for year by year growth rates and extrapolations. See Appendix B for employment density factors.

Tables III-A and III-B below depict the growth in residential units and non-residential square footages used in this study to approximate the expected DIF revenue from 2009 to 2039. See Appendix A for calculation of expected revenue from 2009 to 2039.

Table III-A
Residential Dwellling Units

Category	2039 DU's	2009 DU's	Growth DU's
Single Family	470,382	348,512	121,871
Multi Family	398,455	212,272	186,183
Totals	868,838	560,784	308,054

Table III-B
Non-Residential Building Square Feet

Category	2039 k.s.f..	2009 Existing k.s.f.	Growth (k.s.f.)
Commercial, Retail	246,158	176,375	69,782
Commercial, Office	374,236	241,808	132,428
Industrial	1,499,506	1,181,773	317,733

Tables III-C and III-D below depict the growth in residential units and non-residential square footages used in this study to calculate the fair share fee structure for growth between 2005 and 2039.The calculations used to determine the proposed fee structure can be found in Appendix C, "Fee Calculation".

Table III-C
Residential Dwellling Units

Category	2039 DU's	2005 DU's	Growth DU's
Single Family	470,382	334,752	135,630
Multi Family	398,455	191,251	207,204
Totals	868,838	526,004	342,834

Table III-D
Non-Residential Building Square Feet

Category	2039 k.s.f..	2005 Existing k.s.f.	Growth (k.s.f.)
Commercial, Retail	246,158	168,496	77,661
Commercial, Office	374,236	226,857	147,379
Industrial	1,499,506	1,145,900	353,606

IV. THE NEEDS LIST AND FACILITIES COSTS

Identification of the facilities to be financed is a critical component of any development impact fee program. In the broadest sense the purpose of impact fees is to protect the public health, safety, and general welfare by providing for adequate public facilities. "Public Facilities" per Government Code 66000 include "public improvements, public services, and community amenities." Fees imposed for a public capital facility improvement cannot be used for maintenance or services.

Government Code 66000 requires that if impact fees are going to be used to finance public facilities, those facilities must be identified. Identification of the facilities may be made in an applicable general or specific plan, other public documents, or by reference to a Capital Improvement Program (CIP) or Capital Improvement Plan. For purposes of the STA fee program, the Needs List is intended to be the official public document identifying the facilities eligible to be financed, in whole or in part, through the levy of a uniform development fee on new development in the County.

STA management and it's consultant team surveyed and also met with representatives from Caltrans, the County of Sacramento, and local cities to determine what public facilities would be needed to meet increased demand resulting from new development in the County. For purposes of the fee program and consistent with the Measure A time horizon, it was determined that a thirty year planning horizon would be appropriate. The Needs List (Table IV-1) identifies transportation facilities that will be needed to serve future development between April 1, 2009 and March 31, 2039.

The Needs List also shows the breakdown of funding between the sales tax component of Measure A, the county-wide DIF program, the local DIF programs, and "other" sources.

The total County-wide DIF program revenue is determined by calculating the total revenue expected to be collected during the study period, based on the fee schedule and the expected growth in residential units and non-residential building square feet. The fee schedule is determined by complying with Section VII of the Ordinance, or in other words, fixing the single family residential fee at $1,000 per unit and computing the fees for the remaining land uses proportionate to the single family fee on the basis of average daily vehicular trips generated by the respective land uses. The assumptions and calculations are discussed in Section V of this Study.

TABLE IV-1
SACRAMENTO TRANSPORTATION AUTHORITY
NEEDS LIST THROUGH 2039

FACILITY NAME	FROM:	TO:	SEGMENT COSTS	TOTAL COST OF SEGMENT	% of Total	County-wide DIF Program: % of total revenue	County-wide DIF Program: Expected Revenue	Local Agency DIF Program	Sales Tax and Other Funding Sources
A. LOCAL ARTERIAL PROGRAM									
Antelope Road	Watt	Roseville Rd.	$7,500,000				$1,600,418	$5,000,000	$899,582
Antelope Road	Roseville Rd.	I-80	$8,820,000				$1,882,091	$0	$6,937,909
Antelope Road	I-80	Auburn	$11,040,000				$2,355,815	$0	$8,684,185
Sub Total				$27,360,000			$5,838,324	$5,000,000	$16,521,676
Arden Way ITS	Del Paso	Ethan Road	$3,000,000				$640,167	$0	$32,143,770
Arden Way ITS	Ethan Road	Fair Oaks	$3,000,000				$640,167	$0	$57,349,632
Sub Total				$6,000,000			$1,280,334	$0	$4,719,666
Bradshaw Road	Grant Line (9)	Calvine Road	$34,000,000				$7,255,227	$22,667,000	$4,077,773
Bradshaw Road	Calvine Road	Florin Road	$13,640,000				$2,910,626	$6,540,000	$4,189,374
Bradshaw Road	Florin Road	Folsom Blvd.	$130,000,000				$27,740,573	$43,310,000	$58,949,427
Sub Total				$177,640,000			$37,906,426	$72,517,000	$67,216,574
Bruceville Road	Sheldon	CosumnesRiv Blvd.	$14,000,000	$14,000,000			$2,987,446	$0	$11,012,554
Cosumnes River Blvd.	I-5	Franklin	$47,000,000	$47,000,000			$10,029,284	$24,000,000	$12,970,716
Elk Grove Blvd.	Big Horn	Waterman	$20,000,000	$20,000,000			$4,267,780	$0	$15,732,220
Folsom Blvd.	65th	Watt Avenue	$45,000,000				$9,602,506	$12,200,000	$23,197,494
Folsom Blvd.	Watt Avenue	Bradshaw Road	$25,000,000				$5,334,726	$5,000,000	$14,665,274
Folsom Blvd.	Bradshaw Road	Sunrise	$10,800,000				$2,304,601	$1,700,000	$6,795,399
Sub Total				$80,800,000			$17,241,833	$18,900,000	$44,658,167
Folsom Bridge Crossing			$113,000,000	$113,000,000			$24,112,959	$0	$88,887,041
I-5/ SR99/ SR50 Connector			$300,000,000	$300,000,000			$64,016,707	$0	$235,983,293
Greenback Lane	I-80	Manzanita Ave	$9,000,000				$1,920,501	$1,760,000	$5,319,499
Greenback Lane	West City Limit	Fair Oaks Blvd.	$4,600,000				$981,590	$0	$3,618,410
Greenback Lane	Fair Oaks Blvd	Hazel Ave.	$25,140,000				$5,364,600	$8,510,000	$11,265,400
Greenback Lane	Hazel Ave.	Main Street	$18,000,000				$3,841,002	$5,850,000	$8,308,998
Sub Total				$56,740,000			$12,107,693	$16,120,000	$28,512,307
Hazel Avenue	US 50	Folsom Blvd.	$45,000,000				$9,602,506	$14,700,000	$20,697,494
Hazel Avenue	Madison Ave.	US 50	$69,250,000				$14,777,190	$15,130,000	$39,342,810
Hazel Avenue	Placer Co.Line	Madison Ave.	$77,500,000				$16,537,649	$25,700,000	$35,262,351
Sub Total				$191,750,000			$40,917,345	$55,530,000	$95,302,655
Madison Avenue	Sunrise	Hazel Ave.	$17,230,000				$3,676,693	$5,550,000	$8,003,307
Madison Avenue	Hazel Ave.	Greenback Lane	$17,800,000				$3,798,325	$5,700,000	$8,301,675
Madison Avenue	Watt Ave.	Sunrise Blvd.	$40,000,000				$8,535,561	$13,250,000	$18,214,439
Sub Total				$75,030,000			$16,010,578	$24,500,000	$34,519,422
South Watt/EG -Florin Road	Florin Road	SR 16	$9,470,000				$2,020,794	$3,190,000	$4,259,206
South Watt/EG -Florin Road	Folsom Blvd.	Calvine Road	$130,000,000				$27,740,573	$43,300,000	$58,959,427
South Watt/EG -Florin Road	Calvine Road	Elk Grove Blvd.	$20,530,000				$4,380,877	$0	$16,149,123
Sub Total				$160,000,000			$34,142,243	$46,490,000	$79,367,757
Sheldon Road	Bruceville	Bradshaw	$28,883,000	$28,883,000			$6,163,315	$19,255,000	$3,464,685
Sunrise Blvd.	Jackson Road	GrantLine Rd.	$54,900,000				$11,715,057	$36,600,000	$6,584,943
Sunrise Blvd.	Gold Country Road	Jackson Road	$30,900,000				$6,593,721	$24,100,000	$206,279
Sunrise Blvd.	Madison Avenue	Gold Country Blvd	$15,000,000				$3,200,835	$3,000,000	$8,799,165
Sunrise Blvd.	Greenback Lane	Oak Ave.	$13,360,000				$2,850,877	$0	$10,509,123
Sunrise Blvd.	Oak Avenue	Antelope Road	$11,710,000				$2,498,785	$0	$9,211,215
Sunrise Blvd.	Antelope Road	Placer Co. line	$8,830,000				$1,884,225	$0	$6,945,775
Sub Total				$134,700,000			$28,743,501	$63,700,000	$42,256,499
Watt Avenue	Antelope	CapCity Fwy	$33,500,000	$33,500,000			$7,148,532	$6,700,000	$19,651,468
TOTAL LOCAL ARTERIAL PROGRAM				$1,466,403,000	39.00%	35.00%	$312,914,302	$352,712,000	$800,776,698
B. TRANSIT CAPITAL IMPROVEMENT PROGRAM									
Downtown Intermodal Station			$226,000,000				$66,786,730	$32,140,000	$127,073,270
LRT extension	Meadowview Rd.	Cosumnes Riv Blvd	$177,710,000				$52,516,238	$3,680,000	$121,513,762
Regional Rail Commuter Service			$70,000,000				$20,686,155	$0	$49,313,845
LRT extension to Airport	(planning/enviro/design only)		$101,360,000				$29,953,553	$6,580,000	$64,826,447
LRT improvements in I-80 Corridor			$30,000,000				$8,865,495	$0	$21,134,505
TOTAL TRANSIT CAPITAL IMPROVEMENT PROGRAM				$605,070,000	16.09%	20.00%	$178,808,172	$42,400,000	$383,861,828
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM									
Bus/carpool Lane Connectors and Extensions									
Bus/carpool ramp connection	SR50E	SR99S	$150,000,000				$18,308,004	$0	$131,691,996
I-80 Bus/carpool lanes	I-5	Capital City Fwy	$200,000,000				$24,410,672	$0	$175,589,328
I/5 Bus/carpool lanes	Elk Grove	Downtown	$200,000,000				$24,410,672	$0	$175,589,328
Connector ramp widenings	SR50	I-5	$150,000,000				$18,308,004	$0	$131,691,996
SR50 Bus/carpool lanes	Sunrise	Downtown	$200,000,000				$24,410,672	$0	$175,589,328
Subtotal - Bus/carpool Lane Connectors and Extensions				$900,000,000	23.94%		$109,848,024	$0	$790,151,976
Freeway Interchange Congestion Relief Upgrades									
Central Galt/SR 99 interchange upgrade			$38,000,000				$4,638,028	$8,500,000	$24,861,972
Consumnes River Blvd./I-5 interchange upgrade			$33,000,000				$4,027,761	$16,000,000	$12,972,239
GrantLine Road/SR 99 interchange upgrades			$62,000,000				$7,567,308	$41,333,000	$13,099,692
I-5/I-80 X-change upgrade & carpool lane connector w/ carpool lanes			$300,000,000				$36,616,008	$0	$263,383,992
Richards Blvd./I-5 interchange upgrade			$45,000,000				$5,492,401	$15,000,000	$24,507,599
Sheldon Road/SR99 Interchange Upgrade			$62,000,000				$7,567,308	$30,861,000	$23,571,692
Watt Ave/SR50 Interchange upgrade			$25,000,000				$3,051,334	$0	$21,948,666
Subtotal - Freeway Interchange Congestion Relief Upgrades				$565,000,000	15.03%		$68,960,148	$111,694,000	$384,345,852
TOTAL FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM				$1,465,000,000	38.96%	20.00%	$178,808,172	$111,694,000	$1,174,497,828
E. SMART GROWTH INCENTIVE PROGRAM									
Promotion of transit oriented development			$129,106,129				$129,106,129	$0	$0
Planning/development/Acquisition of open space preservation program related to I-			$5,000,000				$5,000,000	$0	$0
TOTAL SMART GROWTH INCENTIVE PROGRAM				$134,106,129	3.57%	15.00%	$134,106,129	$0	$0
F. TRANSPORTATION PROJECT ENVIRONMENTAL MITIGATION PROGRAM									
Environmental mitigation for Measure A transportation projects			$28,134,695				$28,134,695	$0	$0
open space acquisition			$28,134,695				$28,134,695	$0	$0
Natural habitat preservation			$28,134,695				$28,134,695	$0	$0
Planning/development/acquisition of open space preservation program related to I-			$5,000,000				$5,000,000	$0	$0
TOTAL ENVIRONMENTAL MITIGATION PROGRAM				$89,404,086	2.38%	10.00%	$89,404,086	$0	$0
TOTAL PROJECT				$3,759,983,215	100.00%		$894,040,862	$506,806,000	$2,359,136,354
							23.78%		

V. METHODOLOGY UTILIZED TO CALCULATE DEVELOPMENT IMPACT FEE

Transportation facilities included as part of this study will serve the entire County. Consequently, the service area for fees calculated in this chapter is the County jurisdictional area. The resulting fees are intended to apply to all development in this study area.

Roadway and public transit facilities benefit future residents and employees by providing safe and efficient access to properties. It has been well documented by transportation engineers that different land uses contribute to traffic volumes at different rates. Various entities, such as the Institute of Transportation Engineers ("ITE"), and San Diego Association of Governments ("SANDAG") have published trip generation rates for many different land uses. Although most publications are in close agreement on trip generation rates for residential, commercial office and industrial uses, ITE publications provide data for very specific commercial retail land use categories, which is helpful in determining site specific or local agency specific trip rates. This study will use average daily trips ("ADT's) provided by ITE to determine the proportionate share of costs and fee levels among the various land uses. ITE also publishes various "pass-by credit" data to be applied to commercial ADT's to prevent double counting of trips to and from commercial sites that were made by a motorist as he "passes by" or is diverted from his trip from his primary origin and destination. While the "Commercial Retail" land use is a very broad category with a wide range of trip generation rates for specific uses within the category, this study uses an average ADT rate for commercial retail category and it's associated pass-by credit. Without specific detail of the mix of commercial retail uses county-wide, an average rate based on known data, comparisons with other similar study areas and engineering and planning judgment is justified. See Appendix E for calculation of average county-wide ADT rate for commercial retail uses.

For example, the trip generation rates for commercial shopping centers are generally based on total building square footages where the smaller neighborhood and community centers generate higher ADT's per square foot of building area than its regional counterparts. Because the facilities being financed by the DIF are regional in nature, neighborhood and community shopping centers in the size range of 50,000 square feet to 300,000 square feet were not considered in the estimate for a county-wide ADT rate for commercial retail land use. A very general assessment of expected uses and their percentage of total future building square feet yielded an average ADT rate of 57 trips per 1,000 square feet of building area.

The Nexus requirements of AB1600 require that the purpose, use and need for the proposed facilities be clearly identified. Table V-A below summarizes the responses to the AB1600 requirement:

TABLE V-A

TRANSPORTATION ELEMENT
AB 1600 NEXUS TEST

Identify Purpose of Fee	Mitigate the congestion impacts of new development
Identify Use of Fee	Roads, Transit, and Environmental Mitigation improvements
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential and non-residential development will generate additional residents and employees who will create additional vehicular and non-vehicular traffic. Roads and signals will have to be improved or extended to meet the increased demand and provide for circulation in the County and Traffic Signals will have to be installed to efficiently direct increased traffic flow. Ridership will increase on public transit facilities. Thus there is a relationship between new development and the need for new transportation facilities. Fees collected from new development will be used exclusively for transportation facilities on the Needs List.

Average daily trip factors were multiplied by the various dwelling units and building square footages for the 2005-2039 period to calculate the total ADT's generated by new development. Normally the total facility cost is divided by the total ADT's to determined the cost per ADT of new development, and then apply this cost per ADT to the trip generation rates for the various land use categories to determine the fee structure. Since the Ordinance requires that the fee for single family residential shall be fixed at $1,000 per unit, it becomes necessary to determine what total facility cost, based on the average daily trip rates, would compute a single family residential fee of $1,000. The corresponding fees for the remaining uses are then calculated by the ratio of trip generation rates.

The methodology and calculations are shown in Appendix C. This table depicts the assumptions for trip generation rates and pass-by credits, the calculation of total trips generated by existing and new development, the total facility cost that would generate a $1,000 per unit fee for single family residential, and the corresponding fee levels for the remaining land uses.

In order to determine the maximum County-wide DIF that can be charged to new development (represented by the calculated fee charged to new development that will pay for 100% of the facilities required to mitigate the impacts), the total cost of the program, less local DIF revenues, was apportioned to existing and future development. The calculations used to determine the maximum County-wide DIF are shown in Appendix D. Table V-B below shows the maximum County-wide DIF allowed and the proposed fee structures for the various land uses:

Table V-B
Maximum and Proposed Fee Schedule

Land Use Category	Maximum Fee	Proposed Fee
Single Family	$1,004.85	$1,000.00
Multi- Family	$703.39	$700.00
Commercial, Retail	$3,722.97	$3,705.00
Commercial, Office	$1,205.82	$1,200.00
Industrial	$803.88	$800.00

In order to determine the total expected revenues from the County-wide DIF program from 2009 through 2039, and expected revenues on a year by year basis, DTA used the average annual growth rates calculated in Section III multiplied by the proposed fee structure to determine annual expected revenues for the various land uses in 2005 dollars. A separate calculation applies a 3% annual compounded escalation factor to the annual revenues for the purpose of including into a Measure A Program Cash Flow Pro Forma, as part of the Measure A Finance Plan provided by others. Appendix F shows the calculations for both escalated and un-escalated revenues from 2009 to 2039, with partial fiscal years assigned to 2009 and 2039, because the County-wide DIF program commences on April 1, 2009 and ends on March 31, 2039.

VI. SUMMARY

The success of the county-wide DIF program depends on the timely adoption of the fees into local city DIF programs and implementation by 2009. To the extent that local projects are "front loaded" in the sense that facilities need to be constructed prior to 100% of the needed funds from DIF fees and Measure A Retail Tax revenues are collected, bond financing options are available. Cash flow and capitalized interest costs are identified in the Measure A Finance Plan.

The total revenue that can be generated by the DIF fee program is $894,040,862. New development generates 10,132,463 new ADT's, or about 31% of the total ADT's in 2039. While local agencies have independently determined that the new facilities identified in the needs list are required to mitigate the impacts of new development, and no funds will be used to correct existing deficiencies, an added element of safety in terms of meeting the requirements of AB1600 is the fact that new development is contributing 23.8% of the total program cost ($3,759,983,215) through the County-wide DIF, while contributing 31% of the traffic volume in 2039.

Table VI-A below summarizes the proposed county-wide DIF fees:

TABLE VI-A

FEE SUMMARY

Residential (per unit)		Non - Residential (per 1,000 s.f.)	
Land Use Category	Fee	Land Use Category	Fee
Single Family	$1,000	Commercial, Retail	$3,705
Multi- Family	$700	Commercial, Office	$1,200
		Industrial	$800

APPENDICES

APPENDIX A

Year by Year Growth in Residential Dwelling Units and Non Residential Square Feet

	Residential		Non Residential							
			Retail		Office		Industrial		Totals	
Year	Single Family DU's	Multi Family DU's	Employees	Square Feet	Employees	Square Feet	Employees	Square Feet	Employees	Square Feet
2004	**330,821**	**185,246**	**202,485**	166,245,369	**304,581**	222,584,749	**407,792**	1,135,650,969	914,858	1,524,481,087
2005	334,752	191,251	205,227	168,496,416	310,427	226,856,608	411,472	1,145,900,414	927,126	1,541,253,438
2006	338,683	197,257	207,969	170,747,462	316,272	231,128,467	415,153	1,156,149,860	939,393	1,558,025,789
2007	342,615	203,263	210,710	172,998,509	322,118	235,400,326	418,833	1,166,399,305	951,661	1,574,798,140
2008	346,546	209,269	213,452	175,249,556	327,963	239,672,185	422,514	1,176,648,750	963,929	1,591,570,491
2009	350,477	215,275	216,194	177,500,603	333,809	243,944,044	426,194	1,186,898,195	976,196	1,608,342,842
2010	354,409	221,281	218,936	179,751,650	339,654	248,215,903	429,874	1,197,147,640	988,464	1,625,115,193
2011	358,340	227,287	221,677	182,002,697	345,500	252,487,762	433,555	1,207,397,085	1,000,732	1,641,887,545
2012	362,271	233,293	224,419	184,253,744	351,345	256,759,621	437,235	1,217,646,530	1,012,999	1,658,659,896
2013	366,203	239,299	227,161	186,504,791	357,191	261,031,480	440,916	1,227,895,975	1,025,267	1,675,432,247
2014	370,134	245,305	229,903	188,755,838	363,036	265,303,339	444,596	1,238,145,420	1,037,535	1,692,204,598
2015	374,065	251,310	232,644	191,006,885	368,882	269,575,198	448,276	1,248,394,865	1,049,802	1,708,976,949
2016	377,997	257,316	235,386	193,257,932	374,727	273,847,058	451,957	1,258,644,311	1,062,070	1,725,749,300
2017	381,928	263,322	238,128	195,508,979	380,573	278,118,917	455,637	1,268,893,756	1,074,338	1,742,521,651
2018	385,859	269,328	240,870	197,760,026	386,419	282,390,776	459,318	1,279,143,201	1,086,606	1,759,294,002
2019	389,791	275,334	243,611	200,011,073	392,264	286,662,635	462,998	1,289,392,646	1,098,873	1,776,066,353
2020	393,722	281,340	246,353	202,262,120	398,110	290,934,494	466,678	1,299,642,091	1,111,141	1,792,838,704
2021	397,653	287,346	249,095	204,513,167	403,955	295,206,353	470,359	1,309,891,536	1,123,409	1,809,611,055
2022	401,584	293,352	251,837	206,764,214	409,801	299,478,212	474,039	1,320,140,981	1,135,676	1,826,383,406
2023	405,516	299,358	254,578	209,015,260	415,646	303,750,071	477,719	1,330,390,426	1,147,944	1,843,155,758
2024	409,447	305,364	257,320	211,266,307	421,492	308,021,930	481,400	1,340,639,871	1,160,212	1,859,928,109
2025	413,378	311,369	260,062	213,517,354	427,337	312,293,789	485,080	1,350,889,316	1,172,479	1,876,700,460
2026	417,310	317,375	262,804	215,768,401	433,183	316,565,648	488,761	1,361,138,762	1,184,747	1,893,472,811
2027	421,241	323,381	265,545	218,019,448	439,028	320,837,507	492,441	1,371,388,207	1,197,015	1,910,245,162
2028	425,172	329,387	268,287	220,270,495	444,874	325,109,366	496,121	1,381,637,652	1,209,282	1,927,017,513
2029	429,104	335,393	271,029	222,521,542	450,719	329,381,225	499,802	1,391,887,097	1,221,550	1,943,789,864
2030	433,035	341,399	273,771	224,772,589	456,565	333,653,084	503,482	1,402,136,542	1,233,818	1,960,562,215
2031	436,966	347,405	276,512	227,023,636	462,410	337,924,943	507,163	1,412,385,987	1,246,085	1,977,334,566
2032	**440,898**	**353,411**	**279,254**	229,274,683	**468,256**	342,196,802	**510,843**	1,422,635,432	1,258,353	1,994,106,917
2033	444,829	359,417	281,996	231,525,730	474,102	346,468,661	514,523	1,432,884,877	1,270,621	2,010,879,268
2034	448,760	365,423	284,738	233,776,777	479,947	350,740,520	518,204	1,443,134,322	1,282,888	2,027,651,619
2035	452,692	371,428	287,479	236,027,824	485,793	355,012,379	521,884	1,453,383,767	1,295,156	2,044,423,971
2036	456,623	377,434	290,221	238,278,871	491,638	359,284,238	525,565	1,463,633,213	1,307,424	2,061,196,322
2037	460,554	383,440	292,963	240,529,918	497,484	363,556,097	529,245	1,473,882,658	1,319,691	2,077,968,673
2038	464,486	389,446	295,705	242,780,965	503,329	367,827,957	532,925	1,484,132,103	1,331,959	2,094,741,024
2039	468,417	395,452	298,446	245,032,011	509,175	372,099,816	536,606	1,494,381,548	1,344,227	2,111,513,375
04 to '32 growth	110,077	168,165	76,769		163,675		103,051			
period (years)	28	28	28		28		28			
Linear Growth Rate	3,931.31	6,005.90	2,741.75	2,251.05	5,845.54	4,271.86	3,680.39	10,249.45		
S.F./ Employee				821.03		730.79		2,784.88		

Appendix B

Square Feet per Employee Ratios

Commercial [1]	Square Feet Per Employee
Retail	781.205
Community/Neigborhood Retail	882.317
Regional Retail	735.562
Community/Neighborhood Commercial/Office - Modified	898.33
Regional Commercial/Office	807.71
Average Commercial Retail:	**821.026**
Office	290.768
High Intensity Office	176.614
Moderate-Intensity Office	290.768
Light Industrial - Office	2,165.010
Average Commercial Office:	**730.790**
Industrial [1]	
Light Industrial	1,609.756
Heavy Industrial	3,960.000
Average Industrial:	**2,784.878**

[1] Sacramento Council of Governments, 2005.

APPENDIX C
FEE CALCULATION

I. Existing ADT Calculation (2005)

Land Use Category	Trip Generation Rate per Unit/per Non-Res. KSF [1]	Units	Pass-By-Credit	Net Trip Generation Rate per Unit/per Non-Res. KSF	Number of Units/ Non-Res. KSF	ADTs
Residential, Single Family	10	DU	-	10	334,752	3,347,522
Residential, Multi-Family	7	DU	-	7	191,251	1,338,760
Commercial, Retail	57	DU	19.95	37	168,496	6,242,792
Commercial, Office	12	DU	-	12	226,857	2,722,279
Industrial	8	KSF		8	1,145,900	9,167,203
Total						22,818,556

II. Future ADT Calculation

Land Use Category	Trip Generation Rate per Unit/per Non-Res. KSF [1]	Units	Pass-By-Credit	Net Trip Generation Rate per Unit/per Non-Res. KSF	Number of Units/ Non-Res. KSF	ADTs
Residential, Single Family	10	DU	-	10	133,665	1,336,647
Residential, Multi-Family	7	DU	-	7	204,201	1,429,405
Commercial, Retail	57	DU	19.95	37	76,536	2,835,644
Commercial, Office	12	DU	-	12	145,243	1,742,918
Industrial	8	KSF		8	348,481	2,787,849
Total						10,132,463

III. Proposed Facilities Cost

Facility Type	Total Facility Cost
Transportation Facilities	$1,013,246,310
Total	$1,013,246,310

IV. Allocation of Facilities to New Development

Facility Type	Total Number of ADTs	Cost Per ADT
Transportation Facilities	10,132,463	$100.00
Total Cost Per ADT		$100.00

V. Developer Fees and Cost *Financed* by Fees per Unit or Per Non-Res. KSF 2005-2039

Land Use Category	Trip Generation Rate per Unit/ per Non-Res. KSF	Fees per Unit/ per Non-Res. KSF	Number of Units/ Non-Res. KSF	Cost Financed by DIF
Residential, Single Family	10.0	**$1,000.00**	133,665	$133,664,680
Residential, Multi-Family	7.0	**$700.00**	204,201	$142,940,491
Commercial, Retail	37.1	**$3,705.00**	76,536	$283,564,383
Commercial, Office	12.0	**$1,200.00**	145,243	$174,291,849
Industrial	8.0	**$800.00**	348,481	$278,784,907
Total Cost Allocated to New Development				**$1,013,246,310**
Total Cost of Transportation Facilities				**$1,013,246,310**

V. Developer Fees and Cost Financed by Fees per Unit or Per Non-Res. KSF 2009-2039

Land Use Category	Trip Generation Rate per Unit/ per Non-Res. KSF	Fees per Unit/ per Non-Res. KSF	Number of Units/ Non-Res. KSF	Cost Financed by DIF
Residential, Single Family	10.0	$1,000.00	121,871	$121,870,738
Residential, Multi-Family	7.0	$700.00	186,183	$130,328,095
Commercial, Retail	37.1	$3,705.00	69,782	$258,543,996
Commercial, Office	12.0	$1,200.00	132,428	$158,913,156
Industrial	8.0	$800.00	317,733	$254,186,238
Total Cost Allocated to New Development				**$923,842,224**
Total Cost of Transportation Facilities				**$923,842,224**

APPENDIX D

MAXIMUM FEE CALCULATION

I. Existing ADT Calculation (2005)

Land Use Category	Trip Generation Rate per Unit/per Non-Res. KSF [1]	Units	Pass-By-Credit (41%)	Net Trip Generation Rate per Unit/per Non-Res. KSF	Number of Units/ Non-Res. KSF	ADTs
Residential, Single Family	10	DU	-	10	334,752	3,347,522
Residential, Multi-Family	7	DU	-	7	191,251	1,338,760
Commercial, Retail	57	DU	23.37	34	168,496	5,666,534
Commercial, Office	12	DU	-	12	226,857	2,722,279
Industrial	8	KSF		8	1,145,900	9,167,203
Total						22,242,298

II. Future ADT Calculation

Land Use Category	Trip Generation Rate per Unit/per Non-Res. KSF [1]	Units	Pass-By-Credit	Net Trip Generation Rate per Unit/per Non-Res. KSF	Number of Units/ Non-Res. KSF	ADTs
Residential, Single Family	10	DU	-	10	133,665	1,336,647
Residential, Multi-Family	7	DU	-	7	204,201	1,429,405
Commercial, Retail	57	DU	19.95	37	76,536	2,835,644
Commercial, Office	12	DU	-	12	145,243	1,742,918
Industrial	8	KSF		8	348,481	2,787,849
Total						10,132,463

III. Proposed Facilities Cost

Facility Type	Total Facility Cost
Transportation Facilities	$3,253,177,215
Total	$3,253,177,215

IV. Allocation of Facilities to Existing and New Development (based on total ADTs)

Facility	Total Number of ADTs	Percentage of Cost Allocated	Facility Cost	Cost per ADT
Existing Development	22,242,298	68.70%	$2,235,016,879	
New Development	10,132,463	31.30%	$1,018,160,337	$100.48
Total	32,374,762	100%	$3,253,177,215	

V. Developer Fees and Cost Financed by Fees per Unit or Per Non-Res. KSF 2005-2039

Land Use Category	Trip Generation Rate per Non-Res. KSF	Fees per Unit/ per Non-Res. KSF	Number of Units/ Non-Res. KSF	Expected revenue 2005-2039
Residential, Single Family	10.0	**$1,004.85**	133,665	$134,312,925
Residential, Multi-Family	7.0	**$703.39**	204,201	$143,633,722
Commercial, Retail	37.1	**$3,722.97**	76,536	$284,939,609
Commercial, Office	12.0	**$1,205.82**	145,243	$175,137,127
Industrial	8.0	**$803.88**	348,481	$280,136,953
Total Cost Allocated to New Development				**$1,018,160,337**

APPENDIX E

Weighted Average ADT Rate for Commercial Retail

Commercial Use	Trip Rate[1]	Estimated percent Square Footage	weighted ave. ADT's
Neighborhood Shopping Center		0.00%	0.00
Community Shopping Center		0.00%	0.00
Regional Shopping Center	27.07	40.00%	10.83
Convenience, Service Station	162.78	11.00%	17.91
Restaurant	89.95	15.00%	13.49
Fast Food Restaurant	43.87	5.00%	2.19
Car Dealership	21.14	6.00%	1.27
Home Improvement Superstore	35.05	15.00%	5.26
Bank	72.79	8.00%	5.82
		100.00%	**56.77**

1. Based on average vehicle trip ends per 1,000 square feet on a weekday, ITE, 6th Edition.

APPENDIX F
CASH FLOW ANALYSIS
DEVELOPMENT IMPACT FEE REVENUE

Escalation Factor: 3.00%

		SINGLE FAMILY		MULTI-FAMILY		COMMERCIAL RETAIL		COMMERCIAL OFFICE		INDUSTRIAL		TOTAL	
Year	Period	2005 Dollars	3% Escalator	2005 Dollars	3% Escalator	2005 Dollars	3% Escalator	2005 Dollars	3% Escalator	2005 Dollars	3% Escalator	2005 Dollars	3% Escalator
1	2005-2006	$3,931,314	$3,931,314	$4,204,132	$4,204,132	$8,340,129	$8,340,129	$5,126,231	$5,126,231	$8,199,556	$8,199,556	$0	$0
2	2006-2007	$3,931,314	$4,049,254	$4,204,132	$4,330,256	$8,340,129	$8,590,333	$5,126,231	$5,280,018	$8,199,556	$8,445,543	$0	$0
3	2007-2008	$3,931,314	$4,170,731	$4,204,132	$4,460,164	$8,340,129	$8,848,043	$5,126,231	$5,438,418	$8,199,556	$8,698,909	$0	$0
4	2008-2009	$3,931,314	$4,295,853	$4,204,132	$4,593,969	$8,340,129	$9,113,484	$5,126,231	$5,601,571	$8,199,556	$8,959,876	$7,450,341	$8,141,186
5	2009-2010	$3,931,314	$4,424,729	$4,204,132	$4,731,788	$8,340,129	$9,386,889	$5,126,231	$5,769,618	$8,199,556	$9,228,673	$29,801,362	$33,541,696
6	2010-2011	$3,931,314	$4,557,471	$4,204,132	$4,873,741	$8,340,129	$9,668,495	$5,126,231	$5,942,707	$8,199,556	$9,505,533	$29,801,362	$34,547,946
7	2011-2012	$3,931,314	$4,694,195	$4,204,132	$5,019,954	$8,340,129	$9,958,550	$5,126,231	$6,120,988	$8,199,556	$9,790,699	$29,801,362	$35,584,385
8	2012-2013	$3,931,314	$4,835,021	$4,204,132	$5,170,552	$8,340,129	$10,257,307	$5,126,231	$6,304,617	$8,199,556	$10,084,420	$29,801,362	$36,651,916
9	2013-2014	$3,931,314	$4,980,071	$4,204,132	$5,325,669	$8,340,129	$10,565,026	$5,126,231	$6,493,756	$8,199,556	$10,386,952	$29,801,362	$37,751,474
10	2014-2015	$3,931,314	$5,129,473	$4,204,132	$5,485,439	$8,340,129	$10,881,977	$5,126,231	$6,688,569	$8,199,556	$10,698,561	$29,801,362	$38,884,018
11	2015-2016	$3,931,314	$5,283,357	$4,204,132	$5,650,002	$8,340,129	$11,208,436	$5,126,231	$6,889,226	$8,199,556	$11,019,518	$29,801,362	$40,050,539
12	2016-2017	$3,931,314	$5,441,858	$4,204,132	$5,819,502	$8,340,129	$11,544,689	$5,126,231	$7,095,902	$8,199,556	$11,350,103	$29,801,362	$41,252,055
13	2017-2018	$3,931,314	$5,605,114	$4,204,132	$5,994,087	$8,340,129	$11,891,030	$5,126,231	$7,308,779	$8,199,556	$11,690,606	$29,801,362	$42,489,616
14	2018-2019	$3,931,314	$5,773,267	$4,204,132	$6,173,910	$8,340,129	$12,247,760	$5,126,231	$7,528,043	$8,199,556	$12,041,325	$29,801,362	$43,764,305
15	2019-2020	$3,931,314	$5,946,465	$4,204,132	$6,359,127	$8,340,129	$12,615,193	$5,126,231	$7,753,884	$8,199,556	$12,402,564	$29,801,362	$45,077,234
16	2020-2021	$3,931,314	$6,124,859	$4,204,132	$6,549,901	$8,340,129	$12,993,649	$5,126,231	$7,986,501	$8,199,556	$12,774,641	$29,801,362	$46,429,551
17	2021-2022	$3,931,314	$6,308,605	$4,204,132	$6,746,398	$8,340,129	$13,383,459	$5,126,231	$8,226,096	$8,199,556	$13,157,880	$29,801,362	$47,822,438
18	2022-2023	$3,931,314	$6,497,863	$4,204,132	$6,948,790	$8,340,129	$13,784,962	$5,126,231	$8,472,879	$8,199,556	$13,552,617	$29,801,362	$49,257,111
19	2023-2024	$3,931,314	$6,692,799	$4,204,132	$7,157,253	$8,340,129	$14,198,511	$5,126,231	$8,727,065	$8,199,556	$13,959,195	$29,801,362	$50,734,824
20	2024-2025	$3,931,314	$6,893,583	$4,204,132	$7,371,971	$8,340,129	$14,624,467	$5,126,231	$8,988,877	$8,199,556	$14,377,971	$29,801,362	$52,256,869
21	2025-2026	$3,931,314	$7,100,391	$4,204,132	$7,593,130	$8,340,129	$15,063,201	$5,126,231	$9,258,543	$8,199,556	$14,809,310	$29,801,362	$53,824,575
22	2026-2027	$3,931,314	$7,313,402	$4,204,132	$7,820,924	$8,340,129	$15,515,097	$5,126,231	$9,536,299	$8,199,556	$15,253,590	$29,801,362	$55,439,312
23	2027-2028	$3,931,314	$7,532,804	$4,204,132	$8,055,552	$8,340,129	$15,980,549	$5,126,231	$9,822,388	$8,199,556	$15,711,197	$29,801,362	$57,102,491
24	2028-2029	$3,931,314	$7,758,789	$4,204,132	$8,297,218	$8,340,129	$16,459,966	$5,126,231	$10,117,060	$8,199,556	$16,182,533	$29,801,362	$58,815,566
25	2029-2030	$3,931,314	$7,991,552	$4,204,132	$8,546,135	$8,340,129	$16,953,765	$5,126,231	$10,420,572	$8,199,556	$16,668,009	$29,801,362	$60,580,033
26	2030-2031	$3,931,314	$8,231,299	$4,204,132	$8,802,519	$8,340,129	$17,462,378	$5,126,231	$10,733,189	$8,199,556	$17,168,050	$29,801,362	$62,397,434
27	2031-2032	$3,931,314	$8,478,238	$4,204,132	$9,066,595	$8,340,129	$17,986,249	$5,126,231	$11,055,185	$8,199,556	$17,683,091	$29,801,362	$64,269,357
28	2032-2033	$3,931,314	$8,732,585	$4,204,132	$9,338,592	$8,340,129	$18,525,837	$5,126,231	$11,386,840	$8,199,556	$18,213,584	$29,801,362	$66,197,438
29	2033-2034	$3,931,314	$8,994,562	$4,204,132	$9,618,750	$8,340,129	$19,081,612	$5,126,231	$11,728,445	$8,199,556	$18,759,991	$29,801,362	$68,183,361
30	2034-2035	$3,931,314	$9,264,399	$4,204,132	$9,907,313	$8,340,129	$19,654,060	$5,126,231	$12,080,299	$8,199,556	$19,322,791	$29,801,362	$70,228,862
31	2035-2036	$3,931,314	$9,542,331	$4,204,132	$10,204,532	$8,340,129	$20,243,682	$5,126,231	$12,442,708	$8,199,556	$19,902,475	$29,801,362	$72,335,728
32	2036-2037	$3,931,314	$9,828,601	$4,204,132	$10,510,668	$8,340,129	$20,850,992	$5,126,231	$12,815,989	$8,199,556	$20,499,549	$29,801,362	$74,505,800
33	2037-2038	$3,931,314	$10,123,459	$4,204,132	$10,825,988	$8,340,129	$21,476,522	$5,126,231	$13,200,469	$8,199,556	$21,114,535	$29,801,362	$76,740,974
34	2038-2039	$2,948,486	$7,820,372	$3,153,099	$8,363,076	$6,255,097	$16,590,613	$3,844,673	$10,197,362	$6,149,667	$16,310,979	$22,351,022	$59,282,402
2005-2039 Total		**$132,681,852**	**$224,348,668**	**$141,889,458**	**$239,917,596**	**$281,479,351**	**$475,946,910**	**$173,010,291**	**$292,539,091**	**$276,735,018**	**$467,924,827**	**$1,005,795,970**	$1,700,677,092
FY2009-2039 Total		**$117,939,424**	**$208,975,479**	**$126,123,963**	**$223,477,568**	**$250,203,867**	**$443,333,292**	**$153,786,926**	**$272,493,246**	**$245,986,682**	**$435,860,912**	**$894,040,862**	**$1,584,140,497**

Note: For FY 2009-2039 summation, 3/4 year revenue for 2038-2039 and 1/4 year revenue from 2008-2009 was used
The 2005-2039 summation represents the total expected revenues collected if fees were implemented in year 2005-2006. For information only.

ATTACHMENT 4

ORDINANCE NO. 2008- _____

Adopted by the Sacramento City Council

ADDING CHAPTER 18.48 TO THE SACRAMENTO CITY CODE TO ESTABLISH DEVELOPMENT IMPACT FEES FOR MEASURE A TRANSPORTATION IMPROVEMENTS FOR CITYWIDE BENEFIT DISTRICT

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Purpose and intent of ordinance.

1. This Ordinance adds Chapter 18.48 to the Sacramento City Code to enact the Measure A Mitigation Fee Program as established by the Sacramento Transportation Authority (STA). Implementation of the Measure A Mitigation Fee Program by each jurisdiction within the County of Sacramento was a condition of STA's approval of the new Measure A sales tax and expenditure plan, which as approved by the voters in Sacramento County in November of 2004. STA's Ordinance No. 04-01 provides that no revenues from the new Measure A sales tax shall be provided to a local jurisdiction unless it implements the Measure A Mitigation Fee Program. On September 26, 2006, by Resolution No. 2006-706, the City committed to implement the Measure A Mitigation Fee Program.

2. On June 7, 2006, by Resolution No. 06-0006, STA adopted the Measure A nexus study, which identified the additional public facilities required by new development and determined the amount of revenue needed from development impact fees to be imposed on a countywide basis, so that all new development pays its fair share of the costs of new public facilities needed to serve such development. The Measure A development impact fee is to become effective on April 1, 2009, and extend through March 31, 2039, in order to fund new development's fair share of the costs of the transportation improvements included in the Measure A expenditure plan needed to serve such development in the future.

3. The Measure A development impact fees authorized by this Ordinance shall be assessed upon landowners developing residential and nonresidential projects within the City to meet the needs of, and address the impacts caused by, the additional persons residing or employed on the property as a result of such development activity. It is the intent and purpose of the City to protect and promote the public health, safety and welfare by constructing and installing public facilities necessitated by new development within the City. Furthermore, it is the intent and purpose of the City to allow development on the condition that landowners pay their fair share of costs of the Measure A transportation improvements planned within the City or that will benefit the

City, and that such costs shall not be or become the responsibility of the City's general fund or any other City fund not designated in this Ordinance.

4. Under the Protocols Agreement, the City is obligated to remit to STA, on a semi-annual basis, all of the Measure A development impact fee revenues collected by the City for reallocation by STA in accordance with the Measure A expenditure plan. In order to recover the City's cost to collect the Measure A development impact fee, establish a separate account for said fees, and provide reports to STA and to the City Council regarding the amount of the fees collected and the expenditure of those fees, this Ordinance also authorizes the imposition of the Measure A administration fee.

5. This Ordinance is prescribed to not take effect until April 1, 2009, which is the effective date established by STA for the Measure A development impact fees to be imposed by all of the jurisdictions within the County of Sacramento. The City is enacting this Ordinance early so that landowners have advanced notice and can plan for the payment of the Measure A development impact fee at the time of building permit application or a later date as set out in this Ordinance.

SECTION 2. Definitions.

Unless the contrary is stated or clearly appears from the context in which a term is used, the following definitions shall govern construction of the words and phrases used in this Ordinance. The definitions in this Section 2 are intended to be consistent with those definitions contained in Exhibit 1. In the event of a conflict between the definitions in this Section 2 and those in Exhibit 1, Exhibit 1 shall prevail.

City Code means the City Code of the City of Sacramento.

Development means the uses to which property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements.

Development project shall have the same meaning as defined by subsection (a) of Government Code Section 66000, as such section may be amended from time to time.

Fee and **impact fee** and **development impact fee** means the monetary exaction as defined by subsection (b) of Government Code Section 66000, as such section may be amended from time to time, and shall include, but not be limited to, the fees established pursuant to this Ordinance.

Fee resolution means any resolution adopted by the City Council which implements the provisions of this Ordinance, including, without limitation, the setting of the amounts of the various fees established hereby and the adoption of provisions for credits, reimbursements and deferral relating to such fees.

Government Code means the Government Code of the state of California and any provision thereof cited in this chapter, as such provision exists as of the date of the enactment of this Ordinance, or as may thereafter be amended or renumbered from time to time.

Measure A means Ordinance No. 04-01 adopted by the Sacramento Transportation Authority on July 29, 2004, which established the Sacramento Countywide Transportation Mitigation Fee Program to be implemented by the County of Sacramento and each city within the county by April 1, 2009.

Measure A administration fee means the fee imposed by the City for the cost of collection, deposit, investment, accounting, remittance and reporting of the Measure A development impact fee.

Measure A development impact fee means a development impact fee established to provide funding for public facilities to benefit new development within the City.

Measure A expenditure plan means the Sacramento County Transportation Expenditure Plan 2009-2039 dated June 10, 2004, as adopted by the Sacramento Transportation Authority under Ordinance No. 04-01, which specifies the allocation of Measure A sales taxes and Measure A development impact fees for specified public facilities.

Measure A impact fee analysis means the study prepared by the City dated September, 2008, which identifies the public facilities within the City or benefitting the City to be funded with Measure A development impact fees in accordance with the Measure A expenditure plan.

Measure A mitigation fee program means the Sacramento Countywide Transportation Mitigation Fee Program as approved by the Sacramento Transportation Authority by Ordinance No. 04-01.

Measure A nexus study means the Measure A Development Impact Fee Nexus Study dated June 2, 2006, as adopted by the Sacramento Transportation Authority by Resolution No. 06-0006, and as supplemented by the Measure A impact fee analysis.

Protocols Agreement means the New Measure A Sacramento Countywide Transportation Mitigation Fee Program Agreement on Operating Protocols dated August 2008 with the Sacramento Transportation Authority, as approved by the Authority on August 28, 2008, by Resolution No 08-0001, and as amended on December 11, 2008.

Public Facilities means public improvements, public services and community amenities as defined by subsection (d) of Government Code Section 66000, as such section may be amended from time to time. The term "public facilities" only includes transportation improvements and infrastructure to be designed, constructed, installed and acquired to serve the specified benefit district area, as well as the transportation-

related public service and community amenities to serve the specified benefit district area, which improvements and infrastructure are described in the applicable financing plan, expenditure plan and/or nexus study (collectively "plan" or "study"). The total cost of the design, construction, installation and acquisition of the specified public facilities, which are to be financed partially by the development impact fees, is set forth within the plan or study. Where applicable under the plan or study, the term "public facilities" includes the acquisition of land relating to such improvements, infrastructure, public services and community amenities. The term "public facilities" also means a specific public improvement or infrastructure where the context requires a singular meaning.

STA means the Sacramento Transportation Authority.

SECTION 3. Findings.

The City Council finds and declares as follows:

1. By separate actions referenced below, the City Council adopted and approved the following items on the same date that this Ordinance was enacted:

(a) By resolution, adoption of the Measure A nexus study and the Measure A impact fee analysis. The Measure A nexus study demonstrated the burden on public facilities that will occur from new development and the benefit for such development of the public facilities included in the Measure A expenditure plan. The resolution also references the Measure A impact fee analysis which supplements the Measure A nexus study by identifying the public facilities included in the new Measure A expenditure plan located in the City and directly benefitting the City, the amount of new Measure A development impact fees programmed to be expended for said improvements, and the amount of the new Measure A development impact fee revenues that may be collected from new development projects in the City.

(b) By resolution, adoption of the Measure A development impact fee and the Measure A administration fee.

(c) By resolution, approval of the Protocols Agreement, which provides for the City to remit to the Sacramento Transportation Authority (STA) the Measure A development impact fees. STA will subsequently allocate the Measure A development impact fee revenues collected by the City for construction of the public facilities included in the Measure A expenditure plan which are located within or otherwise benefit the City.

The foregoing items, along with the studies and reports each may reference or be based upon in whole or in part, and together with any amendments thereto and any supplemental or implementation actions pursuant thereto made after their initial adoption, establish the need, costs and financing of public facilities arising out of development within the citywide benefit district area, and present a reasonable basis on

which to establish development impact fees under this Ordinance. The forgoing items, and all other additional studies and reports presented to the City Council now or in the past, along with the studies, reports and data each may reference or be based upon in whole or in part, and any and all amendments thereto and any supplemental or implementation actions pursuant thereto made after their initial adoption, together with staff reports and other matters presented to the Council by City staff or interested parties, whether in writing or orally, constitute the record before the City Council for purposes of the adoption and enactment of this Ordinance.

2. The imposition of development fees is one of the preferred methods of ensuring that development bears a proportionate share of the cost of public facilities necessary to fulfill the purposes of this Ordinance as stated above. This Ordinance is intended to implement the Measure A mitigation fee program in accordance with the Measure A expenditure plan and Measure A nexus study.

3. All new development within the City will result in additional growth that will place burdens on public facilities within the City and will cause the need for new public facilities. Such development will necessitate the need for construction of new and expanded public facilities in order to meet the needs of, and to address the impacts caused by, new development within the City. The development fee impact program implemented by this Ordinance is designed to mitigate some of the transportation impacts caused by new development in the City.

4. The development impact fee program set forth in the Measure A expenditure plan and Measure A nexus study is intended to ensure that all public facilities set forth in said expenditure plan are partially paid for by development causing the need for the same, and in any event, without requiring expenditures from the City's general fund. It is fair and equitable for landowners developing land within the City to pay their fair share of the costs of such public facilities and for the City to assess said share to the landowners while shielding the City's general fund from liability for same.

5. This Ordinance establishes certain fee categories and provides the structure in which the fees may be imposed, all of which are intended to implement the Measure A mitigation fee program set forth in the Measure A expenditure plan. This Ordinance authorizes the City Council to adopt resolutions imposing initial and subsequent amounts of the established fees, any credits and reimbursements applicable to such fees, and any deferral provisions affecting the time and manner in which the fees are to be paid to the City.

6. The development impact fee established by this Ordinance is based upon the estimated costs of the new public facilities set forth in the Measure A expenditure plan which are not fully funded by the Measure A sales tax proceeds in order to serve and address some of the transportation impacts caused by new development within the City, and shall be subject to adjustment as more precise estimates or actual costs of said public facilities are determined and to account for inflationary construction cost increases.

7. The amount of the fees that may be imposed by resolution based on the authority established under this Ordinance, and as may be adjusted over time as allowed pursuant to this Ordinance, is a reasonable approximation of the fair share of the cost of the public facilities, and roughly proportionate to the need for such facilities caused by new development within the City. The development impact fee established by this Ordinance relates rationally and does not exceed the reasonable cost of providing the public facilities within the City occasioned by new development projects.

8. All new development projects within the City should bear a proportionate, fair and equitable financial burden in providing public facilities to serve such uses. The development impact fee is necessary in order to finance the public facilities required by new development within the City. The imposition of the fee on landowners developing their property will insure that they have an obligation to pay a fair share of the costs of such public facilities.

9. The public facilities that are to be financed by the development impact fee established by this Ordinance are based on an analysis of the land uses set forth in the City's General Plan and such improvements are consistent with the City's General Plan, including all elements thereof.

10. For the purpose of establishing the fees set forth in this Ordinance, the record before the City Council and the findings herein stated:

(a) reasonably identify the purpose of each fee established;

(b) reasonably identify the use to which the fee is to be put;

(c) establish a reasonable relationship between the use of each fee and the type of development project on which the fee is imposed;

(d) establish a reasonable relationship between the need for the public facilities to be financed by the fee established and the type of development project on which the fee is to be imposed;

(e) establish that there is a reasonable relationship between the amount of the fee and the cost of the public facilities, or portion of such public facilities, attributable to the development project on which the fees are imposed; and

(f) form the basis for the further finding that the imposition of the development impact fee on development projects to finance public facilities is necessary in order for the City to protect and promote the public health, safety and welfare.

11. The development impact fee program is an integral part of the Measure A expenditure plan. The success of the City General Plan is dependent on the collection of such fees from landowners within the City in the total sums anticipated by the

Measure A expenditure plan and Measure A nexus study. In the event that development impact fee program fails to generate the fee revenue necessary to construct the public facilities set out in the Measure A expenditure plan necessitated by new development within the City in a timely manner, the City Council, in its sole discretion, reserves the right to curtail or cease development within the City unless other sources of funding are available for the timely construction of such needed public facilities.

12. The City has pending before it, or will soon have pending before it, applications for building permits, subdivision maps and/or applications for residential, commercial and/or industrial development which the City must act on. Further, the City heretofore has approved various development projects in the form of tentative maps, development agreements, and/or other entitlements, which will need the public facilities to be funded by the fee enacted under this Ordinance to serve such new development as set out in the Measure A nexus study. Its is necessary that the provisions of this Ordinance apply to these previously approved development projects in order to protect the health, safety and welfare of City residents by the provision of adequate public facilities, to afford landowners certainty with regard to their financial obligations, and to ensure that such development will not create a burden on the interrelated transportation public facilities within the City.

SECTION 4. Adoption of Title and Code provisions.

Chapter 18.48, as set forth in attached Exhibit "1," is incorporated herein by this reference. Said Chapter 18.48, as set forth on Exhibit "1," is hereby approved and adopted and shall be added to the Sacramento City Code.

SECTION 5. Severability.

1. If any section, phrase, sentence, or other portion of this Ordinance for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance.

2. If any fee established by this Ordinance for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such fee shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the remaining fees established by this Ordinance.

3. If any fee established by this Ordinance is held or found to be invalid, void, unenforceable or unconstitutional by a court of competent jurisdiction based upon an insufficient nexus to a specific public facility or property for which the revenue generated from such fee may be expended pursuant to Chapter 18.48 or any resolution adopted pursuant to said Chapter, said fee as it relates to such specific public facility or property shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the fee as it relates to other public facilities or property.

SECTION 6. Effective date.

This Ordinance and any fee resolution relating to this Ordinance shall not take effect until sixty (60) days following enactment hereof or April 1, 2009, whichever date is later.

EXHIBIT 1

Chapter 18.48 TRANSPORTATION DEVELOPMENT IMPACT FEES FOR CITYWIDE BENEFIT DISTRICT

18.48.010 Purposes.

This chapter is adopted pursuant to the general powers reserved to the City under its City Charter for the purpose of authorizing certain development impact fees, as described in public facility financing plans, expenditure plans and the nexus studies as referenced herein, to be assessed upon the owners of certain residential and nonresidential property as described in this chapter and which is located within the City. The fees herein adopted shall be assessed upon landowners developing property for any residential or nonresidential use in order to provide all or a portion of the funds which will be necessary to design, construct, install or acquire public facilities required to meet the needs of, and address the transportation impacts caused by, such development activity. It is the intent and purpose of the City to protect and promote the public health, safety and welfare by constructing, installing and acquiring public facilities necessitated by development in the City. Furthermore, it is the intent and purpose of the City to allow the development within its jurisdiction boundaries on the condition that landowners pay the applicable costs of such public facilities and that such costs shall not be or become a responsibility of any other City fund, including, without limitation, the City's general fund.

18.48.020 Definitions.

A. Unless the contrary is stated or clearly appears from the context in which a term is used, the following definitions shall govern construction of the words and phrases used in this chapter:

1. "Assessment district policy manual" means the document entitled, "Policies and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities" on file with the City Director of Transportation, as such document or its title may be amended from time to time.

2. "Automatic annual adjustment" means the automatic annual adjustment of development impact fees based on the inflation factors described in Section 18.48.130 of this chapter.

3. "City Code" means the City Code of the City of Sacramento.

4. "Citywide benefit district area" means the real property located within the jurisdictional boundaries of the City, and as said boundary may be adjusted from time to time.

5. "Development" means the uses to which property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements.

6. "Development project" shall have the same meaning as defined by subsection (a) of Government Code Section 66000, as such section may be amended from time to time.

7. "Dwelling unit" means any building or portion of a building used or designed for use as a residence by an individual or any group of individuals living together or as a family, excepting therefrom any unit rented or leased for temporary residency, such as a motel and hotel room.

8. "Fee" and "impact fee" and "development impact fee" means the monetary exaction as defined by subsection (b) of Government Code Section 66000, as such section may be amended from time to time, and shall include, but not be limited to, the fees established pursuant to this chapter.

9. "Fee resolution" means any resolution adopted by the City Council which implements the provisions of this chapter, including, without limitation, the setting of the amounts of the various fees established hereby and the adoption of provisions for credits, reimbursements and deferral relating to such fees.

10. "Government Code" means the Government Code of the state of California and any provision thereof cited in this chapter, as such provision exists as of the date of the enactment of this chapter, or as may thereafter be amended or renumbered from time to time.

11. "Health and Safety Code" means the Health and Safety Code of the state of California and any provision thereof cited in this chapter, as such provision exists as of the date of the enactment of this chapter, or as may thereafter be amended or renumbered from time to time.

12. "Measure A" means Ordinance No. 04-01 adopted by the Sacramento Transportation Authority on July 29, 2004, which established the Sacramento Countywide Transportation Mitigation Fee Program to be implemented by the County of Sacramento and each city within the county by April 1, 2009.

13. Measure A administration fee" means the fee imposed by the City for the cost of collection, deposit, investment, accounting, remittance and reporting of the Measure A development impact fee.

14. "Measure A development impact fee" means a development impact fee established to provide funding for public facilities to benefit new development within the City.

15. "Measure A expenditure plan" means the Sacramento County Transportation Expenditure Plan 2009-2039 dated June 10, 2004, as adopted by the Sacramento Transportation Authority under Ordinance No. 04-01, which specifies the allocation of Measure A sales taxes and Measure A development impact fees for specified public facilities.

16. "Measure A impact fee analysis" means the study prepared by the City dated September, 2008, which identifies the public facilities within the City or benefitting the City to be funded with Measure A development impact fees in accordance with the Measure A expenditure plan.

17. "Measure A nexus study" means the Development Impact Fee Study dated June 2, 2006, as adopted by the Sacramento Transportation Authority by Resolution No. 06-0006, and as supplemented by the Measure A impact fee analysis.

18. "Public facilities" means the public improvements, public services and community amenities as defined by subsection (d) of Government Code Section 66000, as such section may be amended from time to time. The term "public facilities" only includes transportation improvements and infrastructure to be designed, constructed, installed and acquired to serve the specified benefit district area, as well as the transportation-related public service and community amenities to serve the specified benefit district area, which improvements and infrastructure are described in the applicable financing plan, expenditure plan, and/or nexus study (collectively "plan" or "study"). The costs of the design, construction, installation and acquisition of the specified public facilities, which are to be financed partially by the development impact fee program, is set forth within the plan or study. Where applicable under the plan or study, the term "public facilities" includes the acquisition of land relating to such improvements, infrastructure, public services and community amenities. The term "public facilities" also means a specific public improvement or infrastructure where the context requires a singular meaning.

18.48.030 Adoption of new or amended reports.

To implement the development impact fees established pursuant to the provisions of this chapter, the City Council may, by resolution, adopt new or amended versions of any of the studies, reports, plans, or projections on which the development impact fees are based, except in such cases where amendments to such studies reports, plans, or projections must be made by ordinance.

18.48.040 Establishment of development impact fees.

A. The following development impact fees are established pursuant to the provisions of this chapter to finance the cost of the following categories of public facilities required by development within the following specified benefit district areas:

1. Measure A benefit district.

a. Measure A Development Impact Fee. A development impact fee is established to provide funding for public facilities to serve the City, which facilities are described in the Measure A expenditure plan and the Measure A nexus study. The Measure A benefit district is the jurisdictional boundaries of the City, and as said boundary may be adjusted from time to time.

b. Measure A Administration Fee. An administrative fee is established to fund the City's cost to administer the Measure A development impact fee.

B. The City Council, by resolution, shall establish the specific initial and subsequent amounts of the foregoing fees pursuant to Section 18.48.060 of this chapter and make the additional findings required under Section 18.48.050 of this chapter in establishing said amounts of each fee. In addition, the City Council, by resolution, may adopt additional provisions, procedures and policies to implement the fees established by this chapter. The amounts of fees, provisions, procedures, and policies adopted by resolution pursuant to this subsection shall be consistent with the applicable financing plan, expenditure plan and/or nexus study as referenced in subsection A of this Section 18.48.040.

C. The City Council, by resolution, may establish new or additional components of the fees identified in subsection A of this Section 18.48.040 as are necessary to accommodate phasing and stages of the development of the specified benefit district areas, or as may be contemplated by future amendments to the financing plan, expenditure plan and/or nexus study as referenced in subsection A of this Section 18.48.040.

18.48.050 Additional findings to be made when establishing the amount of development impact fees.

At the time it considers the amount of the fees established pursuant to Section 18.48.040 of this chapter or at the time of amending such fees, other than in making an automatic annual adjustment to the fees as provided in Section 18.48.130 of this chapter, the City Council shall adopt the amount of such fees if it makes the following findings in support of such fees:

A. A finding that such fees have been determined and calculated in the manner consistent with the financing plan, expenditure plan and/or nexus study as referenced in subsection A of Section 18.48.040 of this chapter; and

B. The following additional findings required by Section 66001 of the Government Code which demonstrate that there is a nexus between the public facilities for which such fees are imposed and the need for such public facilities created by the development of residential and nonresidential property within the specified benefit district areas upon which the fees are imposed:

1. Findings which identify the purpose of the fees;

2. Findings which identify the use to which the fees are to be put;

3. Findings which demonstrate that there is a reasonable relationship between the use of the fees and the type of development project on which the fees are imposed;

4. Findings which demonstrate that there is a reasonable relationship between the need for the public facilities to be financed by the fees and the type of development project on which the fee is to be imposed; and

5. Findings which demonstrate how there is a reasonable relationship between the amount of the fees and the cost of the public facilities, or portion of such public facilities, attributable to the development project on which the fees are imposed.

C. In making the findings pursuant to this Section 18.48.050 and any other findings, the City Council may consider all matters, whether offered orally or in writing, presented at the hearing or hearings conducted for the purpose of establishing or amending the fee, and any and all oral and written material presented to the City Council and Planning Commission in connection with the adoption, approval or amendment of the financing plan, expenditure plan and/or nexus study as referenced in subsection A of Section 18.48.040 of this chapter.

18.48.060 Proceedings to establish the amount of development impact fees.

A. At the time of setting the amount of the fees established pursuant to this chapter or at the time of amending such fees, other than in making an automatic annual adjustment to the fees as provided in Section 18.48.130 of this chapter, the City Council shall hold a public hearing on the proposed fees or proposed amendment of fees in the manner required by Section 66018 of the Government Code.

B. The effective date of any resolution adopted by the City Council which establishes or amends, as the case may be, the amount of the fees established pursuant to Section 18.48.040 of this chapter, shall be no sooner than 60 days following the final action on the adoption or amendment of the fee.

18.48.070 Imposition of development impact fees.

A. The development impact fees established under this chapter shall be imposed on the following types of uses or development of real property located within the benefit district areas as referenced in subsection A of Section 18.48.040 of this chapter:

1. For nonresidential uses or development:

a. The construction on the property of a new building or structure;

b. The construction on the property of additions to an existing building or structure which results in the expansion in the size or use of such existing building or structure; or

c. The change in use of an existing building or structure on the property from a previous residential use to a nonresidential use, or from a previous nonresidential use to another nonresidential use, provided that the landowner shall be entitled to a credit against fees paid pursuant to this chapter in the amount of fees which were actually paid for such previous residential or nonresidential use, which prior fees shall be adjusted for inflation consistent with Section 18.48.130 of this chapter.

2. For residential uses or development:

a. The construction on the property of a new building or structure containing one or more dwelling units;

b. The construction on the property of alterations or additions to an existing building or structure which add one or more dwelling units to such existing building; or

c. The change in use of an existing building or structure on the property from a previous nonresidential use to a residential use, provided that the landowner shall be entitled to a credit against fees paid pursuant to this chapter in the amount of fees which were actually paid for such previous nonresidential use, which prior fees shall be adjusted for inflation consistent with Section 18.48.130 of this chapter.

3. For nonresidential and residential uses or development within the same building or structure, the computation of fees as set out in Section 18.48.090 of this chapter shall apply.

B. Except as may be expressly provided in this chapter, no building permits or extension of permits relating to the activities described in subsections (A)(1) and (A)(2) of this Section 18.48.070 shall be granted unless and until the appropriate development impact fee or fees have been paid to the City in accordance with the provisions of this chapter, except that for residential developments under a fee payment contract as specified in Section 66007 of the Government Code, building permits may be issued but no final inspection or certificate of occupancy shall be granted unless and until the appropriate development impact fee or fees have been paid to the City. As provided in subsection (a) of Section 66007 of the Government Code, for a residential development that contains more than one dwelling unit, the fees may be paid on a pro rata basis for each dwelling unit when it receives its final inspection or certificate of occupancy, whichever occurs first.

C. Notwithstanding anything to the contrary set forth in subsection A of this Section 18.48.070 or in any other provision in this chapter, the development impact fees established pursuant to this chapter shall apply to any development project that has heretofore either received a tentative map approval or other approval or permit, whether discretionary or nondiscretionary, or is subject to a development agreement or other

agreement between the landowner and City that provides for payment of one or more fees established under this chapter.

18.48.080 Exemptions.

A. The following shall be exempted from payment of the fees established by this chapter:

1. Alterations, renovations or expansion of an existing residential structure where no additional dwelling units are created and the use is not changed;

2. The replacement of a destroyed or partially destroyed or damaged structure with a new structure of the same size and use;

3. Construction, alteration, renovation or expansion of a new or existing residential, or residential/retail mixed use, structure owned by the Capitol Area Development Authority, or its successor(s) in interest;

4. Agreements entered into pursuant to Section 65865 of the Government Code ("development agreement") unless the development agreement expressly provides for the payment of one of more fees established under this chapter. For fees established pursuant to subsection A(1) of Section 18.48.040 of this chapter, the development agreement must have been approved prior to April 1, 2009 and the exemption is invalid if the term of that development agreement is extended after April 1, 2009.

5. For fees established pursuant to subsection A(1) of Section 18.48.040 of this chapter, a vesting tentative map authorized under Section 66498.1 of the Government Code if the map application was deemed complete prior to April 1, 2009; and

6. For fees established pursuant to subsection A(1) of Section 18.48.040 of this chapter, low and very low income housing as defined in Health and Safety Code Sections 50079.5 and 50105, respectively.

B. Any claim of exemption with respect to the fees established by this chapter shall be made no later than the time for application for fee adjustment pursuant to Section 18.48.150 of this chapter.

18.48.090 Computation of fees.

The methodologies set forth in the financing plan, expenditure plan and/or nexus study referenced under subsection A of Section 18.48.040 of this chapter shall be used as the basis to set the amount of fees pursuant to any resolution referenced under subsection B of Section 18.48.040 of this chapter. The amount of fees due from any landowner shall be calculated from the actual uses of land proposed by the landowner

unless otherwise provided in any resolution referenced under subsection B of Section 18.48.040 of this chapter. Applicants for building or other development permits shall include plans and calculations prepared by the applicant or applicant's agent, specifying data necessary to calculate development impact fees, including, without limitation, each proposed land use, the square footage of each use, and other relevant data as may be required by the City Director of Transportation, or his or her authorized designee. All fees due under this chapter shall be determined and calculated by the City Director of Transportation, or his or her authorized designee.

18.48.100 Time of payment of fees.

Except as otherwise provided in any resolution adopted by the City Council as provided under Section 18.48.110 and subsection B of Section 18.48.070 of this chapter relating to deferral of payment of fees, the fees established by this chapter shall be paid for the property on which a development project is proposed at the time of the issuance of any required building permit relating to such development. With respect to development projects completed or commenced prior to the effective date of this chapter and the effective date of any amendment, the City Director of Transportation, or his or her authorized designee, may enter into agreements with landowners regarding the amount, time, and manner of payment of fees under this chapter with respect to such development projects.

18.48.110 Deferral of fees.

The City Council, by resolution, may establish and modify policies, guidelines and procedures regarding the deferral or other adjustment of the time of payment of the fees established under this chapter.

18.48.120 Credits and reimbursements.

A. The City Council, by resolution, may establish and modify policies, guidelines and procedures regarding credits and reimbursements which may apply to the fees established by this chapter. Said policies, guidelines and procedures shall be subject to the terms of any written agreement entered into by the City Director of Transportation, or his or her authorized designee, and any landowner or landowners within the benefit district area concerning credits against and reimbursement of fees established pursuant to the financing plan, expenditure plan and/or nexus study as referenced in subsection A of Section 18.48.040 of this chapter.

B. All policies, guidelines and procedures regarding credits and reimbursements shall be consistent with the following:

1. The credits and reimbursements shall apply to fees owed (i) by landowners that have advanced funds for the planning, engineering, or construction of public facilities which otherwise would be paid from the revenue of the fees established by this chapter, and (ii) by landowners that planned, engineered or constructed public

facilities or dedicated land for said facilities which otherwise would be paid for from the revenue of the fees established by this chapter.

2. The policies, guidelines and procedures shall provide for reimbursement to the City for administrative, planning, and engineering costs and other expenses relating to the implementation of the financing plan, expenditure plan and/or nexus study as referenced in subsection A of Section 18.48.040 of this chapter.

3. The credits and reimbursements may be transferable, in whole or in part, upon notice to the City in the form and in the manner specified by the City.

4. The amounts of credits and reimbursements shall be subject to adjustments for inflation calculated consistent with the provisions of Section 18.48.130 of this chapter, but shall not accrue interest.

5. Credit shall be given to the extent that public facilities are financed through the establishment of an assessment district or the use of other alternative financing mechanisms. The cost of assessment district formation, administrative costs thereof, and bonding shall not be considered a reimbursable cost, or a cost eligible for credit.

6. The credits and reimbursements may be subject to annual review and adjustment to insure that funds are available to construct or acquire public facilities in a timely manner pursuant to the financing plan, expenditure plan and/or nexus study and to promote fairness and equity relating to credits and reimbursements.

7. The credits and reimbursements shall be given, consistent with the assessment district policy manual, for the construction of any public facilities (or a portion thereof) for which a fee established by this chapter may be expended and shall apply to the fees otherwise due and payable for the development project giving rise to the need for such public facilities.

8. The credits and reimbursements shall not be given for site-related improvements and dedications of land which are specifically required by the development project in order to serve it and which do not constitute a public facility for which a fee established by this chapter may be expended.

9. Any claim for credit or reimbursement shall be made no later than at the time of application for a building permit, even if payment of the fee is not due until final inspection or the certificate of occupancy. Any claim not made by or before the time of such application shall be deemed waived.

10. The sole source of the payment of a reimbursement shall be the revenue collected on the specific fee which could be expended on the public facilities to which the reimbursement relates, unless a credit or reimbursement agreement approved by the City Council specifically provides for an alternative source of reimbursement.

11. Credits and reimbursements may cease or be amended if the City Council, by resolution, determines that the same constitute threat(s) to the public health, welfare or safety.

C. The person seeking a credit or reimbursement, or both, shall submit such documentation, including, without limitation, engineering drawings, specifications, and construction cost estimates, and utilize such methods as may be appropriate and acceptable to the City Director of Transportation, or his or her authorized designee, to support the request for a credit or reimbursement. The director shall determine the credit or reimbursement amount for construction of a specific public facility based upon either the foregoing landowner-provided cost estimates or upon alternative engineering criteria and construction cost estimates if the director determines that such estimates submitted by the landowner are either unreliable or inaccurate. The director shall determine whether the specific public facility is eligible for credit or reimbursement. Any decision made by the director pursuant to this section may be appealed to the City Council by the filing of a notice of appeal with the City Clerk within ten (10) days of the date of the director's written decision. The City Council shall consider the appeal at a public hearing held within sixty (60) days after the filing of the notice of appeal. The decision of the City Council at said public hearing shall be final.

18.48.130 Automatic annual adjustment.

The fees established by this chapter shall be adjusted automatically to take into consideration construction cost inflation on July 1st of each fiscal year. The first fiscal year for which an adjustment shall occur shall be the fiscal year that includes July 1, 2010. The adjustment shall be made by a factor equal to the percentage increase, if any, of the index which the City Council adopts by resolution at time of establishment or amendment of the fees as provided under this chapter, which may include the following: The Construction Cost Index as published by Engineer News Record/McGraw-Hill Construction Weekly for either (i) the San Francisco (based on 1913 U.S. average = 100) during the twelve (12) months ending on the preceding March 1st, or (ii) the 20-City Construction Cost Index during the twelve (12) months ending on the preceding March 1st. This automatic annual adjustment shall not apply to those fees which are based on variable factors which themselves result in an automatic inflation adjustment, those which specifically indicate otherwise, or those which are governed by provisions of an agreement with the City expressly exempting such fees from the adjustment set forth under this Section 18.48.130.

18.48.140 Adjustment of fee by resolution.

In addition to any automatic annual adjustment, the amount of the fees established by this chapter may be revised periodically, including, without limitation, upon the report and review provided for in Section 18.48.210 of this chapter, by resolution of the City Council. Any action by the City Council to increase fees shall comply with the provisions of this chapter and Government Code Section 66018.

18.48.150 Protest of fees.

A. A landowner subject to a fee established by this chapter may apply to the City Director of Transportation, or his or her designee (for purposes of this section, the "director"), for a reduction, adjustment, or waiver of any one or more of the fees, or any portion thereof, based upon the absence of a reasonable relationship or nexus between the impacts of the landowner's development project and either the amount of the fee charged or the type of public facilities to be financed, or both. The application shall state in detail the factual basis for the claim of reduction, adjustment, or waiver, and shall include any and all written materials which the landowner deems appropriate in support of the application.

B. The application shall be made in writing and filed with the director at or before the time required for the filing of protests under Government Code Sections 66020 and 66021. For purposes of determining the applicable limitations period set forth in Government Code Section 66020, the date of the imposition of the fees under this chapter shall be the date of the earliest discretionary approval by the City of the subject development project. In the case of a development project where no discretionary approval is granted by the City, the date of the imposition of the fees under this chapter shall be the date of the earliest ministerial approval by the City of the subject development project. The time to file the application shall commence as of the date of City's written notice of the amount of the fees and the length of the protest period. The application shall be accompanied by the payment of a filing fee in an amount established by the City Council. The applicant shall be liable for the actual cost of the City in processing and ruling upon the application to the extent such cost exceeds the filing fee. Such excess amount may be deducted from any refund found due and owing to the applicant or may be added to the amount of development impact fees found to be due or owing from the applicant, as the case may be.

C. Notwithstanding the filing of an application and the pendency of any hearing or procedure under this Section 18.48.150, the landowner shall pay the development impact fees originally determined by the City in a timely manner pursuant to Section 18.48.100 of this chapter. Such payment shall be deemed to be a payment under protest pursuant to Government Code Sections 66020 and 66021.

D. It is the intent of this Section 18.48.150 that:

1. The director may calculate a revised fee or require additional exactions where the impacts of a particular proposed development exceed the standards otherwise applicable in determining the public facilities necessitated by such development under the financing plan, expenditure plan and/or nexus study referenced in subsection A of Section 18.48.040 of this chapter; and

2. The fee categories shall be considered individually; thus it may occur that a fee adjustment or waiver may be made to one category of fees without affecting another.

E. The director shall consider the application at an informal hearing held within sixty (60) days after the filing of the fee adjustment application. The decision of

the director shall be final and not appealable, except as provided in subsections H and I of this Section 18.48.150. The director shall make his or her determination of the fee calculation within fifteen (15) days from the date of the informal hearing or the date on which said director sets for the submission of additional engineering or other studies, other information, or additional calculations as found necessary by the director during the course of the informal hearing. Applicant's failure to submit, on a timely basis, additional information requested by the director may result in a denial of the application. The applicant shall be notified of the director's decision, in writing, by the mailing of such decision by first-class mail, postage prepaid, to the address provided by the applicant.

F. The director shall consider the following factors in his or her determination whether or not to approve an application:

1. The factors identified in Government Code Section 66001:

a. The purpose and proposed use of the fee;

b. The type of development involved, including factors such as differences in factors relevant to the calculation of the fee;

c. The relationship between the fee's use and the type of development involved;

d. The need or demand for the public facilities to be funded by the fee and the type of development involved; and

e. The amount of the fee and the portion of it attributable to the development involved.

2. The substance and nature of the evidence presented by the applicant.

3. The facts, findings and conclusions stated in the financing plan, expenditure plan and/or nexus study as referenced in subsection A of Section 18.48.040 of this chapter, including technical information, studies, and reports contained within and supporting said plans and study, together with findings supporting the resolution setting the amount of the fee or fees in question. The applicant must present comparable technical information, studies and reports to demonstrate that the fee is inappropriate for the particular development involved.

G. If the application is granted, any change in use within the particular development involved in an application shall invalidate the reduction, adjustment, or waiver of the fee if such change in use would render the same inappropriate.

H. Within ten (10) days of the date of the mailing of the decision of director's decision, an applicant may appeal the director's decision to the City Council, by filing a notice of appeal with the City Clerk. The provisions of Chapter 1.24 of the City Code

shall govern the appeal to the City Council. In reaching its decision, the City Council or the appointed hearing examiner, as the case may be, shall consider the information contained in the application and the factors set forth in the subsection F of this Section 18.48.150. The decision on the appeal shall be mailed within five (5) days following the hearing held pursuant to this Section 18.48.150 by first-class mail, postage prepaid, to the address provided by the applicant. The written decision shall be final and not appealable, except as provided in subsection I of this Section 18.48.150.

I. The protest procedures set forth in this Section 18.48.150 are administrative procedures which must be exhausted prior to the institution of any judicial proceeding concerning the fees protested. Any petition seeking judicial review of a decision by the City Council shall be made under Code of Civil Procedure Section 1094.5 and shall be filed by or before (1) ninety (90) days following the date on which such decision is mailed to the applicant, or (2) the expiration of the limitation period set forth in subsection (d) of Government Code Section 66020, whichever occurs later.

18.48.160 Creation of funds.

A. The fees established and collected pursuant to this chapter shall be deposited in the following separate special funds and accounts created specifically to hold the revenue generated by such fees. Said collected fees shall be deposited, managed, and maintained pursuant to the provisions of Section 66006 of the Government Code. Moneys within such fund may be used solely for the purposes set forth in Section 18.48.170 of this chapter. In this regard, the following special funds are created and established:

1. Measure A transportation impact fee fund for the deposit and collection of the Measure A transportation impact fee.

2. Measure A administration fee fund for the deposit and collection of the Measure A administration fee.

B. The City Director of Transportation, or his or her designee, shall have the authority to rename funds and create new funds, as such funds may become necessary or appropriate through the adoption of any fee resolution or through any amendment to the financing plan, expenditure plan and/or nexus study as referenced in subsection A of Section 18.48.040 of this chapter.

18.48.170 Use of funds.

A. Funds collected from the fees established by this chapter and deposited in their respective special funds established under Section 18.48.160 of this chapter shall be used by the City, or by the Sacramento Transportation Authority or other entity if funds have been transferred to that entity, for the following purposes:

1. Payment of the actual costs of designing and constructing public facilities for which the fees may be expended, as described in the resolution or resolutions adopted pursuant to subsection B of Section 18.48.040 of this chapter;

2. Reimbursement for those public facilities already constructed as described in Section 18.45.120 of this chapter, or for the costs advanced, including, without limitation, design and administrative costs incurred with respect to a specific public facility and the preparation and implementation of the financing plan, expenditure plan and/or nexus study as described in Section 18.48.040 of this chapter;

3. Providing for reimbursements to landowners as described in Section 18.48.120 of this chapter;

4. Providing refunds as described in Sections 18.48.180 and 18.48.190 of this chapter;

5. Funding the City's administration of the fee program implemented by the provisions of this chapter; and

6. Using the same as may be permitted under Section 66006 of the Government Code.

B. The City Council, by resolution, may authorize the City Manager to make loans among the different funds and accounts established pursuant to this chapter to assure adequate cash flow for the construction and acquisition of public facilities on a timely basis so long as such inter-fund and/or inter-account loans do not unreasonably delay such construction and acquisition under the lending fund or account.

C. Unless used or refunded as otherwise permitted under this Section 18.48.170, moneys, including any accrued interest, not assigned in any fiscal year shall be retained in the same fund or account until the next fiscal year.

D. The City Council, by resolution, may authorize the City Manager to transfer funds, including any accrued interest, to (1) another public entity with the authority to manage the fund pursuant to Section 66006 of the Government Code, or (2) to another public entity with the authority to undertake construction of the public facility funded by the fee.

18.48.180 Disposition of unexpended or unappropriated fee revenues.

A. Commencing with the fifth fiscal year following the first fiscal year of receipt of any revenues from the fees established, assessed and levied pursuant to the provisions of this chapter, and in each fiscal year thereafter, the City Treasurer, or his or her designee, shall provide the City Council with a report which sets forth the total amount of all such fee revenues that were received and deposited in the appropriate special funds and accounts established under Section 18.48.160 of this chapter in each fiscal year prior to the date of such report, but which remain unexpended or unappropriated by the City or another public entity as referenced in Section 18.48.170 of this chapter as of the date of the report; provided, however, that no report shall be required in any year in which there were no unspent or unappropriated fee revenues in such fund which were received and deposited in the fund more than five years prior to the date of the report.

B. Upon review of each report described in subsection A of this Section 18.48.180, the City Council shall take one of the following actions required by Section 66001 of the Government Code with respect to any unexpended or unappropriated fee revenue in the appropriate special fund established under Section 18.48.160 of this chapter which was received and deposited in such fund five or more years prior to the date of such report:

1. Appropriate all or any part of such unexpended or unappropriated fee revenue for the construction, installation, acquisition or provision of the public facilities for which the fee was imposed;

2. Make findings with respect to all or any part of such unexpended or unappropriated fee revenue which identify the purposes to which the revenue are to be put and which demonstrate a reasonable relationship between such fee revenue and the purpose for which it was imposed; and/or

3. Provide for the refund of all or any part of such unexpended or unappropriated fee revenue, together with any actual interest accrued thereon, in the manner described in subsection (e) of Section 66001 of the Government Code, to the current record owner of any property for which a fee was paid; provided that if the administrative costs of refunding such fee revenue exceed the amount to be refunded, the City Council, after considering the matter at a public hearing, notice of which is given in the manner provided for in subsection (f) of Section 66001 of the Government Code, may appropriate such revenue for any other public facility in the benefit district area for which development fees are charged or otherwise imposed pursuant to this chapter and which the City Council determines will benefit the properties for which such development impact fee was charged or otherwise imposed; and further provided that the portion of any fee revenue received by the City as reimbursement of its costs in administering the provisions of this chapter shall not be refunded, but shall be applied to reduce the amount of the fee charged for administrative purposes.

4. The provisions of subsections (d), (e), and (f) of Government Code Section 66001 shall apply fully to any refund of fees remaining unexpended or uncommitted in the appropriate special fund established under Section 18.48.160 of this chapter for five or more years after deposit, and the provisions of this Section 18.48.180 and Section 18.48.190 of this chapter shall be subordinate to the said state statute and shall be applied consistently therewith.

18.48.190 Refund of fees paid.

If a building permit or, if appropriate, a grading permit, expires without commencement of construction, then the fee payer shall be entitled to a refund, without interest, of the fees paid as a condition for its issuance pursuant to compliance with Section 15.08.130 of the City Code; provided, however, that the portion of any fee revenue received by the City as reimbursement of its costs in administering the provisions of this chapter shall not be refunded. Failure to timely submit the required application for refund as provided in Section 15.08.130 of the City Code shall constitute an absolute waiver of any right to the refund.

18.48.200 Other fee and dedication requirements.

The provisions of this chapter shall not release any owner of residential or nonresidential property located within the benefit district area from the following obligations:

A. Paying other applicable fees relating to development of property, including, without limitation, the application fees, processing fees, mitigation fees, and other development fees within the control of the City.

B. Complying with any public facility requirements which are imposed pursuant to applicable law, including, without limitation, the provisions of the City Code.

C. Complying with any requirement to dedicate property for public use pursuant to applicable law, including without limitation, the provisions of the City Code and the Government Code, at the time of approval of a tentative subdivision map, tentative master parcel map, certificate of compliance, building permit or other land use entitlement.

D. Complying with any obligation to pay fees or exactions, or to comply with mitigation requirements for identified project-related environmental effects.

18.48.210 Annual reports and review of fee.

A. No later than one hundred eighty (180) days following the end of each fiscal year, the City Manager or his or her designee shall prepare a report for the City Council identifying the following:

1. The beginning and ending balances of the public facilities fee funds, and related accounts, established under Section 18.48.160 of this chapter for the fiscal year;

2. The fee, interest, and other income collected in said funds during the fiscal year;

3. The amount of expenditures from said funds categorized by the public facilities to which such expenditures relate;

4. An accounting of all refunds and reimbursements for which the City is obligated to make or has made pursuant to this chapter;

5. The reallocation, if any, of unexpended or unappropriated fee revenue made pursuant to subsection (B)(3) of Section 18.48.180 of this chapter and subsection (f) of Government Code Section 66001;

6. The public facilities constructed and to be constructed utilizing the revenues collected from the fee established by this chapter, the continued need for such public facilities, the reasonable relationship between such need and the impacts of development for which the fee is charged;

7. The estimated costs of the public facilities described in the report;

8. The amount of any automatic annual adjustment made pursuant to Section 18.48.130 of this chapter, including the basis of the calculation therefor; and

9. Any additional information required by the Sacramento Transportation Authority for the fees imposed pursuant to subsection A(1)(a) of Section 18.48.040 of this chapter. The City Manager may submit the report prepared by the Sacramento Transportation Authority for the fees imposed pursuant to subsection A(1)(a) of Section 18.48.040 of this chapter if said report includes all of the foregoing information set out in this subsection A of this Section 18.48.210.

B. In addition to the report matters set forth in subsection A of this Section 18.48.210, at least once each fiscal year the City Manager shall present to the City Council a proposed capital improvement program prepared by the City Director of Transportation for the various public facilities referenced in the resolution or resolutions adopted pursuant to subsection B of Section 18.48.040 of this chapter, assigning moneys (including any accrued interest) from the appropriate special fund to specific improvement projects, acquisitions, and related expenses. The adoption of such capital improvement program shall comply with the provisions of Government Code Section 66002.

C. In preparing the report pursuant to this Section 18.48.210, the City Manager shall adjust the estimated costs of the public facilities in accordance with the index specified in the resolution adopted pursuant to subsection B of Section 18.48.040 and Section 18.48.130 of this chapter, or other reasonable standard, for the elapsed

time period from the first day of the previous July or the date that the cost estimate was developed.

D. The report prepared pursuant to subsection A of this Section 18.48.210 shall be made available to the general public pursuant to the provisions of subsection (b) of Government Code Section 66006. The City Council shall review the information contained in said report at its next regularly scheduled public meeting, but not sooner than fifteen (15) days after the report is made available to the public. The scheduling of the hearing and notice thereof shall comply with the provisions of subsection (b) of Government Code Section 66006.

E. The City Council, by resolution, may revise the fees established by this chapter to reflect the findings made from its consideration of the annual report and to include additional public facility projects previously not foreseen as being needed, provided that all such revisions shall be consistent with the applicable financing plan, expenditure plan and/or nexus study referenced in subsection A of Section 18.48.040 of this chapter.

F. The report prepared by the City Manager and its review by the City Council, as well as any findings thereon, shall be subject to the provisions of subsection (d) of Government Code Section 66001, to the extent applicable.

18.48.220 Development approval.

In the event the fees established by this chapter have failed or will fail to generate revenue sufficient to construct needed public facilities in a timely manner, the City Director of Transportation, or his or her designee, may consult with benefit district area landowners and other interested parties to explore alternative sources of funding of such public facilities. If the City Council finds that there is no feasible alternative source of funding for the timely construction of necessary public facilities, the City Council, in its sole discretion and in the exercise of its police powers to protect and promote the public health, welfare and safety, may curtail or cease development within the benefit district area pursuant to applicable law.

18.48.230 California state law.

The provisions of this chapter, and any resolution adopted pursuant hereto, shall at all times be subject and subordinate to the provisions of Title 5 (commencing with Section 66000), Division 1, of Title 7 of the Government Code, as the same presently exists or may hereafter be amended or renumbered from time to time, to the extent the same are applicable. In the event of any applicable conflict between the provisions of this chapter and the state law, the latter shall control.

18.48.240 Severability.

A. If any section, phrase, sentence, or other portion of this chapter for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this chapter.

B. If any fee established by this chapter for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such fee shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the remaining fees established by this chapter.

C. If any fee established by this chapter is held or found to be invalid, void, unenforceable or unconstitutional by a court of competent jurisdiction based upon an insufficient nexus to a specific public facility for which the revenue generated from such fee may be expended pursuant to this chapter, said fee as it relates to such specific public facility shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the fee as it relates to other public facilities.

ATTACHMENT 5

RESOLUTION NO. 2008-

Adopted by the Sacramento City Council

APPROVING NEXUS STUDY, ESTABLISHING THE AMOUNT OF FEES AND PROVIDING FOR OTHER MATTERS RELATIVE TO MEASURE A TRANSPORTATION DEVELOPMENT IMPACT FEES

BACKGROUND

A. On July 29, 2004, STA adopted Ordinance No. 04-01, which established the Sacramento Countywide Transportation Mitigation Fee Program ("Measure A Mitigation Fee Program") to be implemented by the County of Sacramento and each city within the county by April 1, 2009. STA Ordinance No 04-01 also included the Sacramento County Transportation Expenditure Plan 2009-2039 ("Measure A Expenditure Plan"), which sets out the allocation of the new Measure A sales taxes and Measure A development impact fees for specified public facilities.

B. On November 2, 2004, the voters in Sacramento County approved an extension of the one-half of one percent Measure A transportation sales tax ("new Measure A"), to become effective on April 1, 2009, and approved the Measure A Expenditure Plan. STA Ordinance No. 04-01 requires each jurisdiction in the county to adopt the Measure A development impact fees as a condition of receiving the new Measure A sales tax proceeds consistent with the Measure A Mitigation Fee Program.

D. On June 7, 2006, STA adopted Resolution No. 06-0006, approving the Sacramento Countywide Transportation Mitigation Fee Program Study ("Measure A Nexus Study"), which identified the additional public facilities required by new development and determined the amount of the development impacts fees to be imposed on a countywide basis, so that all new development paid its fair share of the costs of new public facilities needed to serve such development.

E. On September 26, 2006, by Resolution No. 2006-706, the City Council committed to implement the Measure A Mitigation Fee Program.

F. The City prepared the Measure A Impact Fee Analysis, dated September, 2008, which identifies the public facilities within the City or benefitting the City to be funded with the Measure A development impact fees in accordance with the Measure A Expenditure Plan.

E. On _____, the City Council adopted Ordinance No. _____, Adding Chapter 18.48 to the Sacramento City Code to Establish Development Impact Fees for Measure A Transportation Improvements for Citywide Benefit District ("Measure A Ordinance"). The Measure A Ordinance: (1) created the authority for imposing the "Measure A development impact fees" to provide funding for public facilities to benefit new development within the City; (2) created the authority for imposing the "Measure A administration fee" for the cost of collection, deposit, investment, accounting, remittance and reporting of the Measure A development impact fee, and (3) enabled the City Council by resolution to set forth the specific amount of these fees in reliance on the Measure A Expenditure Plan, the Measure A Nexus Study and the Measure A Impact Fee Analysis.

F. The Measure A Expenditure Plan, the Measure A Nexus Study and the Measure A Impact Fee Analysis, along with the studies and reports each may reference or be based upon, in whole or in part, and together with any amendments thereto made after their initial adoption, (i) establish the need, costs and financing of the public facilities needed to mitigate the impacts of and to serve new development within the City, and (ii) represent a reasonable basis to establish fees under the Measure A Ordinance because those studies and reports establish the relationship between new development, the needed public facilities to serve that new development, the estimated cost of those public facilities, and the amount of the Measure A development impact fees.

G. The foregoing items, and all other additional studies and reports including, without limitation, transportation studies and capital improvement programs presented to the City Council now or in the past for the City Council's approval of the same or for informational or other purposes, along with the studies, reports and data each may reference or be based upon in whole or in part, and any and all amendments thereto made after their initial adoption, together with staff reports and other matters presented to the City Council by City staff, STA staff or interested parties, whether in writing or orally, constitute the record before the City Council for purpose of adoption of this resolution ("Legislative Record").

H. The Measure A Ordinance further provides that the City Council may, by resolution, set forth exemptions and specific limitations which will apply to credits, reimbursements, and deferrals in payment of the Measure A development impact fees and the Measure A administrative fees. However, the STA Agreement on Operating Protocols ("Protocols Agreement"), to be approved by separate resolution, limits the City Council from granting certain exemptions, credits and reimbursements of Measure A development impact fees, which are to be remitted to STA for allocation in accordance with the Measure A Expenditure Plan.

I. The Measure A Ordinance permits imposition of the Measure A administration fee, and the amount of this fee does not exceed the estimated reasonable costs of the collection, deposit, investment, accounting, remittance and reporting of the Measure A development impact fee.

J. In accordance with the Mitigation Fee Act (Government Code Section 66000 *et seq.*) a public hearing was held on the adoption of the Measure A Ordinance and this resolution, at which written and oral presentations were made as part of a regularly scheduled City Council meeting. The date, time and place of this public hearing was duly noticed in accordance with Government Code Sections 66018 and 6062a, and notice was mailed to any interested party who requested notice of adoption of new fees. The Measure A Expenditure Plan, the Measure A Nexus Study and the Measure A Impact Fee Analysis were available for public inspection for a period of at least ten (10) days prior to said public hearing. Materials supplementing these studies and reports and all background data referenced therein was made available to interested parties upon request to the City Transportation Director's Office at least ten (10) days prior to the date of said hearing.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. Findings.

The City Council finds and declares as follows:

1. All of the provisions set forth above are true and correct and are hereby incorporated herein by reference as findings.

2. By separate actions referenced below, the City Council adopted and approved the following items on the same date that this Resolution was adopted:

(a) By Ordinance, adoption of Chapter 18.48 of the Sacramento City Code, establishing development impact fees for public facilities in accordance with the Measure A Expenditure Plan, Measure A Nexus Study and Measure A Impact Fee Analysis within a citywide benefit district, and the Measure A administration fee. This resolution is adopted pursuant to the authority conferred under Chapter 18.48 of the Sacramento City Code.

(d) By Resolution, approval of the Protocols Agreement, which provides for the City to remit to the Sacramento Transportation Authority (STA) the Measure A development impact fees. STA will subsequently allocate the Measure A development impact fees collected by the City for construction of the public facilities included in the Measure A Expenditure Plan which are located within or otherwise benefit the City.

3. This Resolution adopts the Measure A Nexus Study and the Measure A Impact Fee Analysis, which were based on the Measure A Expenditure Plan. The Measure A Expenditure Plan is incorporated herein by this reference. The Measure A Nexus Study and the Measure A Impact Fee Analysis, along with the studies and reports each may reference or be based upon in whole or in part, and together with any amendments thereto and any supplemental or implementation actions pursuant thereto made after their initial adoption, establish the need, costs and financing of public facilities arising out of development within the citywide benefit district area, and present

a reasonable basis on which to establish the Measure A development impact fees under this Resolution. The Measure A Nexus Study and the Measure A Impact Fee Analysis establishes the reasonable relationship between the need for the public facilities set out in the Measure A Expenditure Plan and the impacts of the various types of new development contemplated by the City's General Plan, for which the corresponding Measure A development impact fee is to be charged.

4. All new development within the City will result in additional growth that will place burdens on public facilities within the City and will cause the need for new public facilities. Such development will necessitate the need for construction of new and expanded public facilities in order to meet the needs of and to address the impacts caused by new development within the City. The Measure A development impact fees implemented by this Resolution are designed to partially mitigate the transportation impacts caused by new development in the City, and to protect the public's health, safety and general welfare.

5. The Legislative Record, including the Measure A Nexus Study and the Measure A Impact Fee Analysis, establishes a reasonable relationship between the need for the public facilities set out in the Measure A Expenditure Plan and the impacts of the various types of new development which is planned under the City's General Plan. The City Council has considered the effect of the Measure A development impact fees with respect to the City's housing needs and the regional housing needs.

6. The Measure A development impact fee is intended to ensure that the transportation public facilities set forth in the Measure A Expenditure Plan are partially paid for by new development causing the need for the same, and in any event, without requiring expenditures from the City's general fund. It is fair and equitable for landowners developing land within the City to pay their fair share of the costs of such public facilities and for the City to assess said share to the landowners while shielding the City's general fund from liability for same.

7. This Resolution establishes certain fee categories and provides the structure in which the Measure A development impact fees may be imposed, all of which are intended to implement the Measure A Mitigation Fee Program set forth in the Measure A Expenditure Plan. This Resolution authorizes the initial amount of the Measure A development impact fees and the Measure A administrative fee, adopts the index to be used for future adjustment of the Measure A development impact fees, sets forth the category of developments that are exempt from payment of the Measure A development impact fees in accordance with the provisions of the Protocols Agreement, and establishes deferral provisions for payment of the Measure A development impact fees for specified residential developments, all of which affect the time and manner in which the Measure A development impact fees and the Measure A administrative fee are to be paid to the City.

8. The Measure A development impact fees established by this Resolution are based upon the estimated costs of the new public facilities set forth in the Measure A Expenditure Plan which are not fully funded by the new Measure A sales tax

proceeds in order to serve and partially address the transportation impacts caused by new development within the City. The cost estimates set forth in the Measure A Expenditure Plan are reasonable costs estimates for constructing the public facilities set out in that Plan, and the fees expected to be generated by new development will not exceed their fair share cost allocation based on the estimates as set out in that Plan. The Measure A development impact fees shall be subject to adjustment in the future as more precise estimates or actual costs of said public facilities are determined and to account for inflationary construction cost increases.

9. The amount of the fees established under this Resolution, and as may be adjusted over time pursuant to Chapter 18.48 of the Sacramento City Code, is a reasonable approximation of the fair share of the cost of the public facilities set forth in the Measure A Expenditure Plan, and roughly proportionate to the need for such facilities caused by new development within the City. The Measure A development impact fees established by this Resolution relate rationally and do not exceed the reasonable fair share cost of providing those public facilities within and benefitting the City that are required to serve new development projects. The Measure A development impact fees are necessary to finance the transportation public facilities required by new development within the City. The imposition of the Measure A development impact fees on landowners developing their property will insure that they have an obligation to pay a portion of the fair share of the costs of such transportation public facilities.

10. The public facilities that are to be financed by the Measure A development impact fees established by this Resolution are based on an analysis of the land uses set forth in the City's General Plan and such improvements are consistent with the City's General Plan, including all elements thereof.

11. For the purpose of establishing the fees set forth in this Resolution, the Legislative Record before the City Council and the findings herein stated:

(a) reasonably identify the purpose of each fee established;

(b) reasonably identify the use to which the fee is to be put;

(c) establish a reasonable relationship between the use of each fee and the type of development project on which the fee is imposed;

(d) establish a reasonable relationship between the need for the public facilities to be financed by the fee established and the type of development project on which the fee is to be imposed;

(e) establish that there is a reasonable relationship between the amount of the fee and the cost of the public facilities, or portion of such public facilities, attributable to the development project on which the fees are imposed; and

(f) form the basis for the further finding that the imposition of the development impact fee on development projects to finance public facilities is necessary in order for the City to protect and promote the public health, safety and welfare.

12. The City has pending before it, or will soon have pending before it, applications for building permits, subdivision maps and/or applications for residential, commercial and/or industrial development approval which the City must act on. Further, the City heretofore has approved various development projects in the form of tentative map, development agreements, and/or other approvals, which will need the transportation public facilities to be funded by the fees enacted under this Resolution to serve such new development as set out in the Measure A Nexus Study. It is necessary that the provisions of this Resolution apply to these previously approved development projects in order to protect the health, safety and welfare of City residents by the provision of adequate public facilities, to afford landowners certainty with regard to their financial obligations, and to ensure that such development will not create a burden on the interrelated transportation public facilities within the City.

SECTION 2. Definitions.

Unless the contrary is stated or clearly appears from the context in which a term is used, the following definitions shall govern construction of the words and phrases used in this Resolution. The definitions in this Section 2 are intended to be consistent with those definitions contained in the Measure A Ordinance. In the event of a conflict between the definitions in this Section 2 and those in the Measure A Ordinance, the Measure A Ordinance shall prevail.

Development means the uses to which property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements.

Development project shall have the same meaning as defined by subsection (a) of Government Code Section 66000, as such section may be amended from time to time.

Fee and **impact fee** and **development impact fee** means the monetary exaction as defined by subsection (b) of Government Code Section 66000, as such section may be amended from time to time, and shall include, but not be limited to, the fees established pursuant to the Measure A Ordinance.

Government Code means the Government Code of the state of California and any provision thereof cited in this chapter, as such provision exists as of the date of the enactment of the Measure A Ordinance, or as may thereafter be amended or renumbered from time to time.

Health and Safety Code means the Health and Safety Code of the state of California and any provision thereof cited in this Resolution, as such provision exists as of the date of the enactment of this Resolution, or as may thereafter be amended or renumbered from time to time.

Industrial use means a development project that involves manufacturing, transportation, logistics or similar uses and is not a special use.

Low income and **very low income** housing is as defined in Health and Safety Code Sections 50079.5 and 50105, respectively.

Measure A means Ordinance No. 04-01 adopted by the Sacramento Transportation Authority on July 29, 2004, which established the Sacramento Countywide Transportation Mitigation Fee Program to be implemented by the County of Sacramento and each city within the county by April 1, 2009.

Measure A administration fee means the fee imposed by the City for the cost of collection, deposit, investment, accounting, remittance and reporting of the Measure A development impact fee.

Measure A development impact fee means a development impact fee established to provide funding for public facilities to benefit new development within the City.

Measure A Expenditure Plan means the Sacramento County Transportation Expenditure Plan 2009-2039 dated June 10, 2004, as adopted by the Sacramento Transportation Authority under Ordinance No. 04-01, which sets

out the allocation of Measure A sales taxes and Measure A development impact fees for specified public facilities.

Measure A Impact Fee Analysis means the study prepared by the City dated September, 2008, which identifies the public facilities within the City or benefitting the City to be funded with Measure A development impact fees in accordance with the Measure A Expenditure Plan.

Measure A Mitigation Fee Program means the Sacramento Countywide Transportation Mitigation Fee Program as approved by the Sacramento Transportation Authority by Ordinance No. 04-01.

Measure A Nexus Study means the Measure A Development Impact Fee Nexus Study dated June 2, 2006, as adopted by the Sacramento Transportation Authority by Resolution No. 06-0006, and as supplemented by the Measure A Impact Fee Analysis.

Multi-family residential use means a development project that uses a single parcel for two or more dwelling units within one or more buildings including, without limitation, duplexes, townhouses, condominiums and apartments.

Office use means a development project that involves business activities associated with professional or administrative services and typically consists of corporate offices, financial institutions, legal and medical offices, personal services or similar uses, and religious centers other than churches. "Office use" also includes any other use that is not a retail, special or industrial use.

Protocols Agreement means the New Measure A Sacramento Countywide Transportation Mitigation Fee Program Agreement on Operating Protocols dated August 2008 with the Sacramento Transportation Authority, as approved by STA on August 28, 2008 by Resolution No 08-0001, and as amended on December 11, 2008.

Public facilities means public improvements, public services and community amenities as defined by subsection (d) of Government Code Section 66000, as such section may be amended from time to time. The term "public facilities" only includes transportation improvements and infrastructure to be designed, constructed, installed and acquired to serve the specified benefit district area, as well as the transportation-related public service and community amenities to serve the specified benefit district area, which improvements and infrastructure are described in the applicable financing plan, expenditure plan and/or nexus study (collectively "plan" or "study"). The total cost of the design, construction, installation and acquisition of the specified public facilities, which are to be financed partially by the development impact fees, is set forth within the plan or study. Where applicable under the plan or study, the term "public facilities" includes the acquisition of land relating to such improvements, infrastructure, public services and community amenities. The term "public facilities" also means a specific public improvement or infrastructure where the context requires a singular meaning.

Retail use means a development project that involves retailing of merchandise, generally without transformation, retail food services, and rendering services incidental to the sale of merchandise at a fixed point of sale and is not a special use.

Senior residential use means any development project that qualifies as housing for older persons pursuant to Government Code Section 12955.9.

Single family residential use means a development project that uses a single parcel for only one residential dwelling unit and includes a development project that involves one primary dwelling and one accessory dwelling on a single lot.

Special Use means the specified types of retail, industrial and institutional uses as defined in Chapter 17 of the City Code (the Zoning Code) for which a separate fee has been specified by STA.

STA means the Sacramento Transportation Authority.

SECTION 3. Nexus Study.

1. The Measure A Nexus Study, prepared and approved by STA, demonstrated the burden on public facilities that will occur from new development and the benefit for such development of the public facilities included in the Measure A Expenditure Plan. The Measure A Nexus Study, a copy of which is included as an exhibit to the staff report that accompanies this Resolution, is hereby adopted and incorporated herein by this reference.

2. The Measure A Impact Fee Analysis supplements the Measure A Nexus Study by identifying (i) the public facilities included in the Measure A Expenditure Plan that are located in the City and that directly benefit the City, (ii) the amount of Measure A development impact fees and Measure A sales tax revenues programmed by STA to be expended for the public facilities included in the Measure A Expenditure Plan that are located in the City and that directly benefit the City, and (iii) the amount of the Measure A development impact fee revenues that may be collected from new development projects in the City. The Measure A Impact Fee Analysis, a copy of which is included as an exhibit to the staff report that accompanies this Resolution, is hereby adopted and incorporated herein by this reference.

SECTION 4. Measure A Development Impact Fees.

The amounts of the Measure A development impact fees established and imposed pursuant to the Measure A Ordinance are hereby established at the levels set out in Measure A Nexus Study and the Protocols Agreement. The applicable Measure A development impact fees by land use category, which the City Council hereby adopts, are attached as Exhibit "A" and incorporated herein by this reference.

For non-residential development projects, the amount of the fee shall be based on the predominate use of each building, which is defined as eighty percent (80%) or more of the total gross building square footage. If no one use comprises eighty percent (80%) or more of the total gross building square footage, then the amount of the fee shall be proportionally determined based on those uses that constitute twenty-five percent (25%) or more of the total gross building square footage.

For mixed residential and non-residential development projects, the amount of the Measure A development impact fee will be proportionally determined based on the number of dwelling units and the amount and type of non-residential gross building square footage.

SECTION 5. Measure A Administrative Fee.

The amount of the Measure A administrative fee established and imposed pursuant to the Measure A Ordinance is hereby established at the level to off-set the actual reasonable costs for the collection, deposit, investment, accounting, remittance and reporting of the Measure A development impact fees. The Measure A administrative fee, which is the same for all land use categories and which the City Council hereby adopts, is included in Exhibit "A," which is attached are incorporated herein.

SECTION 6. Fee Exemptions.

In accordance with the Measure A Ordinance, the following types of development projects are exempt from payment of the Measure A development impact fees and the Measure A administrative fee:

1. The rehabilitation or reconstruction of any lawful residential structure, including an expansion of an existing dwelling units, that does not create an additional dwelling unit.

2. The rehabilitation or reconstruction of any non-residential structure where there is no net increase in the total gross building square footage.

3. Low income housing development projects.

4. Very low income housing development projects.

5. Development projects that are subject to a development agreement entered into pursuant to Government Code Section 65864 prior to April 1, 2009, unless that agreement expressly provides for payment of the Measure A development impact fee. This exemption would become inapplicable if the term of that development agreement is extended after April 1, 2009.

SECTION 7. Credits and Reimbursements.

Although authorized by the Measure A Ordinance, there shall be no credits against, and reimbursements of, the Measure A development impact fees imposed under this Resolution if the public improvements included in the Measure A Expenditure Plan are constructed, in whole or in part, by landowner as part of a development project pursuant to the mitigation measures or conditions imposed as part of the approval of such development project, unless such credit and/or reimbursement is authorized by STA.

SECTION 8. Adjustments.

The Measure A development impact fees shall not be adjusted prior the fiscal year that includes July 1, 2010. The adjustment shall be based on a factor equal to the percentage increase, if any, of the following index: The Construction Cost Index as published by Engineer News Record/McGraw-Hill Construction Weekly for the 20-City Construction Cost Index during the twelve (12) months ending on the preceding March 1st.

SECTION 9. Construction of Resolution.

The provisions of this Resolution are subject and subordinate to the provisions of the Measure A Ordinance and shall at all times be constructed and applied consistent therewith as the same presently exist or may from time to time hereafter be amended.

SECTION 10. Effective Date.

This Resolution shall be effective at such time as is provided for in the Measure A Ordinance, which is no sooner than April 1, 2009.

SECTION 11. Severability.

1. If any section, phrase, sentence, or other portion of this Resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Resolution.

2. If any fee established by this Resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such fee shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the remaining fees established by this Resolution.

3. If any fee established by this Resolution is held or found to be invalid, void, unenforceable or unconstitutional by a court of competent jurisdiction based upon an insufficient nexus to a specific public facility for which the revenue generated from such fee may be expended pursuant to this Resolution, said fee as it relates to such specific public facility shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the fee as it relates to other public facilities.

SECTION 12. Annual Report and Review of Fees.

No later than one hundred eighty (180) days following the end of the fiscal year that includes June 30, 2010, the City Manager, or his or her designee, shall prepare a report for the City Council in compliance with Government Code Section 66006. The report may include and rely upon the annual report prepared by STA as referenced in the Protocols Agreement.

EXHIBIT "A"

Effective as of April 1, 2009

Measure A Development Impact Fees

Single Family Residential	$1,000 per unit
Senior Single Family Residential	$ 800 per unit
Multi-Family Residential	$ 700 per unit
Senior Multi-Family Residential	$ 600 per unit
Office Use*	$ 1,200 per 1,000 gross square feet
Retail Use	$ 3,705 per 1,000 gross square feet
Industrial Use	$ 800 per 1,000 gross square feet

Special Uses

Church	$ 932 per 1000 square feet
Golf Course	$ 833 per acre
Hospital	$1,678 per 1000 square feet
Hotel/Motel	$ 580 per sleeping room
Movie Theater	$1,904 per screen
Service Station	$1,300 per fueling pump
Supermarket	$2,110 per 1000 square feet
Warehouse/ Self Storage	$ 250 per 1000 square feet

* This rate applies if the project does not fall within one of the foregoing retail, special or industrial use categories.

Mixed Use Projects - The amount of the fee shall be based on the predominate use of each building, which is defined as 80% or more of the total gross building square footage. If no one use comprises 80% or more of the total gross building square footage, then the amount of the fee shall be proportionally determined based on those uses that constitute 25% or more of the total gross building square footage. For mixed residential and non-residential development projects, the amount of the fee will be proportionally determined based on the number of dwelling units and the amount and type of non-residential gross building square footage.

Measure A Administrative Fee

Per building permit: 2% of the total Measure A Development Impact Fee

Timing of Payment - The fees established by the Measure A Ordinance and Resolution shall be paid at the time of the issuance of a building permit for a development project. However, for a residential development project under a fee payment contract as

specified in Section 66007 of the Government Code: (i) the fee payment may be deferred to the issuance of the final inspection or certificate of occupancy, and (ii) the fee may be paid on a pro rata basis for each dwelling unit when it receives its final inspection or certificate of occupancy.

Protest – In accordance with the Measure A Ordinance and Government Code Section 66020(d), a protest of the imposition of the Measure A development impact fee must be filed no later than ninety (90) days from the date of approval of the development project or issuance of the building permit, whichever date is earlier.

ATTACHMENT 6

RESOLUTION NO. 2008 -

Adopted by the Sacramento City Council

APPROVING THE AGREEMENT ON OPERATING PROTOCOLS FOR THE NEW MEASURE A SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION DEVELOPMENT IMPACT FEE PROGRAM

BACKGROUND

A. The New Measure A Transportation Sales Tax approved by the County voters in 2004, called for implementation of a Sacramento Countywide Transportation Mitigation Development Impact Fee Program so that new development paid its fair share of the costs of the transportation improvements included in the Measure A Expenditure Plan.

B. The City of Sacramento is required to implement this Measure A Mitigation Fee Program as a condition of receiving New Measure A sales tax revenues, in accordance with the provisions of AB 1600, and the fees are to become effective by no later than April 1, 2009.

C. Sacramento Transportation Authority (STA) staff in coordination with the City of Sacramento developed an Agreement on Operating Protocols to apply to the City and all other jurisdictions in the county, regarding the obligation to impose, collect, account, and remit the Measure A development impact fees to STA.

D. STA's allocation of the Measure A development impact fee remitted by the City will be subject to independent audit and review by the Measure A Independent Taxpayer Oversight Committee (ITOC).

E. On August 28, 2008, the STA Board adopted a resolution approving the Agreement on Operating Protocols, and the Agreement was amended by the STA Board on December 11, 2008 to add the fees for special land use categories.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Approve the Agreement on Operating Protocols for the New Measure A Sacramento Countywide Transportation Mitigation Fee Development Impact Fee Program ("Protocols Agreement") with the Sacramento Transportation Authority, contingent on the City Council approving: (1) the Ordinance adding Chapter 18.48 to the Sacramento City Code to Establish Transportation Development Impact Fees for Citywide Benefit District; (2) Resolution Approving Nexus Study, Establishing the Amount

of Fees and Providing for Other Matters Relative to Measure A Transportation Development Impact Fees.

Section 2. Authorize the City Manager to execute the Protocols Agreement on behalf of the City of Sacramento.

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Exhibit A - Agreement on Operating Protocols

EXHIBIT A

NEW MEASURE A
SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM
AGREEMENT ON OPERATING PROTOCOLS
December 2008

This Agreement on Operating Protocols for the Sacramento Countywide Transportation Mitigation Fee Program (Agreement) is made by and between the Sacramento Transportation Authority ("STA") and the City of Sacramento (City).

RECITALS

A. Sacramento Transportation Authority Ordinance No. STA-04-01 (Ordinance) imposes a one-half of one percent retail transactions and use tax that is statutorily dedicated for transportation planning, design, construction, operation and maintenance in Sacramento County.

B. The Ordinance establishes the 30-year Sacramento Countywide Transportation Mitigation Fee Program ("SCTMFP"), to be implemented by the County and each incorporated city during the period April 1, 2009 through March 31, 2039.

C. The Ordinance provides that the County and each incorporated city must, as a condition of receiving its allocation of local street and road maintenance formula funds from the retail transactions and use tax revenues, adopt the 30-year SCTMFP Fee (Fee) for the period April 1, 2009 through March 31, 2039 in accordance with guidelines adopted by the Sacramento Transportation Authority (STA) Governing Board.

D. The SCTMFP Fee schedule shall be uniform throughout the unincorporated and incorporated areas of the County.

E. The Sacramento City Council has adopted Resolution No. 2006-706 acknowledging its obligations imposed by the SCTMFP.

F. The City shall implement the SCTMFP Fee no later than April 1, 2009, and remit the SCTMFP Fee revenues to the STA within 60 days of the end of each six-month period ending June 30 and December 31 of each year.

G. The STA shall reallocate the SCTMFP Fee revenues to local jurisdictions to be expended on Measure A capital projects in the impacted areas where the fees were generated in accordance with the SCTMFP and the New Measure A Plan of Finance.

H. STA Resolution STA-06-006 adopting the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) Nexus Study and

Setting SCTMFP Fee Rates Effective April 1, 2009 provides that protocols related to SCTMFP Fee implementation issues, including but not limited to, required dates of Fee remittances to STA and documentation to be submitted by each participating agency, shall be established by future resolution of the STA and contracts between the STA and the participating agencies.

I. This Agreement, when approved by resolution of the STA and executed by the City, shall constitute the initial protocols related to SCTMFP Fee implementation issues.

J. This Agreement is uniform among the County and all incorporated cities.

NOW, THEREFORE, the parties agree as follows:

1.0 DEFINITIONS

1.1 "AB 1600" means the Mitigation Fee Act set forth in Government Code Sections 66001 – 60025.

1.2 "Development Project" or "Project" shall have the same meaning as provided in Government Code Section 66000(a), as such section may be amended from time to time. .

1.3 "Executive Director" means the Executive Director of the Sacramento Transportation Authority.

1.4 "Expenditure Plan" means the Sacramento County Measure A Transportation Expenditure Plan 2009-2039 that was adopted as part of the Ordinance.

1.5 "Governing Board" means the Governing Board of the Sacramento Transportation Authority.

1.6 "Independent Taxpayer Oversight Committee" means a committee appointed by the STA Governing Board as required by the Ordinance to supervise ***New*** Measure A fiscal and performance audits regarding the use of all sales tax funds and to provide independent review to ensure that all ***New*** Measure A funds are spent in accordance with the provisions of the Ordinance.

1.7 "Industrial Use" means any Development Project that involves manufacturing, transportation, logistics, or similar uses.

1.8 "Measure A" or "the Ordinance" means Sacramento Transportation Authority Ordinance No. STA-04-01.

1.9 "Multi-family Residential Use" means any Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments.

1.10 "Office Use" means any Development Project that involves business activities, associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal services, or similar uses. "Office Use" also includes any other commercial use not specifically listed in Section 2.1 that is not a retail or industrial use.

1.11 "Participating Agencies" means the County of Sacramento, the City of Citrus Heights, the City of Elk Grove, the City of Folsom, the City of Galt, the City of Isleton, the City of Rancho Cordova, and the City of Sacramento. Each may be referred to individually as "Participating Agency."

1.12 "Retail Use" means any Development Project that involves retailing of merchandise, generally without transformation, retail food services, and rendering services incidental to the sale of merchandise at a fixed point of sale.

1.13 "Sacramento Countywide Transportation Mitigation Fee Program" or "SCTMFP" means the 30-year transportation mitigation fee program established by the Ordinance.

1.14 "SCTMFP Fee" or "Fee" means the fee imposed pursuant to the SCTMFP.

1.15 "Senior Residential Use" means any Development Project that qualifies as housing for older persons pursuant to Government Code Section 12955.9.

1.16 "Single Family Residential Use" means any Development Project that uses a single parcel for only one residential dwelling unit. "Single Family Residential Use" also includes any Development Project that involves one primary dwelling and one accessory dwelling on a single lot.

2.0 UNIFORM FEE

2.1 Uniform Fee. Effective April 1, 2009, the City shall collect the applicable uniform SCTMFP Fee for each Development Project occurring within the City's jurisdiction. The applicable Fee for each use is as follows:

Single Family Residential:	$1,000 per unit
Senior:	$ 800 per unit
Multi Family Residential:	$ 700 per unit
Senior:	$ 600 per unit
Office Use:	$1,200 per 1,000 square feet
Retail Use:	$3,705 per 1,000 square feet
Industrial Use:	$ 800 per 1,000 square feet
Hotel/motel	$ 580 per sleeping room
Golf course	$ 833 per acre
Movie theater	$1,904 per screen
Religious center	$ 932 per 1,000 square feet
Hospital	$1,678 per 1,000 square feet
Service station	$1,300 per fueling pump
Supermarket	$2,110 per 1,000 square feet
Warehouse/self storage	$ 250 per 1,000 square feet

2.2 Annual Adjustment. Beginning in 2010, the STA shall annually adjust the SCTMFP Fee schedule to reflect change in construction costs based on the McGraw-Hill Engineering News Record (ENR) 20-City Construction Cost Index. The adjustment will take effect July 1, and STA shall notify participating agencies of the required annual adjustment at least 60 days in advance of the effective date.

2.3 Calculation of Fee for Non-Residential Projects. For non-residential projects, the amount of the fee imposed on the entire Development Project shall be determined based upon (1) gross building square footage and (2) the predominant use (80% or more) of the building or structure as identified in the building permit. Where no one use comprises 80% or more of the building or structure, the amount of the fee imposed shall be proportionally determined based on those uses that constitute 25% or more of the building or structure.

2.4 Calculation of Fee for Mixed Residential/Non-Residential Projects. For Projects that include both residential and non-residential uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the fees associated with the various residential and non-residential uses.

3.0 PARTICIPATING AGENCY OBLIGATIONS PRIOR TO APRIL 1, 2009.

Prior to April 1, 2009, the City shall take all necessary steps required by applicable law, including but not limited to AB 1600, to enable implementation of the SCTMFP Fee no later than April 1, 2009. Failure to meet such legal requirements shall not exempt the City from the requirement that SCTMFP Fees be collected as a prerequisite to the City's receipt of ***New*** Measure A local street and road maintenance formula funds.

4.0 COLLECTION OF SCTMFP FEES

4.1 Collection of Fees.

a. The City shall collect SCTMFP Fees at the time of issuance of a final building permit for a Development Project, or as otherwise required or permitted pursuant to Government Code Section 66007.
b. The amount of the SCTMFP Fees shall reflect the Fee schedule in effect at the time of payment.
c. SCTMFP Fees shall not be waived.

4.2 Payment by all Development Projects. Except as otherwise expressly provided by this Agreement, the SCTMFP Fee shall be payable by all Development Projects within the jurisdiction of the City for which building permits are issued on or after April 1, 2009.

4.3 Exemptions from the SCTMFP Fees. The following Development Projects shall not be subject to the SCTMFP Fee:

a. The rehabilitation or reconstruction of any lawful residential structure, including an expansion of an existing dwelling unit, that does not create an additional dwelling unit.
b. The rehabilitation or reconstruction of any non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.
c. New low income housing as defined in Health and Safety Code Section 50079.5 and very low income housing as defined in Health and Safety Code Section 50105.
d. Any development project that is the subject of a valid development agreement entered into pursuant to Government Code Section 65864 prior to April 1, 2009, that includes a provision exempting it from future fees or fee increases; provided, however, that if the term of such a development agreement is extended after April 1, 2009, the SCTMFP shall be imposed.
e. Any development project for which an application for a vesting tentative map authorized by Government Code Section 66498.1 was deemed complete prior to April 1, 2009.

5.0 REMITTANCE OF FEES

The City shall remit SCTMFP Fees collected to the Authority on a semi-annual basis, within 60 days after June 30 and December 31 of each calendar year. The first remittance shall be due on or before August 31, 2009, for the period ending June 30, 2009. Each remittance shall be accompanied by a report specifying the fee generating activity for the reporting period within the City's jurisdiction, including information as to all permits issued by use, square footage for non-residential projects, any exemptions granted, and such other information as may be deemed appropriate by the Executive Director. The Executive Director shall separately account for the City's SCTMFP Fees as part of the aggregate SCTMFP account and will prepare semi-annual reports for presentation to the Independent Taxpayer Oversight Committee and the STA Governing Board

6.0 AUDIT OF SCTMFP REVENUES

The Executive Director, in coordination with the Independent Taxpayer Oversight Committee, shall establish a program to audit the City's implementation of the SCTMFP Fees and STA's expenditure of the SCTMFP Fees.

7.0 EXPENDITURE OF FEES

STA shall distribute SCTMFP Fees received, and any proceeds of Fee-based financing(s), to local jurisdictions for expenditure in accordance with the Ordinance, a 5-Year SCTMFP program annually updated and approved by the STA Governing Board, applicable resolutions of the STA, Measure A allocation and expenditure contracts between the STA and local jurisdictions, and AB 1600.

8.0 ADMINISTRATION COSTS

The STA and City each shall absorb their administrative costs associated with implementation and administration of the SCTMFP Fee and this Agreement. The City, at its discretion, may impose an additional fee on affected development to pay for administrative costs of implementing the SCTMFP.

9.0 ANNUAL REPORTS

STA shall prepare the annual reports required by Government Code Sections 66000 et seq. relating to the SCTMFP Fees. City shall provide any necessary assistance.

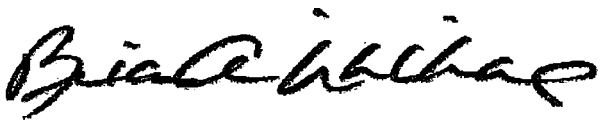
10.0 MISCELLANEOUS

10.1 Effective Date. This Agreement shall be effective on April 1, 2009.

10.2 If any one or more of the terms or provisions of this Agreement shall be adjudged invalid, unenforceable, void or voidable by a court of competent jurisdiction, each and all of the remaining terms and provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

10.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

SACRAMENTO TRANSPORTATION AUTHORITY

By 

Brian A. Williams
Executive Director

Dated: December 11, 2008

CITY OF SACRAMENTO

By: _____
(Authorized Officer)
(Title)

Dated: _____

Approved as to Form:

_____

Attest:

_____