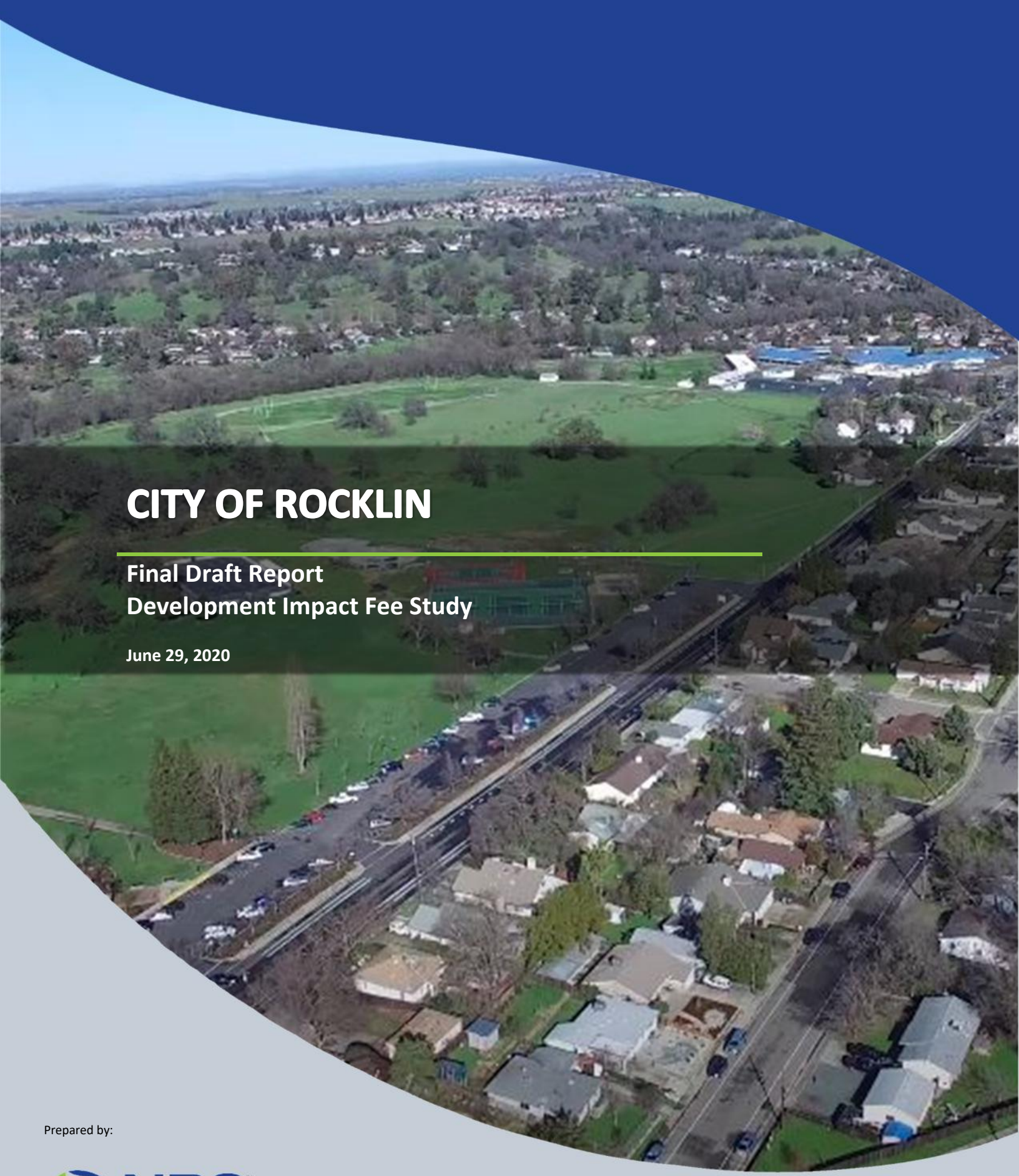

CITY OF ROCKLIN

Final Draft Report
Development Impact Fee Study

June 29, 2020

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Appendices

Executive Summary

The City of Rocklin has retained NBS Government Finance Group to prepare this study to analyze the impacts of new development on certain types of City facilities and to calculate impact fees based on that analysis. The methods used in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000 *et seq*.).

Organization of the Report

Chapter 1 of this report provides an overview of the legal requirements for establishing and imposing such fees, and methods that can be used to calculate impact fees.

Chapter 2 contains data on existing and future development that is used in this report.

Chapters 3 through 5 analyze the impacts of development on specific types of facilities and calculate impact fees for those facilities. The facilities addressed in this report are listed by chapter below:

Chapter 3. Park Improvements and Trails
Chapter 4. Community and Recreation Facilities
Chapter 5. Police, Fire and General Government Facilities

Chapter 6 contains recommendations for adopting and implementing impact fees, including suggested findings to satisfy the requirements of the Mitigation Fee Act.

Development Projections

Chapter 2 of this report presents estimates of existing development in Rocklin and projections of future development in the City out to 2040.

Future development projected in Chapter 2 indicates that the City's population could increase by about 27% to just over 88,000, as undeveloped residential land in the City is built out.

The potential for non-residential development, such as retail commercial, office and industrial development as measured by the number of jobs in the City could increase by 65%.

Impact Fee Analysis

The impact fee analysis for each type of facility addressed in this report is presented in a separate chapter. In each case, the relationship between development and the need for a particular type of facility is defined in a way that allows the impact of additional development on facility needs to be quantified. The impact fees are based on the cost of facilities and other capital assets needed to mitigate the impacts of additional development.

All of the fees calculated in this report are based on capital costs and may be spent only for capital facilities and other capital assets identified in this report. The following paragraphs briefly discuss the approach used to calculate impact fees for each type of facility addressed in this study.

Chapter 3 - Impact Fees for Park Improvements and Trails. Chapter 3 of this report calculates impact fees for park Improvements and trails. This report does not address park land acquisition because the city has an existing Park Development Fee to fund park land acquisition for new development. Because parks and trails are intended to serve residents of the City, the impact fees calculated in Chapter 3 will apply only to residential development.

The park improvement impact fees calculated in this report would replace the City's existing Community Park Fees. Those fees are based on the City's existing ratio of improved park acres to population, which is 3.63 acres per 1,000 residents. The park improvement cost used in the calculations is $545,891 per acre, which is a weighted average of recent costs for community and neighborhood parks in Rocklin. A cost per capita based on those factors is used to establish impact fees per unit for each type of residential development defined in this report.

The Trails Impact Fees are based on the City's existing per-capita investment in trails. The estimated replacement cost of the City's existing trails is divided by the existing population to derive a cost per capita. That cost per capita is then multiplied by the population per dwelling unit for each type of residential development defined in this report to establish the impact fees per unit.

See Chapter 3 for more detail on the calculation of impact fees for park improvements and trails. Table S.1, later in this Executive Summary shows the amounts of the impact fees calculated in this report.

Chapter 4 – Impact Fees for Community and Recreation Facilities. Chapter 4 calculates impact fees for community and recreation facilities. At present, the City's public facilities impact fees cover those facilities as well as facilities for police, fire and general government. In this report, public facilities impact fees for police, fire and general government facilities are calculated separately in Chapter 5.

The community and recreation facilities impact fees are based on the City's existing per-capita investment in those facilities. The estimated replacement cost of the City's existing community and recreation facilities is divided by the existing population to derive a cost per capita. That cost per capita is then multiplied by the population per dwelling unit for each type of residential development defined in this report to establish the impact fees per unit. Because community and recreation facilities are intended to serve residents of the City, this fee applies only to residential development.

See Chapter 4 for more detail on the calculation of impact fees for community and recreation facilities. Table S.1, later in this Executive Summary shows the amounts of the impact fees calculated in this report.

Chapter 5 - Impact Fees for Public Facilities. Chapter 5 calculates impact fees for police, fire and general government public facilities. In calculating the impact fees for public facilities, NBS defined two groups of facilities. Group 1 consists of facilities that are effectively at capacity and will have to be expanded or replicated to serve additional development. Group 2 consists of

facilities that have capacity to serve both existing development and future development through 2040. As explained below, those two groups are treated differently in the impact fee analysis.

Unlike the other impact fees discussed above, costs for public facilities are not allocated to development based on population alone. These public facilities serve both residential and non-residential development while population represents only residential development, so costs for public facilities are allocated using "service population."

Service population is a weighted composite of population (representing residential development) and employees (representing non-residential development). See Chapter 2 for a detailed explanation of how the service population used in this study is constructed.

In calculating the public facilities impact fees, the estimated replacement cost for Group 1 facilities is divided by the existing service population to get a cost per capita. The estimated replacement cost for Group 2 facilities is divided by the projected 2040 service population to get a cost per capita. The cost per capita used to calculate the public facilities impact fees is the sum of those two numbers.

The combined cost per capita is multiplied by the service population per unit of development for each type of development defined in this report to establish the impact fees per unit. The public facilities impact fees are intended to apply to all types of future development in the City.

Recovery of Study Costs

In this report, the impact fee calculations include a 2% administrative charge designed to recover costs for complying with administrative and reporting requirements of the Mitigation Fee Act and for periodic updates to the impact fee study.

Impact Fee Summary

Impact fees per unit calculated in this report are summarized in Table S.1, below. The Park Improvement Impact Fees have the same purpose as the City's existing Community Parks Fee. The City has no existing Trails Impact Fees. This study calculates a separate impact fee for community and recreation facilities, which are included in the existing Public Facilities Impact Fees. A comparison of Rocklin's impact fees with those of several other cities is shown in Appendix A to this report.

It is important to note that under existing policies, Rocklin's Public Facilities Impact Fee is coordinated with the City's Construction Tax. The Construction Tax is based on valuation (0.01050 X valuation for single-family residential and commercial development and 0.01397 X valuation for multi-family residential and industrial development). Currently, if the Public Facilities Impact Fee for a project is lower than the Construction Tax, no Public Facilities Impact Fee is collected. If the Public Facilities Impact Fee is higher than the Construction Tax, the difference is collected as the Public Facilities Impact Fee. As noted above, this study proposes separating the cost of community and recreation facilities from the Public Facilities Impact Fee into a new Community and Recreation Facilities Impact Fee which tends to reduce the amount of the Public Facilities

Impact Fee. [1] However, the City staff is proposing an ordinance change that would eliminate coordination between the Construction Tax and the Public Facilities Impact Fee, so that development projects would pay the full amount of both charges.

Table S.1: Impact Fees per Unit Calculated in this Report

Development Type	Units [1]	Park Imprvmts [2]	Trails [2]	Comm/Recr Facilities [3]	Public Facilities [4]	**Total**
Residential - Single-Family Detached	DU	$ 6,067.98	$ 1,283.27	$ 1,156.05	$ 2,402.25	**$ 10,909.55**
Residential - Multi-Family Attached	DU	$ 4,045.32	$ 855.51	$ 770.70	$ 1,601.50	**$ 7,273.03**
Residential - Mobile Home	DU	$ 3,539.66	$ 748.57	$ 674.36	$ 1,401.32	**$ 6,363.90**
Residential - Age-Restricted	DU	$ 2,932.86	$ 620.25	$ 558.76	$ 1,310.91	**$ 5,422.77**
Convalescent Care	DU				$ 1,130.09	**$ 1,130.09**
Retail	KSF				$ 1,808.15	**$ 1,808.15**
Office	KSF				$ 1,452.98	**$ 1,452.98**
Office-Medical	KSF				$ 1,162.38	**$ 1,162.38**
Industrial	KSF				$ 484.33	**$ 484.33**
Industrial-High Tech	KSF				$ 968.65	**$ 968.65**
Church	KSF				$ 129.15	**$ 129.15**
Hotel	Room				$ 452.04	**$ 452.04**
Total						

Note: All impact fees include a 2% administrative charge

[1] Units of development: DU = dwelling unit; KSF = 1,000 square feet of building area; room = guest room or suite

[2] See Chapter 3

[3] See Chapter 4

[4] See Chapter 5

Rocklin's existing Impact fees per unit for similar facilities are shown in Table S.2. Note that the proposed impact fees are calculated for several additional development types than the existing impact fees.

[1] As an example of the coordination between the Public Facilities Impact Fee and the Construction Tax, the Construction Tax for a 5-unit townhome project with a valuation of $1,020,264 at the multi-family rate of 0.01397 would be $14,253.09. The existing Public Facilities Impact Fee for 5 multi-family units would be 5 X $2,130 or $10,650. In this example the Public Facilities Impact Fee is lower than the Construction Tax so no Public Facilities Impact Fee would be charged. For a 7-unit Townhome project with the same valuation, the Public Facilities Impact Fee would be 7 X $2,130 or $14,910. In that case, the portion of the impact fee exceeding the Construction Tax ($656.91) would be collected in addition to the full amount of the Construction Tax.

Table S.2: Existing Impact Fees per Unit

Development Type	Units [1]	Park Imprvmts [2]	Trails [3]	Comm/Recr Facilities [4]	Public Facilities [5]	Total
Residential - Single-Family Detached	DU	$ 711.00	$ 0.00	$ 0.00	$ 4,187.00	**$ 4,898.00**
Residential - Multi-Family Attached	DU	$ 569.00	$ 0.00	$ 0.00	$ 2,130.00	**$ 2,699.00**
Residential - Mobile Home	DU					
Residential - Age-Restricted	DU					
Convalescent Care	DU					
Retail	KSF				$ 1,120.00	**$ 1,120.00**
Office	KSF				$ 1,490.00	**$ 1,490.00**
Office-Medical	KSF					
Industrial	KSF				$ 740.00	**$ 740.00**
Industrial-High Tech	KSF					
Church	KSF					
Hotel	Room					

[1] Units of development: DU = dwelling unit; KSF = 1,000 square feet of building area; room = guest room or suite

[2] The existing Community Parks Fee covers park improvement costs; Northwest Rocklin has its own Community Commuity Park Fees under a development agreement

[3] Rocklin has no existing Trails Impact Fees

[4] Community and recreation facilities are covered by the existing Public Facilities Impact Fee

[5] The Public Facilities Impact Fee addresses facilities for general government, police and fire protection facilities

Table S.3 shows the difference between the proposed impact fees and the existing impact fees, where there are existing fees to compare. Figures in parentheses indicate that the proposed fees are lower than the existing fees.

Table S.3: Difference Between Proposed Impact Fees and Existing Impact Fees per Unit

Development Type	Units [1]	Park Imprvmts	Trails	Comm/Recr Facilities	Public Facilities	Total
Residential - Single-Family Detached	DU	$ 5,356.98	$ 1,283.27	$ 1,156.05	$ (1,784.75)	**$ 6,011.55**
Residential - Multi-Family Attached	DU	$ 3,476.32	$ 855.51	$ 770.70	$ (528.50)	**$ 4,574.03**
Residential - Mobile Home	DU					
Residential - Age-Restricted	DU					
Convalescent Care	DU					
Retail	KSF				$ 688.15	**$ 688.15**
Office	KSF				$ (37.02)	**$ (37.02)**
Office-Medical	KSF					
Industrial	KSF				$ (255.67)	**$ (255.67)**
Industrial-High Tech	KSF					
Church	KSF					
Hotel	Room					

[1] Units of development: DU = dwelling unit; KSF = 1,000 square feet of building area; room = guest room or suite

Chapter 1. Introduction

Purpose

The purpose of this study is to analyze the impacts of development on the need for several types of public facilities provided by the City of Rocklin. This report documents the approach, data and methodology used in the analysis of impact fees in this study.

The methods used to calculate impact fees in this report are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000-66025.

Legal Framework for Developer Fees

This brief summary of the legal framework for development fees is intended as a general overview. It was not prepared by an attorney and should not be treated as legal advice.

U. S. Constitution. Like all land use regulations, development exactions, including impact fees, are subject to the 5th Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against "regulatory takings." A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

In two landmark cases dealing with exactions, the U. S. Supreme Court has held that when a government agency requires the dedication of land or an interest in land as a condition of development approval, or imposes ad hoc exactions as a condition of approval on a single development project that do not apply to development generally, a higher standard of judicial scrutiny applies. To meet that standard, the agency must demonstrate an "essential nexus" between such exactions and the interest being protected (See *Nollan v. California Coastal Commission,* 1987) and make an" individualized determination" that the exaction imposed is "roughly proportional" to the burden created by development (See *Dolan v. City of Tigard,* 1994).

Until recently, it was widely accepted that legislatively enacted impact fees that apply to all development in a jurisdiction are not subject to the higher standard of judicial scrutiny flowing from the *Nollan* and *Dolan* decisions. But after the U. S. Supreme Court decision in *Koontz v. St. Johns Water Management District (2013),* state courts have reached conflicting conclusions on that issue.

In light of that uncertainty, the methods used in this study are intended to demonstrate a nexus and ensure proportionality in the calculation of impact fees.

Defining the "Nexus." While courts have not been entirely consistent in defining the nexus required to justify exactions and impact fees, that term can be thought of as having the three elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard.* The elements of the nexus

discussed below mirror the three "reasonable relationship" findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

Need or Impact**.** Development must create a need for the facilities to be funded by impact fees. All new development in a community creates additional demands on some or all public facilities provided by local government. If the capacity of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is related to the development project subject to the fees.

The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public facilities based on applicable level-of-service standards. This report contains all of the information needed to demonstrate compliance with this element of the nexus.

Benefit. Development must benefit from facilities funded by impact fees. With respect to the benefit relationship, the most basic requirement is that facilities funded by impact fees be available to serve the development paying the fees. A sufficient benefit relationship also requires that impact fee revenues be segregated from other funds and expended in a timely manner on the facilities for which the fees were charged. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to development projects paying the fees.

Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are either expended expeditiously or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, over time, procedural issues as well as substantive issues can come into play with respect to the benefit element of the nexus.

Proportionality. Impact fees must be proportional to the impact created by a particular development project. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that those costs are allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIIIA. However, that objection is valid only if the fees charged to a project exceed the cost of providing facilities needed to serve the project. In that case, the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act.

Articles XIIIC and XIIID, added to the California Constitution by Proposition 218 in 1996, require voter approval for some "property-related fees," but exempt "the imposition of fees or charges as a condition of property development."

The Mitigation Fee Act. California's impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature, and took effect in January, 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time, the impact fee statute has been amended from time to time, and in 1997 was officially titled the "Mitigation Fee Act." Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include "public improvements, public services and community amenities." Although the issue is not specifically addressed in the Mitigation Fee Act, it is clear both in case law and statute (see Government Code Section 65913.8) that impact fees may not be used to pay for maintenance or operating costs. Consequently, the fees calculated in this report are based on the cost of capital assets only.

The Mitigation Fee Act does not use the term "mitigation fee" except in its official title. Nor does it use the more common term "impact fee." The Act simply uses the word "fee," which is defined as "a monetary exaction, other than a tax or special assessment…that 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 …."

To avoid confusion with other types of fees, this report uses the widely-accepted terms "impact fee" and "development impact fee" which both should be understood to mean "fee" as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and requires annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the implementation chapter of this report.

Required Findings**.** Section 66001 requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,
3. Determine that there is a reasonable relationship between:
   a. The use of the fee and the development type on which it is imposed;
   b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project. (Applies when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

Identifying the Purpose of the Fees. The broad purpose of impact fees is to protect public health, safety and general welfare by providing for adequate public facilities. The specific purpose of the fees calculated in this study is to fund construction of certain capital improvements that will be needed to mitigate the impacts of planned new development on City facilities, and to maintain an acceptable level of public services as the City grows.

This report recommends that findings regarding the purpose of an impact fee should define the purpose broadly, as providing for the funding of adequate public facilities to serve additional development.

Identifying the Use of the Fees. According to Section 66001, if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. In this case, we recommend that the City Council adopt this report as the public document that identifies the facilities to be funded by the fees.

Reasonable Relationship Requirement. As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

These three reasonable relationship requirements, as defined in the statute, mirror the nexus and proportionality requirements often cited in court decisions as the standard for defensible impact fees. The term “dual rational nexus” is often used to characterize the standard used by courts in evaluating the legitimacy of impact fees. The “duality” of the nexus refers to (1) an impact or need created by a development project subject to impact fees, and (2) a benefit to the project from the expenditure of the fees.

Although proportionality is reasonably implied in the dual rational nexus formulation, it was explicitly required by the Supreme Court in the *Dolan* case, and we prefer to list it as the third element of a complete nexus.

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section 66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to clarify that impact fees "shall not include costs attributable to existing deficiencies in public facilities,…" The legislature's intent in adopting this amendment, as stated in the bill, was to codify the holdings of *Bixel v. City of Los Angeles* (1989), *Rohn v. City of Visalia* (1989), and *Shapell Industries Inc. v. Governing Board* (1991).

That amendment does not appear to be a substantive change. It is widely understood that other provisions of law make it improper for impact fees to include costs for correcting existing deficiencies.

However, Section 66001(g) also states that impact fees "may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to *(1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan.*" (Emphasis added.)

Impact Fees for Existing Facilities. Impact fees may be used to recover costs for existing facilities to the extent that those facilities are needed to serve additional development and have the capacity to do so. In other words, it must be possible to show that fees used to pay for existing facilities meet the need and benefit elements of the nexus.

Impact Fee Calculation Methodology

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics of, and planning requirements for, the facility type being addressed. Each method has advantages and disadvantages in a particular situation. To some extent they are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is represented by some measurable attribute of development such as added population or added vehicle trips that represent the impacts created by different types and amounts of development.

Plan-Based or Improvements-Driven Method. Plan-based impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified in a facility plan, while the development is identified in a land use plan that forecasts potential development by type and quantity.

Using this method, facility costs are allocated to various categories of development in proportion to the service demand created by each type of development. To calculate plan-based impact fees, it is necessary to determine what facilities will be needed to serve a particular increment of new development.

With this method, the total cost of eligible facilities is divided by the total units of additional demand to calculate a cost per unit of demand (e.g. a cost per capita for parks). Then, the cost

per unit of demand is multiplied by factors representing demand per unit of development (e.g. population per unit) to arrive at a cost per unit of development.

This method is somewhat inflexible in that it is based on the relationship between a specific facility plan and a specific land use plan. If either plan changes significantly the fees will have to be recalculated.

Capacity-Based or Consumption-Driven Method. This method calculates a cost per unit of capacity based on the relationship between total cost and total capacity of a system. It can be applied to any type of development, provided the capacity required to serve each increment of development can be estimated and the facility has adequate capacity available to serve the development. Since the cost per unit of demand does not depend on the particular type or quantity of development to be served, this method is flexible with respect to changing development plans.

In this method, the cost of unused capacity is not allocated to development. Capacity-based fees are most commonly used for water and wastewater systems, where the cost of a system component is divided by the capacity of that component to derive a unit cost. However, a similar analysis can be applied to other types of facilities. To produce a schedule of impact fees based on standardized units of development (e.g. dwelling units or square feet of non-residential building area), the cost per unit of capacity is multiplied by the amount of capacity required to serve a typical unit of development in each of several land use categories.

Standard-Based or Incremental Expansion Method. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The standard can be established as a matter of policy or it can be based on the level of service being provided to existing development in the study area.

Using the standard-based method, costs are defined on a generic unit-cost basis and then applied to development according to a standard that sets the number of service units to be provided for each unit of development.

Park impact fees are commonly calculated this way. The level of service standard for parks is typically stated in terms of acres of parks per thousand residents. A cost-per-acre for park land or park improvements can usually be estimated without knowing the exact size or location of a particular park. The ratio of park acreage to population and the cost per acre for parks is used to calculate a cost per capita. The cost per capita can then be converted into a cost per unit of development based on the average population per dwelling unit for various types of residential development.

Buy-In or Recoupment Fees

Impact fees with a buy-in component can be calculated as a variation of the Plan-Based or Capacity-based methods. Such fees are used to recover some or all of the cost of previously constructed capital facilities which have capacity available to serve additional development.

Some facilities, such as water and sewer systems must be constructed before development can occurs. For other types of facilities, it may be cost effective to build projects with excess capacity included to serve future development. In either situation, the agency providing the facilities can use impact fees to recoup the cost of facilities funded in advance for the benefit of development that will occur later.

Facilities Addressed in this Study

Impact/in-lieu fees for the following types of facilities are addressed in this report:

- Park Improvements and Trails
- Community and Recreation Centers
- Public Facilities

Each of those facility types is addressed in a separate chapter of this report, beginning with Chapter 3. Chapter 2 contains data on existing and future development used in the impact fee analysis.

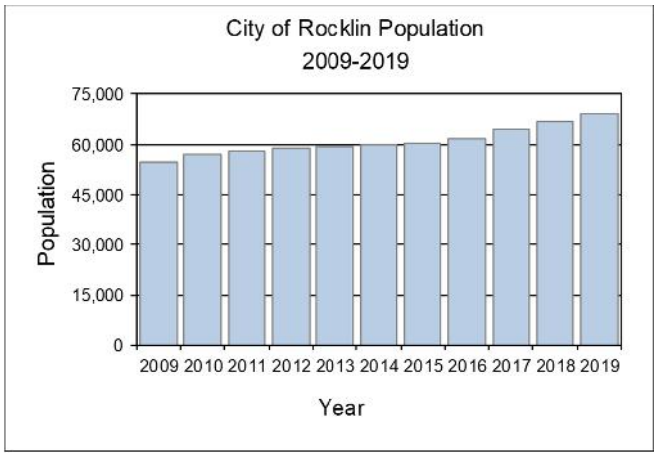
Chapter 2. Development Data

This chapter presents development data that will be used to calculate impact fees in subsequent chapters of this report.

The information in this chapter may be used to establish levels of service, analyze facility needs, and/or allocate the cost of capital facilities between existing and future development and among various types of new development.

Recent Growth

The graph at right shows the California Department of Finance (DOF) January 1 population estimates for the City of Rocklin for the years from 2009 through 2019. As of the date of this report, DOF estimates for 2020 had not been issued.



Since 2009, Rocklin has grown at an average rate of about 2.4% per year. The City's January 1, 2019 population of 69,249, as estimated by DOF, is an increase of 12,275 or 21.5% from the 2010 Census population of 56,974.

The population figures shown above include both household population and population in group quarters. Rocklin's population in group quarters in 2019 is 618, less than 1% of the City's total population. For purposes of assessing the impacts of development, this report will use household population.

Study Area and Development Projections

The study area for this impact fee study is the planning area defined in the Rocklin General Plan. Future development in this study is projected out to a target date of 2040. However, the timing of future development does not factor into the impact fee calculations. The impact fee calculations address the quantity and mix of future development projected in this study, regardless of when that development occurs.

Development Types

The development types defined in this study are intended to reflect actual land uses rather than zoning or general plan land use designations. The following breakdown of development types is used in this study:

- Residential, Single-Family Detached
- Residential, Multi-Family Attached
- Residential, Mobile Home
- Residential, Age-Restricted
- Convalescent Care
- Retail
- Office
- Office-Medical
- Industrial
- Industrial, High Tech
- Church
- Hotel
- Schools

Demand Variables

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Some measurable attribute of development (e.g., population) is used as a "demand variable" in those formulas to represent the impact of different types of development on the need for additional parks or public facilities.

Demand variables are selected either because they directly measure the service demand created by various types of development, or because they are reasonably correlated with that demand. The two demand variables are used in this study are discussed below.

Population. Resident population is used in this study to represent the need for parks and community and recreation facilities. Those facilities are intended to serve residents of the City, and while there is likely to be some incidental use by non-residents, their purpose is to serve residents of Rocklin. Because added population is associated with residential development, impact fees based on population apply only to residential development.

Service Population. This study calculates impact fees for "public facilities," including police facilities, fire protection facilities and general government facilities. All of those facilities serve both residential and non-residential development in the City so population alone does not represent all of the impacts of development on those facilities. A variable called service population is used in this study to calculate impact fees for public facilities.

Service population is a composite variable that includes both residents of the City and employees of businesses in Rocklin. Residents are included to represent the impacts of residential development and employees are included to represent the impacts of non-residential development (retail, office, industrial, etc.). Demand associated with community colleges is represented by student numbers. K-12 students are not shown in the land use tables because they are all assumed to be residents.

Because the impact of one new resident is not necessarily the same as the impact of one new employee or student, each component of the service population is given a weight relative to a base weight of 1.0.

In this study, the base weight of 1.0 is assigned only to residents in convalescent care. We assume that residents in age restricted residential developments are retired, and that they spend eight hours per week (out of a total of 168 hours) outside the City for shopping and recreation, giving them a weight of 0.952 (160/168 = 0.952).

The weight assigned to other residents is based on analysis of data on how many residents are employed, and how many commute to work outside the City. Census Bureau data for 2017 show that 77.6% of Rocklin residents between ages 20 and 64 are employed, and that 72.6% of employed residents work outside the City.

Assuming that out-commuters spend 47.5 hours a week (9.5 hours per day) outside the City for work and another 4 hours a week for shopping and recreation, the average number of hours per week in the City out-commuters is 116.5, and the average for all residents is 149. Dividing that number by 168 hours per week gives us a weight of 0.887 for residents not living in age-restricted units or convalescent care.

The weights assigned to employees of business associated with various types of non-residential development are based on the number of employees per unit (the unit used in this study for most non-residential development is building area in thousands of square feet, abbreviated as KSF), and the number of hours a week that a certain type of business would be expected to operate.

So, for example, an average retail business may be open 12 hours a day, 7 days a week, while offices and industrial uses may operate only 9 hours a day, 5 days a week. Medical and dental offices are assumed to operate only 4 days a week. The weighting factor for hotels assumes that most of their occupancy is concentrated in 12 hours a day, seven days a week. The weighting factor for churches assumes their primary activities are concentrated in 12 hours per week, and the factor for community college assumes students spend 12 hours per week on campus.

The actual factors used to weight employees for each type of development are based on the hours per week estimates. For example, we are assuming that retail businesses operate 12 hours a day 7 days a week, which is 84 hours or one-half of the total hours in a week. I follows, then, that the base weight for employees in the retail category is 0.5. Service population factors for other types of development are calculated in a similar fashion.

The final adjustment to service population weighting is the scaling of non-residential service population factors to achieve a reasonable allocation of facility costs between residential and non-residential development. In this study a scaling factor of 2.0 is applied to the base weights for non-residential development types. After that adjustment, non-residential service population represents 17.8% of the total service population used to allocate costs for public facilities in this report.

Table 2.1 shows the service population per unit factors based on that approach along with population per unit and employees per unit factors used in this study.

Demand Factors

Each demand variable discussed in the previous section has a specific value per unit for each type of development. Those values are called demand factors in this study. Table 2.1 shows the values for population per unit, employees per unit and service population per unit, as well as the service population factors used to convert population and employees to service population.

Table 2.1: Demand Factors Used in This Study

Development Type	Dev Unit [1]	Population per Unit [2]	Employees per Unit [3]	Svc Pop Factor [4]	Svc Pop per Unit [5]
Residential - Single-Family Detached	DU	3.00		0.887	2.657
Residential - Multi-Family Attached	DU	2.00		0.887	1.771
Residential - Mobile Home	DU	1.75		0.887	1.550
Residential - Age-Restricted	DU	1.45		0.952	1.450
Convalescent Care	DU	1.25		1.000	1.250
Retail	KSF		2.000	1.000	2.000
Office	KSF		3.000	0.536	1.607
Office-Medical	KSF		3.000	0.429	1.286
Industrial	KSF		1.000	0.536	0.536
Industrial-High Tech	KSF		2.000	0.536	1.071
Church	KSF		1.000	0.143	0.143
Hotel	Room		0.500	1.000	0.500
Community College	Student		1.000	0.143	0.143

[1] Units of development: DU = dwelling unit; KSF = 1,000 square feet of building area; room = guest room or suite

[2] Population per unit for residential units based on data from the 2017 U. S. Census Bureau American Community Survey 5-Year estimate and the Rocklin General Plan; population per unit for age-restricted residential and convalescent care estimated by NBS

[3] Employees per unit factors from Fehr and Peers and the Rocklin Economic and Community Development Department; note that the number shown for community colleges in the employees per unit column represents students rather than employees

[4] Service population factor; see discussion in text

[5] Service population per unit = population, employees or students per unit X service popuulation factor

Development Data and Growth Assumptions

Table 2.2 shows estimates of 2019 development in Rocklin. 2019 dwelling units and population are based on the California Department of Finance (DOF) January 2019 estimates, with the exception of the age-restricted residential and convalescent care categories. Units in those categories were provided by the City of Rocklin. Population per unit for those categories was estimated by NBS. The units and population in the age-restricted residential category were deducted from the DOF single-family detached residential category estimates to avoid double counting.

Non-residential units and employees shown in Table 2.2 are based on data from the 2016 Rocklin Travel Demand Model and are extrapolated to 2019. Service population is calculated as existing residential and non-residential units multiplied by service population per unit factors from Table 2.1.

Table 2.2: City of Rocklin - Existing Development -January 1, 2020

Development Types	Dev Unit [1]	Residential Units [2]	Popula-tion [3]	Non-Res Units [4]	Employees [5]	Service Pop [6]
Residential - Single-Family Detached	DU	17,709	53,127			47,055
Residential - Multi-Family Attached	DU	6,560	13,120			11,621
Residential - Mobile Home	DU	502	879			778
Residential - Age-Restricted	DU	1,174	1,702			1,702
Convalescent Care	DU	444	555			555
Retail	KSF			3,986.7	7,973	7,973
Office	KSF			1,587.5	4,762	2,551
Office-Medical	KSF			206.3	619	265
Industrial	KSF			1,872.7	1,873	1,003
Industrial-High Tech	KSF			1,158.7	2,317	1,241
Church	KSF			286.3	286	41
Hotel	Room			530.0	265	265
Community College	Student			16,200		2,314
Total		**26,389**	**69,383**		**18,096**	**77,366**

[1] Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite

[2] Estimated existing residential units based on the California Department of Finance E-5 report for January 2019; convalescent care units estimated by the City of Rocklin

[3] Estimated existing population = existing residential units (including convalescent care) X population per unit from Table 2.1

[4] Estimated existing non-residential units based on data from the 2016 Rocklin Travel Demand Model Update extrapolated to January 1, 2019

[5] Estimated existing employees = existing non-residential units X employees per unit from Table 2.1

[6] Estimated existing service population = estimated residential and non-residential units X service population per unit from Table 2.1

Table 2.3 shows projected new development in the City from 2019 to 2040. The numbers in that table represent the difference between 2040 development in Table 2.4 and 2019 development from Table 2.2.

Table 2.3: Projected Future Development in Rocklin to 2040

Development Types	Dev Unit [1]	Residential Units [2]	Popula-tion [2]	Non-Res Units [2]	Employees [2]	Service Pop [2]
Residential - Single-Family Detached	DU	3,596	10,788			9,555
Residential - Multi-Family Attached	DU	3,707	7,414			6,567
Residential - Mobile Home	DU	0	0			0
Residential - Age-Restricted	DU	20	29			29
Convalescent Care	DU	444	555			555
Retail	KSF			2,633	5,267	5,267
Office	KSF			1,771	5,312	2,846
Office-Medical	KSF			87	260	111
Industrial	KSF			117	117	63
Industrial-High Tech	KSF			423	847	454
Church	KSF			36	36	5
Hotel	Room			0	0	0
Community College	Student			9,600	-	1,371
Total		**7,767**	**18,786**		**11,838**	**26,822**

[1] Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = one guest room or suite

[2] The figures in this table represent the difference between buildout development in Table 2.4 and existing development in Table 2.2

Table 2.4 shows the projected total development in Rocklin in 2040. In that table, residential and non-residential units are based on projections from the 2016 Rocklin Travel Demand Model, with the exception of the convalescent care units which were adjusted by NBS based on updated 2019 data for existing units in that category. 2040 population, employees and service population are calculated as 2040 residential and non-residential units multiplied by the appropriate factors from Table 2.1.

Table 2.4: Total 2040 Development in Rocklin

Development Types	Dev Unit [1]	Residential Units [2]	Popula-tion [3]	Non-Res Units [4]	Employees [5]	Service Pop [6]
Residential - Single-Family Detached	DU	21,305	63,915			56,610
Residential - Multi-Family Attached	DU	10,267	20,534			18,187
Residential - Mobile Home	DU	502	879			778
Residential - Age-Restricted	DU	1,194	1,731			1,731
Convalescent Care	DU	888	1,110			1,110
Retail	KSF			6,620	13,240	13,240
Office	KSF			3,358	10,074	5,397
Office-Medical	KSF			293	879	377
Industrial	KSF			1,990	1,990	1,066
Industrial-High Tech	KSF			1,582	3,164	1,695
Church	KSF			322	322	46
Hotel	Room			530	265	265
Community College	Students			25,800		3,686
Total		**34,156**	**88,169**		**29,934**	**104,188**

[1] Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite

[2] 2040 residential units based on data from the 2016 Rocklin Travel Demand Model

[3] 2040 population = buildout residential units (including convalescent care) X population per unit from Table 2.1

[4] 2040 non-residential units based on data from the 2016 Rocklin Travel Demand Model

[5] 2040 employment = buildout non-residential units X employees per unit from Table 2.1

[6] 2040 service population = buildout residential and non-residential units X service population per unit from Table 2.1

Rocklin's 2012 adopted General Plan estimated Rocklin's ultimate residential development at 29,383 housing units with an assumption of 2.6 persons per household (pph) resulting in a projected population of 76,136 residents at buildout.

However, since the adoption of the 2012 General Plan there have been a number of additional General Plan Land Use Designation changes that have increased the potential number of housing units that could ultimately be developed. Persons per household projections have also increased slightly. The current estimated buildout population in Rocklin for purposes of this study is 88,169.

The effect of the post 2012 land use designation changes completed to date have not yet been reflected in the text of the current General Plan Land Use Element but have been accounted for in Tables 2.3 and 2.4 above.

Chapter 3. Park Improvements and Trails

The City of Rocklin currently imposes two types of park fees on new development, the Park Development Fee and the Community Park Fee. This report updates only the Community Park Fee. The Park Development Fee is not within the scope of this study.

The City's existing Community Park Fee covers the cost of improvements to community parks. This chapter calculates impact fees for improvements to neighborhood and community parks as well as trails. Those fees are referred here to as Park Improvement and Trails Impact Fees. The Park Improvement Impact Fee is intended to replace the City's existing Community Park Fee.

Methodology

The method used to calculate impact fees in this chapter is the standard-based method discussed in Chapter 1. That method calculates impact fees based on current levels of service in Rocklin which, in this case are the existing ratio of improved park acres to population and the existing ratio of trail miles to population in Rocklin.

Demand Variable

A demand variable is a measurable attribute of development that is used in impact fee calculation formulas to represent the impact of development on a particular type of facility. The need for parks is almost universally defined in terms of the population to be served, so the demand variable used to calculate park improvement impact fees in this chapter is added population. The same method will be used to calculate impact fees for trails.

Because the impact of development on the need for parks and trails is created by an increase in population associated with new residential development, the fees calculated in this chapter will apply only to new residential development.

Service Area

Rocklin's parks and trails serve the entire City, so the impact fees are calculated in this chapter on a citywide basis. It is important to note that Northwest Rocklin (Whitney Ranch/Sunset Ranchos and the Highway 65 Planning Areas) where a large share of Rocklin's future development will occur is subject to a development agreement with the City that stipulates the amount of the Community Park Fees to be paid by development within that area. Community Park Fee revenue generated in that area is committed to the development of certain parks in Northwest Rocklin.

Nevertheless, all of the parks and trails in the City, including those in Northwest Rocklin, are available to all residents of the City, including residents of Northwest Rocklin. Therefore, the park improvement and trails impact fees are calculated on a citywide basis.

Existing Parks

In order to calculate a ratio of existing park acreage to population, it is necessary to start with an inventory of the City's existing parks and trails. Table 3.1 on the next page lists Rocklin's existing

parks and shows the total acres, developed acres, undeveloped acres and habitat acres for each park. This list does not include special use facilities such as Quarry Park Adventure or the Sunset Whitney Recreation Area which are not addressed in these impact fee calculations.

Table 3.1: Existing Community and Neighborhood Parks

Park Name	Park Type	Total Acres [1]	Developed Acres [1]	Undev Acres [1]	Habitat Acres [1]
Johnson Springview Park	Community	133.88	56.30	40.37	37.21
Kathy Lund (Lone Tree) Park	Community	30.21	18.86	11.35	
Margaret Azevedo Park	Community	24.10	12.81	11.29	
Quarry Park	Community	16.42	11.66	4.76	
Twin Oaks Park	Community	30.28	26.31	3.97	
Whitney Park	Community	39.57	21.00	18.57	
Bolton Park	Neighborhood	2.99	2.99		
Boulder Ridge Park	Neighborhood	10.73	10.25	0.48	
Breen Park	Neighborhood	5.90	4.95		0.95
Brigham and Hawes Park	Neighborhood	3.57	1.89	1.68	
Christine Anderson Park	Neighborhood	0.89	0.89		
Clark Dominguez	Neighborhood	8.02	8.02		
Clover Valley Park	Neighborhood	3.72	2.39		1.33
Corral Alva Park	Neighborhood	5.29	3.12	1.17	
Deer Creek Park	Neighborhood	1.05	1.05		
Gayaldo Park	Neighborhood	2.62	2.06	0.56	
Joe Hernandez Park	Neighborhood	3.52	3.52		
Mansion Oaks Park	Neighborhood	5.84	2.43	1.12	2.29
Memorial Park	Neighborhood	1.11	1.11		
Monte Verde Park	Neighborhood	4.04	1.43		2.61
Monument Park	Neighborhood	7.28	2.03	5.25	
Night Ridge Park	Neighborhood	4.01	4.01		
Pebble Creek Park	Neighborhood	4.68	4.17	0.51	
Pernu Park	Neighborhood	1.39	1.39		
Pernu Park II	Neighborhood	3.85	3.85		
Heritage (Old Timers) Park	Neighborhood	10.34	5.60	4.74	
Pleasant Valley Creek Park	Neighborhood	9.80	3.58	0.81	5.41
Ruhkala Park	Neighborhood	4.98	4.98		
Sasaki Park	Neighborhood	1.68	1.68		
Sierra Meadows Park	Neighborhood	4.82	3.24	1.58	
Sonora Park	Neighborhood	7.71	4.64	3.07	
Sunset East Park	Neighborhood	6.93	1.12	2.15	3.66
Vista Grande Park	Neighborhood	6.15	4.14	2.01	
Wesley Park	Neighborhood	7.83	5.03	2.80	
Wickman Park	Neighborhood	2.23	2.23		
Willard Park	Neighborhood	4.79	4.79		
Woodside Park	Neighborhood	3.56	2.52	1.04	
Total		**425.78**	**252.04**	**119.28**	**53.46**

[1] Acreages provided by the City of Rocklin Parks and Recreation Department

Existing Level of Service – Park Improvements

The level of service standard used to calculate park improvement impact fees in this chapter is the existing ratio of improved park acres to population. Table 3.2 calculates the current acres per capita using the acres of improved parks from Table 3.1 and the City's existing population from Table 2.2 in Chapter 2. The ratio is also shown as acres per 1,000 population, because the ratio is most commonly stated in that form.

Table 3.2: Existing Level of Service - Park Improvements

Existing Improved Park Acres [1]	2020 Population[2]	Acres per Capita [3]	Acres per 1000 [4]
252.04	69,383	0.00363	3.63

[1] See Table 3.1

[2] See Table 2.2

[3] Acres per capita = existing acres / 2020 population

[4] Acres per 1,000 population = acres per capita X 1,000

It is important to note that the ratio of park acres to population shown in Table 3.2 is based only on acres improved for park use. It does not include undeveloped park land or land reserved for habitat. Nor does it include the Quarry Park Adventure site or the Sunset Whitney Recreation Area. When all of the City's park land is considered, the existing ratio substantially exceeds the General Plan standard of 5.0 acres per thousand residents.

Cost Per Capita – Park Improvements

Table 3.3 converts the acres-per-capita factor from Table 3.2 into a cost per capita using a weighted average cost per acre for community and neighborhood park improvements. Community parks represent 58.3% of the City's existing developed park acres. Neighborhood parks represent 41.7%.

Table 3.3: Cost per Capita - Park Improvements

Cost per Acre [1]	Acres per Capita [2]	Cost per Capita [3]
$545,891	0.00363	$1,983.00

[1] Cost per acre is the weighted average improvement cost per acre for community and neighborhood parks based on existing park acres and recent costs for park development in Rocklin; community park cost = $689,756 per acre; neighborhood park cost = $344,753 per acre

[2] See Table 3.2

[3] Cost per capita = cost per acre X acres per capita

Park Improvement Impact Fees per Unit

Table 3.4 calculates park improvement impact fees per unit by development type based on the cost per capita from Table 3.3 and the population per dwelling unit from Table 2.1. A 2% administrative charge is added to the impact fees to cover the cost of administrative activities mandated by the Mitigation Fee Act and the cost of periodic impact fee update studies.

Table 3.4: Park Improvement Impact Fees per Unit

Development Type	Units [1]	Cost per Capita [2]	Population per DU [3]	Cost per Unit [4]	Admin Charge [5]	Impact Fee per Unit [6]
Residential - Single-Family Detached	DU	$ 1,983.00	3.00	$ 5,949.00	$ 118.98	$ 6,067.98
Residential - Multi-Family Attached	DU	$ 1,983.00	2.00	$ 3,966.00	$ 79.32	$ 4,045.32
Residential - Mobile Home	DU	$ 1,983.00	1.75	$ 3,470.25	$ 69.41	$ 3,539.66
Residential - Age-Restricted	DU	$ 1,983.00	1.45	$ 2,875.35	$ 57.51	$ 2,932.86

[1] Units of development: DU = dwelling unit

[2] See Table 3.3

[3] See Table 2.1

[4] Impact fee per unit = cost per capita X population per dwelling unit

[5] Administrative charge based on 2% of the cost per unit; see discussion in text

[6] Impact fee per unit = cost per unit + the 2% administrative charge

The impact fees per unit in Table 3.4 represent a large increase over the City's current Community Park Fees, which are set at $711.00 for single family (detached) units and $569.00 for multi-family (attached) units. However, the current fees have not been increased in 20 years.

Existing Trails

Table 3.5 summarizes Rocklin's existing trails and calculates the replacement cost for those trails. Replacement cost is used here as an indication of the cost of building additional trails to serve future development.

Table 3.5: Existing Trails

Trail Type	Trail Miles [1]	Trail Width (Ft)	Trails Sq Feet [2]	Repl Cost per Sq Foot [3]	Existing Trails Repl Cost [4]
Hiking Trails	3.27	10	172,656	$4.00	$ 690,624
Class I Bike Trail	9.00	10	475,200	$10.00	$ 4,752,000
Class II Bike Trail	56.00	8	2,365,440	$10.00	$ 23,654,400
TOTAL	**68.27**				**$ 29,097,024**

[1] Hiking trail miles from Rocklin Parks & Trails Master Plan Exhibit 3.4; bike trail miles from Rocklin GIS Department, January 2020

[2] Trails square feet = trail miles X 5,280 feet per mile X trail width

[3] Replacement cost per square foot estimated by the City of Rocklin

[4] Existing trails eplacement cost = trails square feet X replacement cost per square foot

Existing Level of Service/Cost per Capita – Trails

The level of service standard used to calculate trails impact fees in this chapter is the per-capita cost of the City's existing trails. That cost is calculated by dividing the replacement cost of existing trails by the City's existing population. That calculation is shown in Table 3.6.

Table 3.6: Existing Level of Service - Trails

Existing Trails Repl Cost [1]	2020 Population[2]	Cost per Capita [3]
$29,097,024	69,383	419.37

[1] See Table 3.5

[2] See Table 2.2

[3] Cost per capita = existing trails replacement cost / 2020 population

Trails Impact Fees per Unit

Table 3.7 calculates trails impact fees per unit by development type based on the cost per capita from Table 3.6 and the population per dwelling unit from Table 2.1. A 2% administrative charge is added to the impact fees to cover the cost of administrative activities mandated by the Mitigation Fee Act and the cost of periodic impact fee update studies.

Table 3.7: Trails Impact Fees per Unit

Development Type	Units [1]	Cost per Capita [2]	Population per DU [3]	Cost per Unit [4]	Admin Charge [5]	Impact Fee Fee per Unit [6]
Residential - Detached	DU	$ 419.37	3.00	$ 1,258.10	$ 25.16	$ 1,283.27
Residential - Attached	DU	$ 419.37	2.00	$ 838.74	$ 16.77	$ 855.51
Residential - Mobile Home	DU	$ 419.37	1.75	$ 733.89	$ 14.68	$ 748.57
Residential - Age-Restricted	DU	$ 419.37	1.45	$ 608.08	$ 12.16	$ 620.25

[1] Units of development: DU = dwelling unit

[2] See Table 3.6

[3] See Table 2.1

[4] Cost unit = cost per capita X population per dwelling unit

[5] Administrative charge based on 2% of the cost per unit; see discussion in text

[6] Impact fee per unit including administrative charge

Projected Revenue

Table 3.8 shows projected revenue for the park improvement impact fees calculated in this chapter. Projected revenue is a product of the impact fee per unit and the number of future units for each type of residential development. The future units shown in Table 3.8 exclude those to be constructed in Northwest Rocklin because that area is subject to separate community park

impact fees defined in a development agreement. These projections do not include revenue from the administrative charge.

Table 3.8: Projected Revenue from Park Improvement Impact Fees

Development Type	Units [1]	Impact Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Single-Family Detached	DU	$ 5,949.00	2,610	$ 15,526,890
Residential - Multi-Family Attached	DU	$ 3,966.00	3,469	$ 13,758,054
Residential - Mobile Home	DU	$ 3,470.25	0	$ 0
Residential - Age-Restricted	DU	$ 2,875.35	20	$ 57,507
Total				**$ 29,342,451**

[1] Units of development: DU = dwelling unit

[2] See Table 3.4

[3] See Table 2.3

[4] Projected revenue excluding admin charge = cost per unit X future units

Table 3.9 shows projected revenue for the trails impact fees calculated in this chapter. Projected revenue is a product of the impact fee per unit and the number of future units for each type of residential development.

Table 3.9: Projected Revenue from Trails Impact Fees

Development Type	Units [1]	Impact Fee Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Single-Family Detachec	DU	$ 1,258.10	3,596	$ 4,524,144
Residential - Multi-Family Attached	DU	$ 838.74	3,707	$ 3,109,196
Residential - Mobile Home	DU	$ 733.89	0	$ 0
Residential - Age-Restricted	DU	$ 608.08	20	$ 12,162
Total				**$ 7,645,502**

[1] Units of development: DU = dwelling unit

[2] See Table 3.7

[3] See Table 2.3

[4] Projected revenue = impact fee per unit X future units

Use of the Park Improvement Impact Fees

The City of Rocklin owns over 200 acres of unimproved park land. The revenue projected in Table 3.8 from park improvement impact fees would cover the cost of improving about 54 acres of parks at the estimated cost per acre shown in Table 3.3. Revenue from the park improvement impact fees will be expended for construction of neighborhood parks in areas of the City where it is collected or for community parks which serve the entire City.

Use of the Trails Impact Fees

The average replacement cost per mile for the existing trails shown in Table 3.5 is about $426,200. Based on the projected revenue of $7,645,502 from Table 3.9, the impact fees calculated in this chapter would allow the City to build about 18 miles of additional trails, assuming the same mix of types as the existing trails. That is an increase of 26% over the City's existing trail mileage, which is consistent with projected population growth of 27% from 2020 to 2040 as shown in Chapter 2

Updating the Fees

The impact fees calculated in this chapter are based on costs for recently constructed parks in Rocklin. We recommend that these fees be reviewed periodically and adjusted as needed to keep pace with actual construction costs. The fees can be updated using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI)

Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;
b. The need for the facility and the type of development on which the fee is imposed; and
c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for parks and trails in Rocklin.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional parks and trails to mitigate the impacts of new development in the City.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional parks and trails to serve the needs of additional population associated with new residential development in Rocklin.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New residential development increases the need for parks and trails to maintain the existing level of service as described earlier in this chapter. Without additional parks and trails, the increase in population associated with new residential development would result in a reduction in the level of service provided to all residents of the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the park improvement impact fees and trails impact fees charged to a residential development project will depend on the increase in population associated with that project. The fees per unit of development calculated in this chapter for each type of residential development are based on the estimated average population per unit for that type of development in Rocklin. Thus, the fee charged to a development project reflects the impact of that project on the need for parks in the City.

Chapter 4. Community and Recreation Facilities

Rocklin's existing public facilities impact fee encompasses community and recreation facilities as well as general government, police and fire facilities. In this report, impact fees for general government, police and fire facilities are calculated separately in Chapter 5. This chapter calculates impact fees for community and recreation facilities.

Methodology

The method used to calculate development impact fees in this chapter is the standard-based method discussed in Chapter 1. That method calculates impact fees using the existing level of service defined as the per-capita cost of existing community and recreation facilities, based on the replacement cost of the City's existing facilities divided by the existing population. Replacement cost is used in these calculations as an indicator of the cost of providing additional facilities for future development.

Demand Variable

A demand variable is an attribute of development that is used in fee calculation formulas to represent the impact of development on a particular type of facility. The need for community and recreation facilities is almost universally defined in terms of the population to be served, so the demand variable used to calculate impact fees for community and recreation facilities in this chapter is added population.

Because the impact of development on the need for additional community and recreation facilities is created by an increase in population associated with new residential development, the fees calculated in this chapter will apply only to new residential development.

Service Area

Rocklin's community and recreation facilities serve the entire City so impact fees for community and recreation facilities are intended to apply to all new residential development in the City.

Existing Facilities

In order to calculate a ratio of existing facility costs to population, it is necessary to start with an inventory of the City's existing community and recreation facilities. Table 4.1 lists those facilities and shows the size, replacement cost and land value for each facility. As noted earlier, replacement cost is used in this chapter as an indicator of the cost of additional facilities that will be needed to serve future development.

Table 4.1: Existing Community and Recreation Facilities - Replacement Cost

Facility	Square Feet	Facility Repl Cost [1]	FF&E [2]	Site Acres [3]	Land Value	Total Facility Repl Cost
Rocklin Event Center Main Building	28,000	$ 6,682,603	$ 511,671	6.40	$ 854,398	$ 8,048,672
Rocklin Event Center Ofc Buildings (2)	2,400	$ 428,500	$ 88,500	Included		$ 517,000
Rocklin Historical Museum	1,291	$ 351,800	$ 31,000	0.33	$ 88,098	$ 470,898
Finnish Temperance Hall	5,644	$ 1,438,800	$ 113,700	1.70	$ 1,126,500	$ 2,679,000
Finnish Temperance Hall Annex	960	$ 144,600	$ 28,400	Included		$ 173,000
Third Street Recreation Center	1,815	$ 453,800	$ 36,600	13.00		$ 490,400
Rocklin Community Center	5,160	$ 1,957,723	$ 104,000	7.20		$ 2,061,723
Quarry Park Amphitheatre & Green Rm	N/A	$ 3,279,498	$ 0	In Park		$ 3,279,498
Recreation Admin Office	8,117	$ 2,257,300	$ 163,600	1.73		$ 2,420,900
St. Mary's Church	1,637	$ 398,200	$ 31,500	UPRR Land		$ 429,700
Library	16,600	$ 4,946,800	$ 0	2.30	$ 694,817	$ 5,641,617
Total		**22,339,624**	**1,108,971**	**32.66**	**$ 2,763,813**	**$ 26,212,408**

[1] Estimated building replacement cost from City of Rocklin property schedule, except for the Rocklin Community Center which was based on historic cost escalated to 2019 using the *Engineering News Record* Building Cost Index

[2] Furniture fixtures and equipment (FF&E) from the personal property column in the City property schedule

[3] Site acres from Placer County Parcel Maps

[4] Land value based on estimates by the City of Rocklin Finance Department

[5] Total facility replacement cost = building replacement cost + FF&E + land value

Level of Service Standard - Cost per Capita

The level of service standard used to calculate impact fees for community and recreation facilities in this chapter is the ratio of existing facility replacement cost to existing population. Table 4.2 calculates that ratio using the total facility replacement cost from Table 4.1 and the City's existing population from Table 2.2 in Chapter 2.

Table 4.2: Community and Recreation Facilities - Cost per Capita

Total Facility Repl Cost [1]	2020 Population [2]	Cost per Capita [3]
$26,212,408	69,383	$377.79

[1] See Table 4.1

[2] See Table 2.2

[3] Cost per capita = total facility replacement cost / 2020 population

Impact Fees per Unit

Table 4.3 calculates community and recreation facilities impact fees per unit by development type based on the cost per capita from Table 4.2 and the population per dwelling unit from Table 2.1. A 2% administrative charge is added to the impact fees to cover the cost of administrative activities mandated by the Mitigation Fee Act, and the cost of periodic impact fee update studies.

Table 4.3: Community and Recreation Facilities Impact Fees per Unit

Development Type	Units	Cost per Capita [1]	Population per Unit [2]	Cost per Unit [3]	Admin Charge [4]	Impact Fee per Unit [5]
Residential - Single-Family Detached	DU	$377.79	3.00	$ 1,133.38	$ 22.67	$ 1,156.05
Residential - Multi-Family Attached	DU	$377.79	2.00	$ 755.59	$ 15.11	$ 770.70
Residential - Mobile Home	DU	$377.79	1.75	$ 661.14	$ 13.22	$ 674.36
Residential - Age-Restricted	DU	$377.79	1.45	$ 547.80	$ 10.96	$ 558.76
Total						

[1] See Table 4.2

[2] See Table 2.1

[3] Impact fee per unit = cost per capita X popoulation per unit

[4] Admininstration charge based on 2% of the cost per unit

[5] Impact fee per unit = cost per unit + administration charge

Projected Revenue

Table 4.4 shows projected revenue for the community and recreation facilities impact fees calculated in this chapter. Projected revenue is a product of the impact fee per unit and the number of future units for each type of residential development. These projections do not include revenue from the administrative charge.

Table 4.4: Projected Revenue - Community and Rec Facilities Impact Fees

Development Type	Units	Cost per Unit [1]	Future Units [2]	Projected Revenue [3]
Residential - Single-Family Detached	DU	$ 1,133.38	3,596	$ 4,075,630
Residential - Multi-Family Attached	DU	$ 755.59	3,707	$ 2,800,957
Residential - Mobile Home	DU	$ 661.14	0	$ 0
Residential - Age-Restricted	DU	$ 547.80	20	$ 10,956
Total				**$ 6,887,543**

[1] See Table 4.3

[2] See Table 2.3

[3] Projected revenue excluding admin charge = cost per unit X future units

Use of the Community and Recreation Center Impact Fees

The future facilities for which these impact fees will be spent include new recreation facilities and additions to existing facilities.

Updating the Fees

The impact fees calculated in this chapter are based on estimated current replacement costs for existing facilities. We recommend that these fees be reviewed periodically and adjusted as needed to keep pace with actual construction costs. The fees can be updated using local cost data or an index such as the *Engineering News Record* Building Cost Index (BCI)

Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for community and recreation facilities in Rocklin.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional community and recreation facilities to mitigate the impacts of new development on the need for such facilities in the City.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional community and recreation facilities to serve the needs of additional population associated with new residential development in Rocklin.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New residential development increases the need for community and recreation facilities to maintain the existing level of service, as described earlier in this chapter. Without additional facilities, the increase in population associated with new residential development would result in a reduction in the level of service provided to all residents of the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the community and recreation facilities impact fees charged to a residential development project will depend on the increase in population

associated with that project. The fees per unit of development calculated in this chapter for each type of residential development are based on the estimated average population per unit for that type of development in Rocklin. Thus, the fee charged to a development project reflects the impact of that project on the need for community and recreation facilities in the City.

Chapter 5. Public Facilities

Rocklin's existing public facilities impact fee encompasses community and recreation facilities as well as general government, police and fire facilities. In this report, impact fees for community and recreation facilities are calculated separately in Chapter 4. This chapter calculates impact fees for general government, police and fire facilities.

Methodology

The method used to calculate development impact fees in this chapter is a variation of the standard-based method discussed in Chapter 1. That method calculates impact fees using the existing level of service as the standard for the calculations. In this case, there are two groups of public facilities involved in the impact fee calculations: those that are currently at capacity and those that have capacity to serve additional development out to 2040.

For facilities that are currently at capacity, the standard used in this chapter is the ratio of facility replacement cost to the existing service population (see the next section for a discussion of service population). For facilities that have the capacity to serve future development out to 2040, the standard used here is the ratio of current replacement cost to the projected 2040 service population. The two groups of facilities are shown in Table 5.1 on the next page.

Demand Variable

As explained in Chapter 2, a demand variable is an attribute of development that is used in fee calculation formulas to represent the impact of development on a particular type of facility. The impact fees for park improvements, trails and community and recreation facilities addressed elsewhere in this report are not impacted significantly by non-residential development, so impact fees for those facilities are calculated using resident population as the demand variable. However, the public facilities addressed in this chapter are impacted by both residential and non-residential development.

Since added population is associated only with residential development and does not reflect impacts created by non-residential development, the demand variable used to calculate impact fees in this chapter is service population. Service population is a composite variable that includes both population (representing residential development) and employees of businesses in the City (representing non-residential development). The employee component of service population is weighted to reflect the fact that residents and employees do not create identical impacts on these public facilities. For a detailed discussion of service population weighting, see Chapter 2.

Unlike the other impact fees calculated in this study, public facilities impact fees will apply to both residential and non-residential development.

Service Area

Rocklin's public facilities serve the entire City so impact fees for public facilities are intended to apply to all new development in the City.

Existing Facilities

In order to calculate a ratio of existing facility costs to population, it is necessary to start with an inventory of the City's existing public facilities. Table 5.1 lists Rocklin's existing public facilities and shows the size, replacement cost and land value for each facility.

Table 5.1: Existing Public Facilities

Facility	Square Feet	Building Repl Cost [1]	FF&E [2]	Site Acres [3]	Land Value	Total Repl Cost
Group 1: Facilities Serving Existing Development						
Administration Building	17,354	5,458,706	776,400	0.63	$ 390,157	$ 6,625,263
Corp Yard Main Office Building	9,300	6,127,912	320,000	11.50	$1,458,503	$ 7,906,415
Corp Yard Central Shop Building	7,500	1,504,600	300,000	Included		$ 1,804,600
Corp Yard Storage Building	800	107,600	25,600	Included		$ 133,200
Corp Yard Fuel Canopy	4,080	367,200	45,000	Included		$ 412,200
Corp Yard Modular Offices (3)	4,927	697,485	117,500	Included		$ 814,985
Corp Yard Open Vehicle Storage (6)	16,002	847,900	150,000	Included		$ 997,900
Corp Yard Storage Sheds (5)	892	22,300	28,600	Included		$ 50,900
Subtotal Group 1						**$ 18,745,463**
Group 2: Facilities Serving Existing and Future Development						
Historic City Hall	4,368	1,409,200	195,400	1.14	$ 11,570	$ 1,616,170
Multi-Modal Train Station	3,400	3,036,426	55,900		$ 138,852	$ 3,231,178
Police Building	38,830	22,205,845	2,792,341	4.48	$2,448,976	$ 27,447,162
Police Shop/Storage	3,565	641,700	57,600	Included		$ 699,300
Police Vehicle Shelters (4)	12,060	1,688,400	0	Included		$ 1,688,400
Radio Facility (Police/Fire)	268	53,100	50,000	Included		$ 103,100
Fire Station #1	15,508	10,010,842	374,400	1.43	$ 277,933	$ 10,663,175
Fire Station #2	10,766	3,043,900	207,400	2.20	$ 170,092	$ 3,421,392
Fire Station #3	5,302	2,725,092	90,715	1.10	$ 306,505	$ 3,122,312
Subtotal Group 2						**$ 51,992,188**
Total		**59,948,208**	**5,586,856**	**22.48**	**5,202,588**	**$ 70,737,652**

[1] Estimated building replacement cost from City of Rocklin property schedule, except for Historic City Hall, the Administration Building and Fire Stations 1 and 3, which were based on historic cost escalated to 2019 using the Engineering News Record BuildingCost Index; the present value of past interest payments is also included in the cost of the Police Building

[2] Furniture fixtures and equipment (FF&E) from the personal property column in the City property schedule

[3] Site acres from Placer County Parcel Maps

[4] Land value estimated by the City of Rocklin

As discussed in the Methodology section above, the public facilities listed in Table 5.1 are shown in two groups: those with only enough capacity to serve existing development and those with capacity to serve both existing development and additional development out to 2040. A separate cost per capita is calculated for each group in the next section.

In addition to existing facilities, this analysis includes existing vehicles and equipment. Those assets are listed by department in Table 5.2.

Table 5.2: Existing Vehicles and Equipment

Department	No. of Items [1]	Total Repl Cost [1]
Police Department	69	$ 2,213,833
Fire Department	20	$ 5,260,498
Community Development	9	$ 199,178
Parks Department	39	$ 1,015,097
Public Services (includes 24 pool veh.)	81	$ 2,531,828
Total		**$ 11,220,434**

[1] Source: City of Rocklin Finance Department

Level of Service Standard - Cost per Capita

As discussed in the Methodology section above, the public facilities listed in Table 5.1 are shown in two groups: those currently at capacity and those with capacity to serve additional development to 2040.

Table 5.3 calculates the cost per capita for Group 1 facilities that are currently at capacity and for existing vehicles and equipment. The denominator in that calculation is the existing service population.

Table 5.3: Cost per Capita - Facilities Serving Existing Development

Cost Component	Total Cost [1]	2020 Service Population [2]	Cost per Capita [3]
Group 1 Facilities	$18,745,463	77,366	$ 242.30
Vehicles and Equipment	$11,220,434	77,366	$ 145.03
Totals	**$29,965,897**		**$ 387.33**

[1] See Tables 5.1 and 5.2

[2] See Table 2.2

[3] Cost per capita = total cost / 2020 service population

Table 5.4 calculates the cost per capita for Group 2 facilities that have capacity to serve both existing development and additional development out to 2040. The denominator in that calculation is the projected 2040 service population.

Table 5.4: Cost per Capita - Facilities Serving Existing & Future Development

Cost Component	Total Cost [1]	2040 Service Population [2]	Cost per Capita [3]
Group 2 Facilities	$51,992,188	104,188	$ 499.02
Totals	**$51,992,188**		**$ 499.02**

[1] See Table 5.1
[2] See Table 2.2
[3] Cost per capita = total cost / 2040 service population

Impact Fees per Unit

Table 5.5 calculates public facilities impact fees per unit by development type based on the sum of the costs per capita from Tables 5.3 and 5.4 and the service population per unit from Table 2.1. A 2% administrative charge is added to the impact fees to cover the cost of administrative activities mandated by the Mitigation Fee Act and the cost of periodic impact fee update studies.

Table 5.5: Public Facilities Impact Fees per Unit

Development Type	Units	Cost per Capita [1]	Svc Pop per Unit [2]	Cost per Unit [3]	Admin Charge [4]	Impact Fee per Unit [5]
Residential - Detached	DU	$886.35	2.66	$ 2,355.15	$ 47.10	$ 2,402.25
Residential - Attached	DU	$886.35	1.77	$ 1,570.10	$ 31.40	$ 1,601.50
Residential - Mobile Home	DU	$886.35	1.55	$ 1,373.84	$ 27.48	$ 1,401.32
Residential - Age-Restricted	DU	$886.35	1.45	$ 1,285.20	$ 25.70	$ 1,310.91
Convalescent Care	DU	$886.35	1.25	$ 1,107.93	$ 22.16	$ 1,130.09
Retail	KSF	$886.35	2.00	$ 1,772.69	$ 35.45	$ 1,808.15
Office	KSF	$886.35	1.61	$ 1,424.49	$ 28.49	$ 1,452.98
Office-Medical	KSF	$886.35	1.29	$ 1,139.59	$ 22.79	$ 1,162.38
Industrial	KSF	$886.35	0.54	$ 474.83	$ 9.50	$ 484.33
Industrial-High Tech	KSF	$886.35	1.07	$ 949.66	$ 18.99	$ 968.65
Church	KSF	$886.35	0.14	$ 126.62	$ 2.53	$ 129.15
Hotel	Room	$886.35	0.50	$ 443.17	$ 8.86	$ 452.04
Community College	Students	$886.35	0.14	$ 126.62	$ 2.53	$ 129.15
Total						

[1] Cost per capita = sum of cost per capita from Tables 5.3 and 5.4
[2] See Table 2.1
[3] Cost per unit = cost per capita X service population per unit
[4] Admininstration charge based on 2% of the cost per unit
[5] Impact fee per unit = cost per unit + administration charge

Projected Revenue

Table 5.6 shows projected revenue for the public facilities impact fees calculated in this chapter. Projected revenue is a product of the impact fee per unit and the number of future units for each type of development. These projections do not include revenue from the administrative charge.

Table 5.6: Projected Revenue from Public Facilities Impact Fees

Development Type	Units	Impact Fee per Unit [1]	Future Units [2]	Projected Revenue [3]
Residential - Detached	DU	$ 2,355.15	3,596	$ 8,469,126.05
Residential - Attached	DU	$ 1,570.10	3,707	$ 5,820,365.27
Residential - Mobile Home	DU	$ 1,373.84	0	$ 0.00
Residential - Age-Restricted	DU	$ 1,285.20	20	$ 25,704.09
Convalescent Care	DU	$ 1,107.93	444	$ 491,922.86
Retail	KSF	$ 1,772.69	2,633	$ 4,668,037.58
Office	KSF	$ 1,424.49	1,771	$ 2,522,125.47
Office-Medical	KSF	$ 1,139.59	87	$ 98,802.42
Industrial	KSF	$ 474.83	117	$ 55,697.44
Industrial-High Tech	KSF	$ 949.66	423	$ 401,990.23
Church	KSF	$ 126.62	36	$ 4,520.37
Hotel	Room	$ 443.17	0	$ 0.00
Total				**$ 22,558,291.78**

[1] See Table 5.5

[2] See Table 2.3

[3] Projected revenue = impact fee per unit X future units

Use of the Fees

The impact fee revenue projected in Table 5.6 will be used to repay outstanding debt on the existing police building, and to fund additional public facilities, vehicles and equipment to serve growth in Rocklin

Updating the Fees

The impact fees calculated in this chapter are based on estimated current replacement costs for existing facilities. We recommend that these fees be reviewed periodically and adjusted as needed to keep pace with actual construction costs. The fees can be updated using local cost data or an index such as the *Engineering News Record* Building Cost Index (BCI)

Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for public facilities in Rocklin.

Use of the Fee. Impact fees calculated in this chapter will be used to fund public facilities to mitigate the impacts of new development on the need for such facilities in the City.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to fund public facilities to serve the needs of added service population associated with new development in Rocklin.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the need for public facilities to maintain the existing level of service, as described earlier in this chapter. Without additional facilities, the increase in service population associated with new development would result in a reduction in the level of service provided to all residents and businesses in the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the public facilities impact fees charged to a development project will depend on the increase in service population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average service population per unit for that type of development in Rocklin. Thus, the fee charged to a development project reflects the impact of that project on the need for public facilities in the City.

Chapter 6. Implementation

This chapter of the report contains recommendations for adoption and administration of impact fees, and for the interpretation and application of the development impact fees and in-lieu fees calculated in this study. It was not prepared by an attorney and is not intended as legal advice.

Statutory requirements for the adoption and administration of fees imposed as a condition of development approval (impact fees) are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Adoption

The form in which development impact fees are enacted should be determined by the City attorney. Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed below and in Chapter 1 of this report.

Establishment of Fees. Pursuant to the Mitigation Fee Act, Section 66001(a), when an agency establishes fees to be imposed as a condition of development approval, it must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
    a. The use of the fee and the type of development project on which it is imposed;
    b. The need for the facility and the type of development project on which the fee is imposed

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be provided by the City Attorney. A more complete discussion of the nexus for each fee can be found in individual chapters of this report.

> **Sample Finding: Purpose of the Fee**. The City Council finds that the purpose of the impact fees hereby enacted is to protect the public health, safety and welfare by requiring new development to contribute to the cost of public facilities needed to mitigate the impacts of new development.
>
> **Sample Finding: Use of the Fee.** The City Council finds that revenue from the impact fees hereby enacted will be used to provide public facilities needed to mitigate the impacts of

new development in the City and identified in the 2020 City of Rocklin Community Parks and Public Facilities Impact Fee Study by NBS. [2]

Sample Finding: Reasonable Relationship: Based on analysis presented in the 2020 City of Rocklin Community Parks and Public Facilities Impact Fee Study by NBS, the City Council finds that there is a reasonable relationship between:

a. The use of the fees and the types of development projects on which they are imposed; and,

b. The need for facilities and the types of development projects on which the fees are imposed.

Administration

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

Imposition of Fees. Pursuant to the Mitigation Fee Act, Section 66001(a), when an agency imposes an impact fee upon a specific development project, it must make essentially the same findings adopted upon establishment of the fees to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
    a. The use of the fee and the type of development project on which it is imposed;
    b. The need for the facility and the type of development project on which the fee is imposed

Per Section 66001 (b), at the time when an impact fee is imposed on a specific development project, the City is also required to make a finding to determine how there is a reasonable relationship between:

c. The amount of the fee and the facility cost attributable to the development project on which it is imposed.

In addition, Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that

[2] According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information.

the fee will be used to finance." The required notification could refer to the improvements identified in this study.

Section 66020 (d) (1) requires that the agency, at the time it imposes an impact fee, provide a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge.

Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

Collection of Fees. Section 66007 (a), provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first.

However, "utility service fees" (not defined) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees "will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy" or (2) the fees are "to reimburse the local agency for expenditures previously made."

Statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

Notwithstanding the foregoing restrictions, many cities routinely collect impact fees for all facilities at the time building or grading permits are issued and builders often find it convenient to pay the fees at that time.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (c) (1) and (2) provide that the City may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

Earmarking and Expenditure of Fee Revenue. Section 66006 (a) mandates that fees be deposited "with other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected." Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees "with other fees for the improvement" refers to a specific capital improvement or a class of improvements (e.g., street improvements).

We are not aware of any municipality that has interpreted that language to mean that funds must be segregated by individual projects. And, as a practical matter, that approach would be unworkable in any event because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., streets, park improvements), but not for individual projects.

Impact Fee Exemptions, Reductions, and Waivers. In the event that a development project is found to have no impact on facilities for which impact fees are charged, such project must be exempted from the fees.

If a project has characteristics that will make its impacts on a particular public facility or infrastructure system significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly. Per Section 66001 (b), there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, the agency may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, so the effect of such policies is that the lost revenue must be made up from sources other than impact fees.

Credit for Improvements Provided by Developers. If the City requires a developer, as a condition of project approval, to dedicate land or construct facilities or improvements for which impact fees are charged, the City should ensure that the impact fees are adjusted so that the overall contribution by the developer does not exceed the impact created by the development.

In the event that a developer voluntarily offers to dedicate land, or construct facilities or improvements in lieu of paying impact fees, the City may accept or reject such offers, and may negotiate the terms under which such an offer would be accepted. Excess contributions by a developer may be offset by reimbursement agreements.

Credit for Existing Development. If a project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project that represents a net increase in demand for relevant City facilities, applying the measure of demand used in this study to calculate that particular impact fee.

Annual Report. Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;
3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

The annual report must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Refunds under the Mitigation Fee Act. Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years, or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

Annual Update of the Capital Improvement Plan. Section 66002 (b) of the Mitigation Fee Act provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative, per Section 66001 (a) (2) is to identify improvements by applicable general or specific plans or in other public documents.

In most cases, the CIP identifies projects for a limited number of years and may not include all improvements needed to serve future development covered by the impact fee study. We recommend that the City Council cite this development impact fee study as the public document identifying the use of the fees.

Indexing of Impact Fees. Where impact fees calculated in this report are based on current costs, those costs should, if possible, be adjusted periodically to account for changes in the cost of facilities or other capital assets that will be funded by the impact fees. That adjustment is intended to account for escalation in costs for land, construction, vehicles and other relevant capital assets. We recommend the *Engineering News Record* Building Cost Index as the primary basis for indexing construction costs. Where land costs are covered by an impact fee or in-lieu fee, land costs should be adjusted based on changes in local land prices.

Training and Public Information

Effective administration of an impact fee program requires considerable preparation and training. It is important that those responsible for collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale.

Before fees are imposed, a staff training workshop is highly desirable if more than a handful of employees will be involved in collecting or accounting for fees.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of particular impact fees should be made clear.

Finally, anyone responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. Some fees recommended in this report are tied to specific improvements

and cost estimates. Fees must be expended accordingly and the City must be able to show that funds have been properly expended.

Recovery of Study Costs and Administrative Costs

To recover the cost of periodic impact fee update studies and ongoing staff costs for managing those updates and preparing annual reports and five-year updates required by the Mitigation Fee Act, an administrative charge may be added to the impact fees calculated in this report. The administrative charges are included in the calculation of impact fees in this report.

APPENDIX A

Comparative Fee Survey

City of Rocklin
Development Impact Fee Study 2019/2020
Parks and Trails Impact Fees Comparison

		Rocklin						Citrus Heights[1]	Elk Grove[2]		Folsom[3]		Lincoln[4]	Roseville[5]		West Sacramento[6]
Land Use	**Units**	**Existing Park Development Fees (w/ Dedication of Land)**	**Existing Park Development Fees (w/o Dedication of Land)**	**NW Rocklin Community (Plan Area) Park Fee[7]**	**Existing Community Park Fee**	**Proposed Park Improvement Fee**	**Proposed Trails Fee**	**Park Impact Fees**	**Parks and Related Facilities (varies by Plan Area)**	**SEPA Park and Trail Fee Program**	**General Park Equipment**	**Park Construction Capital Impact**	**Park & Recreation Tax**	**Park Fees (varies by Specific Plan Area)**	**Bike Trail Fees (varies by Specific Plan Area)**	**Park Impact Fee**
Single Family Residential	**DU**	$ 1,299	$ 1,985	Whitney Ranch SFR: $3,823/unit	$ 711	$ 6,068	$ 1,238	$ 1,079	SFR: $169 - $15,048 Age Restricted: $2,255 - $8,405	$ 20,430	$ 92	SFR: $6,900 Age Restricted: $3,544	$261/EDU	$114 - $7,497	$207 - $802	$ 16,526
Multi-Family Residential	**DU**	$ 1,199	$ 1,799	PD-20: $2,209/unit	$ 569	$ 4,045	$ 856	$ 801	3+ Units: $85 - $10,167 Age Restricted: $1,577 - $5,875	$ 14,758	$ 92	MFR: $4,584 Age Restricted: $3,544		$1,106 - $7,497	$138 - $571	$ 13,551
Apartment	**DU**	$ 1,099	$ 1,648	PD-BP: $12,057/acre				$ 665								
Mobile Home	**DU**	$ 751	$ 1,126			$ 3,540	$ 749	$ 578			$ 43	$ 2,649				
Second Units	**DU**	$ 500	$ 750	PD-C: $7,033/acre												
Commercial/ Retail	**SF**	n/a	n/a	Hwy 65 Corridor BP: $12,057/acre	n/a	n/a	n/a	<5K s.f. exempt 5K - 10K s.f. $.09/s.f. >10K s.f. $.18/s.f.	Commercial/ Office: $.02 - $1.54	$ 0.22	$ 0.02	$ 0.47		n/a	n/a	$ 1.43
Office	**SF**	n/a	n/a	C: $7,033/acre	n/a	n/a	n/a	<5K s.f. exempt 5K - 10K s.f. $.185/s.f. >10K s.f. $.37/s.f.	Travel Commercial: $.02 - $0.23	$ 0.40	n/a	n/a		n/a	n/a	$ 2.31
Light Industrial	**SF**	n/a	n/a	BP/C: $7,033/acre	n/a	n/a	n/a	<5K s.f. exempt 5K - 10K s.f. $.045/s.f. >10K s.f. $.09/s.f.	$.05 - $.53	$ 0.12	$ 0.02	$ 0.47		n/a	n/a	$ 0.99

1. July 2019 Development Impact Fee Schedule. Notes: Fees apply to res./comm. Development >5K s.f. only and Quimby Fees are collected by Sunrise RPD
2. 2019 Development Related Fees schedule. Low end of fees occur in areas with CFD funding
3. Impact and Connection Fee Schedule as of July 1, 2019
4. Master Fee Schedule 2012
5. Roseville Residential and Non-Residential Development Fees July 2019-June 2020
6. Fee Schedule as of January 1, 2019
7. In the Whitney Ranch Zoning Area, only the Administrative Fee is collected until a cap is reached. Once the cap has been reached, the full Whitney Ranch Community Park Fee will be due. The Administrative Fee is $147 for Single Family Residences and $85 for residential units with PD-20 zoning.

City of Rocklin
Development Impact Fee Study 2019/2020
Public Facilities Impact Fees Comparison

		Rocklin[1]			Citrus Heights	Elk Grove[2]		Folsom[3]			Lincoln[4]	Roseville[5]	West Sacramento[6]		
Land Use	**Units**	**Existing Public Facilities Fee[7]**	**Proposed Comm/Recr Facilities Fees**	**Proposed Public Facilities Fees**		**Capital Facilities**	**Fire Facilities/ Equip**	**General Facilities**	**Police**	**Fire**	**PFE - Community Services**	**Public Facilities Fee**	**Corp Yard Facilities**	**Police**	**Fire**
Single Family Residential	**DU**	$ 4,187	$ 1,156	$ 2,402	*No capital/public facilities fee listed. Fire is provided by Sac Metro.*	SFD/SFD TOD: $4,289 - $4,365 Age Restricted: $2,218	$1,913 - $2,084 (by zone) Age Restricted: $1,106	$ 1,565	$ 589	$ 1,065	Very LD/LD/MD: $7,242 HD: $5,214	LD: $3,250 MD: $3,010 HD: $2,167 Age Restricted: $2,167	<1,100 s.f. $763 1,100 - 2,500 s.f. $968 >2,500 s.f. $1,056	<1,100 s.f. $1,000 1,100 - 2,500 s.f. $1,269 >2,500 s.f. $1,385	<1,100 s.f. $1,019 1,100 - 2,500 s.f. $1,293 >2,500 s.f. $1,411
Multi-Family Residential	**DU**	$ 2,130	$ 771	$ 1,602		MF/MF TOD: $3,203 - $3,396 Age Restricted: $1,779	$1,322 - $1,372 (by zone) Age Restricted: $1,106	$ 1,565	$ 668	$ 1,030		HD: $2,167 Age Restricted: $1,806			
Commercial/ Retail	**SF**	$ 1.12	No Fee	$ 1.81		Shopping/ General Commercial/ Car Sales: $1.05 - $1.34 Hotel: $0.55	$ 1.67	Commercial: $0.488/s.f. Lodging: $224/unit	Commercial: $0.992/s.f. Lodging: $34/unit	Commercial: $0.622/s.f. Lodging: $921/unit	$ 2.27	$ 0.62	$ 0.59	$ 0.77	$ 0.78
Office	**SF**	$ 1.49	No Fee	$ 1.45		$1.59 - $1.70	$ 1.67	n/a	n/a	n/a	$ 2.27	$ 0.82	$ 0.98	$ 1.28	$ 1.04
Light Industrial	**SF**	$ 0.74	No Fee	$ 0.48		$ 0.56	$ 0.53	$ 0.49	$ 0.86	$ 0.27	$ 2.90	$0.26 - $0.41	$ 0.39	$ 0.51	$ 0.52

1. Public Facilities Fee funds facilities for Community and Recreaion Facilities Public Safety, and General Government ; Rocklin's existing public facilities fees inlcudes community and recreation facilities; the proposed fees splits them into a separate fee
2. 2019 Development Related Fees schedule. Capital Facilities fee funds facilities for Civic Center, Police, Corp Yard, Animal Shelter, Library, Transit
3. Impact and Connection Fee Schedule as of July 1, 2019
4. Master Fee Schedule 2012; Fee funds construction of facilities and equipment related to Parks, Police, Fire, Administration, Solid Waste. Fees for residential are per EDU
5. Roseville Residential and Non-Residential Development Fees July 2019-June 2020
6. Fee Schedule as of January 1, 2019
7. The Public Facilities Impact Fee is coordinated with the City Construction Tax. If the Construction Tax is higher than the Public Facilities Impact fee, there is no Public Facilities Impact Fee due. If the Construction Tax is lower than the Public Facilities Impact Fee, the difference between the two fees is collected as the Public Facilities Impact Fee. The Construction Tax is calculated using the following formula: Value x .01397 (Multi-Family/Industrial) and Value x .0105 (Single Family/Commercial).