City of Wildomar

2012 Impact Fee Study Report

Draft: April 20, 2012

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Executive Summary

The City of Wildomar retained Colgan Consulting Corporation to prepare this impact fee study update to analyze the impact of future development on certain capital facilities and to calculate impact fees based on that analysis. The methods used to calculate impact fees in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution, the California Mitigation Fee Act (Government Code §§ 66000 *et seq*.) , and where applicable, the Quimby Act (Government Code § 66477) .

Organization of the Report

Chapter 1 of this report provides an overview of impact fees. It discusses legal requirements for establishing and imposing such fees, as well as methods used in this study to calculate the fees.

Chapter 2 contains information on existing and future development used in this report, and organizes that data in a form that can be used in the impact fee analysis. Projections of future development shown in Chapter 2 are based on a GIS analysis of General Plan land use designations for undeveloped land in the study area, which is the area within the existing City limits.

Chapters 3 through 12 show the impact fee calculations for specific facility types. The type of facilities addressed in each of those chapters is indicated below:

Chapter 3. Street and Intersections
Chapter 4. Police Facilities
Chapter 5. Fire Protection Facilities
Chapter 6. Parks
Chapter 7. Community Centers
Chapter 8. City Hall
Chapter 9. Animal Shelter
Chapter 10. Corporation Yard
Chapter 11. Drainage Improvements
Chapter 12. Multi-purpose Trails

Each of the impact fee chapters documents the data and methodology used to calculate impact fees for a particular type of facility. The impact fees calculated in this report are intended to represent the maximum fees that can be justified by the data presented in this study.

Chapter 13 discusses implementation of the impact fee program, including legal requirements for enacting and implementing the impact fee program under California law.

Future Development

Forecasts of future development for this study are intended to represent all additional development potential for undeveloped land in the City under the current General

Plan. Upon incorporation in 2008, Wildomar adopted the Riverside County General Plan as it applies to the area within the City.

Using data from the Land Use Element of the General Plan, Chapter 2 of this report forecasts that full buildout of undeveloped land in the City would result in an increase of 60% in population, 126% in total vehicle trips, and a 236% in employment in the City. Those figures provide some perspective on the need for future investment by the City in additional capital facilities and infrastructure to support future development.

Another way of looking at those numbers is that current development represents about 63% of projected buildout population, 44% of buildout vehicle trips, and 31% of buildout employment.

Impact Fee Analysis

Each type of facility addressed in this report is analyzed individually. In each case, the relationship between development and the need for facilities is quantified in a way that allows the impact of development on facility needs to be measured. Impact fees calculated in this report are based on the capital cost of facilities needed to mitigate those impacts.

Impact fees calculated in this study are summarized in Table ES.1 on page ES-8 of this Executive Summary. The following paragraphs briefly discuss factors considered in the fee calculations for each facility type.

Street and Intersection Improvements. The street and intersection improvement projects needed to support future development were identified by the Wildomar Public Works Department based on the Circulation Element of the General Plan. Improvements designated for funding by the Western Riverside County Council of Government (WRCOG) Transportation Uniform Mitigation Fee (TUMF) are excluded from the impact fee calculations. The analysis identified no existing deficiencies in the portion of the street system to be funded by the City's impact fees, so all of the arterial street and intersection improvements shown in this report are needed to serve future development.

The City has determined that two center (inside) lanes on all arterial streets covered by the impact fee program will be treated as required project improvements, necessary to provide access to abutting properties. That means developers of properties fronting on such streets will be required to provide those improvements as a condition of project approval. The cost of additional lanes, as well as frontage improvements (e.g., curb, gutter, and sidewalk), will be covered by the impact fees.

Costs for future street and intersection improvements are allocated to future development based on the number of trips added by each type of development. Then, costs allocated to Public and Institutional development are reallocated to residential development. Those costs are reallocated because the City cannot collect impact fees from

most of the development in the Public/Institutional category, and since development in that category (e.g., public schools) largely serves residential development, the reallocation is reasonable.

Ultimately, impact fees for each type of development are calculated based on the number of trips added by a particular type of development. Eligible improvement costs are divided by total new development vehicle trips to establish a cost per trip. Then the cost per trip is multiplied by the number of trips per unit of development for each type of development to arrive at a fee per unit. The proposed impact fees for street and intersection improvements are shown in Table ES.1 on page ES-8.

Police Facilities. Impact fees for police facilities address the need for future space in those facilities to serve new development. This report estimates the amount of space in the Riverside County Sheriff's Department Lake Elsinore Station currently devoted to serving Wildomar, and calculates the cost future space needed to maintain the current ratio of facility space to service population through buildout. Service population combines resident population and employees and is used as a measure of the demand for law enforcement services, as well as several other types of services provided by the City. (See Chapter 2 for more information on service population.)

Costs for future police facilities are allocated to future development based on the service population added by each type of development. Next, costs allocated to Public and Institutional development are reallocated to residential development, as discussed in the previous paragraph. Then the share of costs of allocated to each type of development is divided by the service population associated with that type of development to derive a cost per capita. Finally, the cost per capita is multiplied by the number of residents or employees per unit for each type of development to determine the impact fee per unit for that type of development. The proposed police impact fees are shown in Table ES.1 on page ES-8.

Fire Protection Facilities. Impact fees for fire protection facilities are based on the cost of one additional fire station in the City, plus the cost of one new Type I fire engine. The City has one existing fire station, and the Riverside County Fire Department has determined that one additional fire station will be needed to serve the City at buildout. Because the existing service population and the service population associated with future development are roughly equal, it is reasonable to assign the entire cost of the new fire station and fire engine to future development in the impact fee analysis.

As with the Police impact fees, costs for future fire protection facilities are allocated to future development based on the amount of service population added by each type of development. Next, costs allocated to Public and Institutional development are reallocated to residential development, as discussed previously. Then the share of cost allocated to each type of development is divided by the service population associated with that type of development to derive a cost per capita. Finally, the cost per capita is multiplied by the number of residents or employees per unit for each type of development

to determine the impact fee per unit for that type of development. The proposed fire impact fees are shown in Table ES.1 on page ES-8.

Fees in Lieu of Park Land Dedication and Park Impact Fees. The Quimby Act, which is part of California's Subdivision Map Act, authorizes the City to require developers of residential subdivisions to dedicate land for parks or to pay fees in lieu of dedication. The basic standard for determining the dedication or in-lieu fee requirement is 3.0 acres of park land per thousand new residents. That standard applies, even if, as is the case in Wildomar, the existing ratio of park land to population is less than 3.0 acres per thousand.

To calculate park in-lieu fees per unit of development, the estimated per-acre cost of acquiring park land is divided by 1,000, and the result is multiplied by the population per unit for each type of residential development. Park in-lieu fees apply to residential development only.

Because "Quimby" in-lieu fees apply only to subdivisions, this study proposes that the City enact park impact fees, equal to the in-lieu fees, that would apply to any residential development that does not involve a subdivision (e.g. apartment buildings). These in-lieu/impact fees would apply only to residential development. The proposed park in-lieu/impact fees are shown in Table ES.1 on page ES-8.

Community Centers. Fees calculated in this study for community center facilities are based on a level of service standard of 0.4 square feet per resident, which means a facility of 20,745 square feet would be needed to serve the entire City at buildout. The estimated cost of that facility, in current dollars, is $8.3 million. Because the City has no existing community centers, the proposed facility would serve both existing and future development. Consequently, impact fees paid by future development would cover only about $3.1 million of the total cost. The remaining $5.2 million would have to be funded from other sources of revenue.

To calculate impact fees for community centers, the total cost of the facility is divided by the expected population of the City at buildout to derive a cost per capita. Then the cost per capita is multiplied by the population per dwelling unit for each type of residential development to determine the impact fee per unit. The impact fees for community centers would apply only to residential development. The proposed impact fees are shown in Table ES.1 on page ES-8.

City Hall. Fees calculated in this study for a future City Hall are based on a level of service standard of 0.25 square feet per capita of service population, which means a facility of about 20,400 square feet would be needed to serve the entire City at buildout. The estimated cost of that facility, in current dollars, is $9.4 million. Because Wildomar has no existing City-owned City Hall, the proposed facility would serve both existing and future development. Consequently, impact fees paid by future development would cover only about $4.6 million of the total cost. The remaining $4.8 million would have to be funded from other sources of revenue.

To calculate impact fees for City Hall, the total cost of the facility is divided by the expected service population of the City at buildout to derive a cost per capita. Then the cost per capita is multiplied by the service population per unit of development for each type of development to determine the impact fee per unit. The proposed City Hall impact fees are shown in Table ES.1 on page ES.7.

Animal Shelter. Impact fees for the Animal Shelter are calculated so that they cover new development's share of Wildomar's share of the capital cost of the regional animal shelter. Wildomar's share of the capital cost is calculated in this report as the present value of the City's past and future principal and interest payments on the debt issued by the joint powers authority to fund construction of the animal shelter. That method incorporates financing costs into the impact fees and shows Wildomar's total cost to be $4.2 million. New development's share of that cost is $1.6 million. Part of the cost of the animal shelter has already been repaid. The estimated present value of future debt service to be funded from other sources of revenue is almost $2 million.

The animal shelter is assumed to meet the City's needs to buildout and will serve both existing and future development. This study assumes that the need for the animal shelter is created by residential development only, so the City's cost is divided by the buildout population to establish a cost per capita. Then the cost per capita is multiplied by the population per dwelling unit for each type of residential development to determine the impact fee per unit. The proposed impact fees are shown in Table ES.1 on page ES-8.

Corporation Yard. Fees calculated in this study for a future corporation yard are based on cost estimates for a very basic facility to support the City's maintenance activities and provide for material storage. The components of that facility are shown in Chapter 10. The estimated cost of that facility, in current dollars, is $2.8 million. Because Wildomar has no existing corporation yard, the proposed facility would serve both existing and future development. Impact fees paid by future development would cover a bit less than $1.4 million. The remaining cost would have to be funded from other sources of revenue.

As with the some other types of impact fees discussed above, new development's share of the cost of the corporation yard is allocated to future development based on the amount of service population added by each type of development. Next, costs allocated to Public and Institutional development are reallocated to residential development, as discussed previously. Then the share of cost of allocated to each type of development is divided by the service population associated with that type of development to derive a cost per capita. Finally, the cost per capita is multiplied by the number of residents or employees per unit for each type of development to determine the impact fee per unit for that type of development. The proposed corporation yard impact fees are shown in Table ES.1 on page ES-8.

Drainage Improvements. Fees calculated in this study for drainage improvements are based on current cost estimates for future drainage improvements, based on three mas-

ter drainage plans that cover parts of Wildomar, as well as an assessment of needed sub-regional collector improvements.

Drainage impact fees are calculated based on the estimated amount of impervious surface area (ISA) added by each type of development. The addition of impervious surfaces, such as roofs and paving increases the amount of stormwater runoff that must be accommodated by the drainage system. Residential development is broken down into nine separate density categories for purposes of calculating drainage impact fees, because residential development on larger lots is likely to add greater amounts of ISA per unit.

The total cost of the drainage improvements is allocated to various categories of development in proportion to the amount of ISA added by each category. Then, as with some other types of impact fees discussed above, the costs attributed to development in the Public Facilities category is reallocated to various categories of residential development. And finally, the costs for each category are divided by the number of units of future development in that category, to arrive at an impact fee per unit. The proposed drainage impact fees are shown in Table ES.1 on page ES-8.

Multi-Purpose Trails. Fees calculated in this study for multi-purpose trails are based on the trail plan currently being developed by the City. Those fees are based on future development's proportionate share of the estimated cost of both existing and planned trails.

The cost of those trail improvements is allocated to various categories of development in proportion to the service population associated with each category. Then, as with some other types of impact fees discussed above, the costs attributed to development in the Public Facilities category is reallocated to various categories of residential development. And finally, the costs for each category are divided by the number of units of development in that category at buildout, to arrive at an impact fee per unit. The proposed impact fees for multi-purpose trails are shown in Table ES.1.

The total cost of existing and planned trails is estimated at $28.7 million, and future development's share is $14 million. Future trail development costs not covered by impact fees would be approximately $5.5 million.

Recovery of Study Costs

As discussed in Chapter 13 - Implementation, Colgan Consulting recommends that agencies charging impact fees increase the fees by a small percentage to recover the cost fee administration and periodic impact fee studies fee.

One method that can be used for allocating the cost of fee study updates to impact fees is to divide those costs by the amount of revenue that will be generated by impact fees in a certain period. Normally, we would recommend a five-year time frame. However, in light of uncertainty regarding the timing of an economic recovery, and the possibility

that development may be unusually slow over the next five years, we believe that approach needs to be modified to take a longer view.

This report projects the total revenue that will be collected through buildout of the City, assuming that: (1) development occurs as anticipated in the current general plan; and, (2) the impact fees are adjusted annually to keep pace with changes in the costs underlying the impact fee calculations. That projected revenue is approximately $126,342,000 (see Table ES-3).

The City anticipates that buildout will occur within approximately 20 years, and the impact fees will need to be recalculated about every five years. So over that period of time, the City would have to pay for three impact fee studies, in addition to this one, a total of $160,000. In addition annual administration costs estimated at $16,000 would total $320,000. Using those assumptions, it is possible to calculate the City's average percentage cost of impact fee studies over the next 20 years. The total cost over the next 20 years would be $480,000 in current dollars

Dividing $480,000 by $126,342,000 equals 0.0038, so the fees calculated in this study would have to be increased by 0.38% to recover the cost of impact fee administration and impact fee studies over the next 20 years. Table ES.1 below shows a "study cost adjustment" that is the amount that would be added to the impact fees calculated in this study to recover the study costs using this approach.

Impact Fee Summary

Table ES.1 on the next page summarizes the impact fees calculated in this report. Fees shown in Table ES.1 are for one unit of development by development type. The study cost adjustment shown at the bottom of the table is the amount by which the fees are increased to cover the cost of preparing impact fee studies.

Table ES-1: Summary of Impact Fees Calculated in This Study

Impact Fee Type	Residential Single-Family	Residential Multi-Family	Commercial/ Office	Industrial/ Business Park
Development Units>>	DU [1]	DU [1]	KSF [1]	KSF [1]
Streets/Intersections	$ 2,712.61	$ 1,904.78	$ 6,170.15	$ 961.50
Police Facilities	$ 233.94	$ 166.02	$ 157.07	$ 90.33
Fire Protection	$ 479.32	$ 340.16	$ 321.82	$ 185.08
Parks	$ 2,325.00	$ 1,650.00	$ 0.00	$ 0.00
Community Centers	$ 493.52	$ 350.24	$ 0.00	$ 0.00
Animal Shelter	$ 249.15	$ 176.82	$ 0.00	$ 0.00
City Hall	$ 397.10	$ 281.82	$ 266.62	$ 153.33
Corporation Yard	$ 119.90	$ 85.09	$ 80.50	$ 46.30
Drainage [2]	$ 2,639.39	$ 1,659.05	$ 2,449.34	$ 1,749.51
Multi-purpose Trails	$ 1,218.39	$ 864.66	$ 818.02	$ 470.45
Total Fees	**$ 9,649.93**	**$ 6,613.98**	**$ 9,445.50**	**$ 3,186.05**
Admin Cost Adjustment [3]	$ 36.66	$ 25.13	$ 35.89	$ 12.10
Adjusted Total Fees [3]	**$ 9,686.60**	**$ 6,639.11**	**$ 9,481.39**	**$ 3,198.15**

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Single family residential drainage fees vary with density; fee shown is for medium-high density

[3] Adjustment for administration and study costs = total fees X 0.0038

Table ES.2 shows the City's existing impact fees. Because of some differences in fee structure, some of the proposed fees cannot be compared directly with existing fees.

Table ES-2: Summary of Existing Impact Fees [1]

Impact Fee Type	Residential Single-Family	Residential Multi-Family	Commercial	Industrial
Development Units>>	DU [2]	DU [2]	KSF [2,3]	KSF [2,3]
Streets/Signals	$ 969.00	$ 812.00	$ 827.82	$ 389.90
Police Facilities	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fire Protection	$ 705.00	$ 590.00	$ 448.03	$ 133.44
Regional Parks	$ 563.00	$ 472.00	$ 232.23	$ 61.77
Community Centers	$ 65.00	$ 55.00	$ 0.00	$ 0.00
Public Facilities [4]	$ 1,207.00	$ 1,011.00	$ 474.10	$ 139.15
Regional MP Trails	$ 316.00	$ 264.00	$ 116.25	$ 34.62
Library Books	$ 341.00	$ 286.00	$ 0.00	$ 0.00
Drainage	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Fee Program Admin	$ 55.00	$ 46.00	$ 20.94	$ 6.43
Total	**$ 4,221.00**	**$ 3,536.00**	**$ 2,098.44**	**$ 758.89**

[1] Existing impact fees based on current Riverside County impact fees updated in 2006

[2] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[3] Existing non-residential fees have been converted from acres to KSF

[4] Public facilities includes the animal shelter

Table ES.3 shows the percentage of future improvement costs covered by the impact fees calculated in this report, as well as projected revenue to buildout for each type of impact fee calculated in this report. It also shows the amount of additional capital needed to cover the existing community's share of capital improvements, that is, the amount that will not be covered by impact fees.

Table ES-3: Summary of Projected Revenue

Impact Fee Type	% of Cost From Impact Fees [1]	Projected Revenue [2]	Additional Capital Needed [3]
Streets/Intersections	100%	$ 54,758,854	$ 0
Police Facilities	100%	$ 2,684,416	$ 0
Fire Protection	100%	$ 5,500,111	$ 0
Parks	100%	$ 14,514,375	$ 0
Community Centers	37%	$ 3,080,918	$ 5,175,751
Animal Shelter	37%	$ 1,555,383	$ 1,974,174
City Hall	49%	$ 4,556,669	$ 4,799,875
Corporation Yard	49%	$ 1,375,832	$ 1,449,225
Drainage	100%	$ 38,315,003	$ 0
Multi-purpose Trails	49%	$ 13,980,677	$ 5,523,811
		$ 126,341,562	**$ 13,399,026**

[1] Percentage of future improvement cost covered by impact fees

[2] Projected revenue to buildout from Chapters 3 - 12

[3] Additional capital needed to fund the existing community's share of future improvement costs

Chapter 1
Introduction

The City of Wildomar has retained Colgan Consulting Corporation to prepare this study to analyze the impacts of development on the City's capital facilities needs, and to calculate development impact fees based on that analysis. Upon incorporation in 2008, the City adopted the Riverside County impact fees that were in place at that time. Those fees are still in effect. This study is the first impact fee study prepared specifically for the City of Wildomar.

The methods used to calculate impact fees in this study are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution, the California Mitigation Fee Act (Government Code Sections 66000 *et seq*.) and, where applicable, the Quimby Act (Government Code Section 66477).

Legal Framework

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

U. S. Constitution. Like all land use regulations, development exactions, including impact fees, are subject to the Fifth 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.

To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest, and must not deprive the owner of all economically viable use of the property. In the case of impact fees, the government's interest is in protecting public health, safety, and welfare by ensuring that development is not detrimental to the quality and availability of essential public services provided to the community at large.

Impact fees are not subject to the same level of judicial scrutiny as exactions involving the dedication of land or an interest in land, or a fee imposed as a condition of approval on a single development project. In those cases, heightened scrutiny applies, and a higher standard must be met. The U. S. Supreme Court has found that a government agency must demonstrate an "essential nexus" between such exactions and the interest being protected (see *Nollan v. California Coastal Commission,* 1987). The agency must also demonstrate that the exaction imposed is "roughly proportional" to the burden created by development (see *Dolan v. City of Tigard,* 1994).

A local legislative body is accorded considerable discretion by the courts when enacting impact fees that apply to all development projects in its jurisdiction. However, even where heightened scrutiny does not apply, an agency enacting impact fees should take care to demonstrate a nexus and ensure proportionality in the calculation of its fees.

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 imposing impact fees on development to pay for infrastructure and capital facilities. 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 exceed the cost of providing capital facilities needed to serve new development. If that were the case, then the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act. Articles XIIIC and XIIID, added 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 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, other provisions of the Government Code (see Section 65913.8), as well as case law, prohibit the use of impact fees for maintenance or operating costs. Consequently, the fees calculated in this report are based on capital costs 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 term "impact fee," which 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 require 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 identified in this report. Those improvements will be needed to mitigate the impacts of planned new development on City facilities, and maintain an acceptable level of public services as the City grows.

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 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 widely considered 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.

Demonstrating an Impact. All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply 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 occasioned by 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 this element of the nexus.

Demonstrating a Benefit. A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be spent in a timely manner and facilities funded by the fees must serve the development projects paying the fees. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to developments 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 expended expeditiously or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

Demonstrating Proportionality. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that the impact of development is reflected in the allocation of those costs. In calculating impact fees, costs for development-related facilities must be allocated in proportion to the facility needs created by different types and quantities 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.

Impact Fees for Existing Facilities. It is important to note that impact fees may be used to pay for existing facilities, provided that those facilities are needed to serve additional development and have the capacity to do so, given relevant level-of-service standards.

In other words, it must be possible to show that the fees meet the need and benefit elements of the 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 § 66000) or reimbursement agreements (see Govt. Code § 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code § 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to prohibit impact fees from including 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.

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 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.

Reduced to its simplest terms, the process of calculating impact fees involves two steps: determining the cost of development-related capital improvements, and allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many factors involved in defining the relationship between development and the need for facilities.

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 measured by a "demand variable," which is an attribute of development that represents the facility needs created by different types and amounts of development. Different variables are used in analyzing different types of facilities. Specific demand variables used in this study are discussed in more detail in subsequent chapters.

The following paragraphs discuss three general approaches to calculating impact fees and how they can be applied.

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 by a facility plan, while the development is identified by a land use plan that identifies potential development by type and quantity.

With the plan-based approach, facility costs are allocated to various categories of development in proportion to the amount of development and the relative intensity of demand in each category. To calculate impact fees using this approach, it is necessary to define an end point or "buildout" condition for development, and to determine what facilities will be needed to serve the additional development that occurs from the time of the analysis to buildout. Buildout is a hypothetical condition in which undeveloped land encompassed by the study has been developed to its expected intensity.

Under this approach, the total cost of eligible facilities is divided by the total units of additional demand (based on the demand variable) to calculate a cost per unit of demand. Then, the cost per unit of demand is multiplied by the units of demand per unit of development (e.g., dwelling units or square feet of building area) in each category to arrive at a cost per unit of development. This method is somewhat inflexible in that it is based on the relationship between a particular facility plan and a particular land use plan. If either plan changes significantly, the fees should 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 fee calculation does not depend on the type or quantity of development to be served, this method is flexible with respect to changing development plans.

Under 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. 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 demand 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 amount of service or capacity to be provided for each unit of development.

The standard-based method is useful where facility needs are defined directly by a service standard, and where unit costs can be determined without reference to the total size or capacity of a facility or system. Parks fit that description. It is common for cities or counties to establish a service standard for parks in terms of acres per thousand residents. In addition, the cost per acre for parks can usually be estimated without knowing the size of a particular park or the total acreage of parks in the system.

This approach is also useful for facilities such as libraries, where it is possible to estimate a generic cost per square foot before a building is actually designed. One advantage of the standard-based method is that a fee can be established without committing to a particular size of facility, and facility size can be adjusted based on the amount of development that actually occurs.

Facilities Addressed by this Study

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

- Street and Intersection Improvements
- Police Facilities
- Fire Protection Facilities and Equipment
- Park Land and Improvements
- Community Centers
- City Hall
- Corporation Yard
- Animal Shelter
- Drainage Improvements
- Multi-purpose Trails

The impact fee analysis for each facility type is presented in a separate chapter of this report, beginning with Chapter 3. The next chapter, Chapter 2, contains data on development and service demand in the study area.

Chapter 2
Land Use and Development Data

Both existing and planned development must be addressed as part of the analysis required to support the calculation of impact fees. This chapter of the report organizes and correlates information on existing and planned development to provide a framework for the impact fee analysis contained in subsequent chapters of the report. The information in this chapter forms a basis for establishing levels of service, analyzing facility needs, and allocating the cost of capital facilities between existing and future development and among various types of new development.

Data on existing and future development in Wildomar were based on GIS analysis of Riverside County Assessor's parcel data files, which include land use designations from the City's General Plan. (Upon incorporation in 2008, Wildomar adopted the land use provisions of the Riverside County General Plan.) Existing land uses are classified using Assessors land use codes for currently developed properties. Future land uses are classified using General Plan land use designations for undeveloped properties.

Because Wildomar was incorporated so recently, information on the history of growth for the area now within the City is limited, and detailed demographic information is not readily available. Some information is available from the 2010 Census, but much detailed Census data will not be released until after this study is completed. As a result, certain factors used in the calculation of impact fees (e.g., the number of persons per household for residential development types) must be estimated.

Study Area and Time Frame

The study area for the impact fee analysis is the area within the existing boundaries of the City of Wildomar. The timeframe for this study extends from the present to buildout of all land designated for development within the study area. The term "buildout" is used to describe a hypothetical condition in which all currently undeveloped land in the study area has been developed as indicated in the Land Use Element of the General Plan, including the General Plan Land Use Map.

The time required for buildout will depend on the rate at which development occurs. However, the rate of development does not enter into the impact fee analysis. For purposes of calculating administrative costs in the Executive Summary, this study uses a 20-year buildout period.

Development Types

The development types used in this study are listed below.

- Single-Family Residential
- Multi-Family Residential

- Commercial/Office
- Industrial/Business Park
- Public Facilities

Single-Family Residential. In this report, the single-family residential category includes conventional detached units and mobile/manufactured homes on individual lots. (Almost one-third of Wildomar's existing dwellings are manufactured units.) Future development in this category includes residential development at densities up to and including medium-high density (5-8 units per acre).

Multi-Family Residential. The multi-family category includes all attached residential units. Future development in this category includes residential development at densities greater than eight units per acre, including residential development in the Mixed Use Planning Area (MUPA).

Commercial/Office. The commercial/office category includes all types of commercial and office development. Future development in this category includes any development in areas designated for Commercial Retail and Commercial Office uses, as well as non-residential development in the Mixed Use Planning Area (MUPA). To estimate vehicle trip generation from future development in this category, this study assumes a mix of 67% retail and 33% office uses.

Industrial/Business Park. The industrial/business park category includes light industrial, warehousing, and business park development. Future development in this category includes any development in areas designated for Light Industrial and Business Park uses. To estimate vehicle trip generation from future development in this category, this study assumes a mix of 50% light industrial and 50% business park uses.

Public Facilities. The public facilities category includes government facilities, schools, hospitals and similar public or quasi-public uses. Parks and open space are not included in this category because they create little or no demand for the facilities addressed in this report,

Units of Development

In this study, quantities of existing and planned development are measured in terms of certain units of development. Those units are discussed below.

Acreage. Land area is a fundamental attribute of all types of development. Gross acreage, representing the acreage of a development site before street right-of-way is dedicated, is used in this study as a measure of land area for all development types.

Dwelling Units. The dwelling unit (DU) is the most commonly used measure of residential development, and is the standard unit for residential development in this study.

Building Area. For private non-residential development, gross building area in thousands of square feet (KSF) is used as the standard unit of development.

The relationship between acreage and the other units of development discussed above can be defined as follow:

Residential Density. The relationship between dwelling units and acreage is referred to as "density," and is defined by the average number of dwelling units per acre for a particular type of residential development. The inverse of density is acres per dwelling unit. For example, single family residential development might have a density of 4.0 dwelling units per acre, which equates to 0.25 acres per dwelling unit.

Floor Area Ratio. Floor area ratio (FAR) is a factor that represents the relationship between building area and site area for non-residential development. For example, a FAR of 0.25 : 1 (commonly expressed as a FAR of 0.25) indicates that building area is 25% of site area. Translated into square feet, for a floor area ratio of 0.25, each acre (43,560 square feet) of site area would convert to 10,890 (43,560 x 0.25) square feet or 10.89 KSF of building area.

Demand Variables

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Certain measurable attributes of development (e.g., population, vehicle trip generation) are used in those formulas to reflect the impact of different types and amounts of development on the demand for specific public services and the facilities that support those services. Those attributes are referred to in this study as "demand variables." Demand variables are selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

For example, the service standard for parks in a community is typically defined as a ratio of park acreage to population. As population grows, more parks are needed to maintain the desired standard. Logically, then, population is an appropriate yardstick or demand variable for measuring the impacts of development on the need for additional parks. Similarly, the need for capacity in a street system depends on the volume of traffic the system must handle. Thus the vehicle trip generation rate (the number of vehicle trips generated by each unit of development per day) is an appropriate demand variable to represent the impact of development on the street system.

Each demand variable has a specific value per unit of development for each type of development. Those values may be referred to as *demand factors.* For example, according to the Institute of Transportation Engineers (ITE) trip generation manual, a single-family detached dwelling unit generates an average of 9.57 vehicle trips each weekday. On that basis, the traffic impact factor for single-family residential development is 9.57 trips per day per dwelling unit. Other land use categories have different impact factors.

Some of the impact factors used in this study are based on widely-accepted standards (e.g., trip generation rates), while others are based on local conditions (e.g., population per dwelling unit).

Specific demand variables used in this study are discussed below. The values of demand factors used in this report are shown in Table 2.1 on page 2-5.

Resident Population. Resident population is used as a demand variable to calculate impact fees for facilities, such as parks, that are provided to serve residents of the City. Because resident population is tied to residential development, this variable attributes no demand to non-residential development. Where the term "population" is used alone in this report, it refers to resident population. (See the discussion of service population, below.)

Service Population. The impact of development on some facilities addressed in this study is measured using "service population." Service population is a composite variable consisting of both residents and employees. Residents are included to reflect demand created by residential development. Employees of businesses in the City are included to reflect service demand created by non-residential development in general, not just the demand created by the employees themselves. The use of service population in this report is similar to its use in the 2006 Riverside County Impact Fee Study on which Wildomar's current impact fees are based. However, the relative weights applied to components of service population in this study differs from the weights used in the Riverside County study.

Vehicle Trips. The impact of development on a City's street and highway system is often measured by the number of average daily vehicle trips (ADT) generated by development. In this study, ADT generated is used to measure the impact of development on the City's street system, including roadways, intersections, bridges and traffic signals.

The trip generation rates used in this study are the same rates used in a 2010 study to update Riverside County's impact fees. The updated fees have not yet been adopted. The ADT rates for residential development are taken directly from the ITE trip generation manual. The ADT rates used for non-residential development are based on ITE rates, but have been adjusted by the Riverside County Transportation and Land Use Management Agency.

Table 2.1 on the next page shows the value of key factors used in this study.

Table 2.1: Key Factors Used in This Study

Development Type	Dev Units [1]	Fl Area Ratio [2]	Avg Units per Acre [3]	Svc Pop per Unit [4]	Trips per Unit [5]
Residential, Single-Family	DU	N/A	1.41	3.10	9.57
Residential, Multi-Family	DU	N/A	12.00	2.20	6.72
Commercial/Office	KSF	0.25	10.89	2.33	25.97
Industrial/Business Park	KSF	0.35	15.25	1.34	4.05
Public/Institutional	KSF	0.30	13.07	2.10	10.46

[1] Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area (non-residential development)

[2] Expected average floor area ratio (FAR) = square feet of building area / square feet of site area based on 2003 Riverside County General Plan EIR

[3] Average units of development per acre for future development estimated by Colgan Consulting and the City of Wildomar Planning Department

[4] Service population includes average resident population per unit for residential development and average employees per unit for non-residential development; population per unit of residential development estimated by Colgan Consulting; employees per unit of non-residential development from the 2003 Riverside County General Plan EIR; Commercial/Office category assumed to be 67% retail and 33% office; Industrial/Business Park category assumed to be 50% light industrial and 50% business park; Public/Institutional factor estimated by Colgan Consulting

[5] Average daily trips (ADT) per unit of development; residential trip rates published by the Institute of Transportation Engineers (ITE); non-residential trip rates based on ITE rates with adjustments by the Riverside County Transportation and Land Use Management Agency (TLMA)

Existing and Future Development

Tables 2.2 through 2.4 on the following pages present data on existing and future development in the City of Wildomar. Data from those tables will be used throughout this report. Table 2.2 on the next page shows data for existing development as of October, 2011.

Table 2.2: City of Wildomar - Existing Development - October 2011

Development Types	Unit Type	Acres [1]	Estimated Units [2]	Estimated Svc Pop [3]	Estimated ADT [4]
Residential, Single-Family	DU	4,702.88	9,748	30,219	93,288
Residential, Multi-Family	DU	86.80	1,042	2,292	7,002
Subtotal Residential		4,789.68	10,790	32,511	100,290
Commercial/Office	KSF	239.54	2,609	6,079.0	67,754
Industrial/Business Park	KSF	52.80	805	1,079	3,258
Public/Institutional	KSF	81.15	1,060	2,226	11,088
Subtotal Non-residential		373.49	4,474	9,384	82,100
Total		**5,163.17**		**41,895**	**182,390**

[1] Acres of existing and future development based on analysis of County of Riverside Assessor's parcel data by Colgan Consulting and the City of Wildomar Planning Dept.

[2] Estimated existing single family residential units based on parcel count; estimated existing multi-family residential units and non-residential units, and all future development based on acres and units per acre from Table 2.1

[3] Service population consists of residents (residential development) and employees (non-residential development); estimates based on units and population/employees per unit from Table 2.1

[4] Estimated average daily vehicle trips (ADT) based on units and ADT per unit from Table 2.1

Table 2.3 presents a forecast of future development in the City, based on undeveloped land in the City and acres of land designated for certain land uses in the General Plan.

Table 2.3: City of Wildomar - Added Development (October 2011 to Buildout)

Development Types	Unit Type	Acres [1]	Estimated Units [2]	Estimated Svc Pop [3]	Estimated ADT [4]
Residential, Single-Family	DU	6,151.79	5,521	17,115	52,836
Residential, Multi-Family	DU	84.75	1,017	2,237	6,834
Subtotal Residential		6,236.54	6,538	19,352	59,670
Commercial/Office	KSF	506.61	5,517	12,855	143,272
Industrial/Business Park	KSF	259.54	3,957	5,302	16,013
Public/Institutional	KSF	84.27	1,101	2,312	11,516
Subtotal Non-residential		850.42	10,575	20,469	170,801
Total		**7,086.96**		**39,821**	**230,471**

Note: see footnotes at Table 2.2

Table 2.4 sums the data from the previous two tables and represents a forecast of total development in the City at buildout.

Table 2.4: City of Wildomar - Total Development at Buildout

Development Types	Unit Type	Acres [1]	Estimated Units [2]	Estimated Svc Pop [3]	Estimated ADT [4]
Residential, Single-Family	DU	10,854.67	15,269	47,334	146,124
Residential, Multi-Family	DU	171.55	2,059	4,529	13,836
Subtotal Residential		11,026.22	17,328	51,863	159,960
Commercial/Office	KSF	746.15	8,126	18,934.00	211,026
Industrial/Business Park	KSF	312.34	4,762	6,381.00	19,271
Public/Institutional	KSF	165.42	2,161	4,538.00	22,604
Subtotal Non-residential		1,223.91	15,049	29,853	252,901
Total		**12,250.13**		**81,716**	**412,861**

Note: see footnotes at Table 2.2

Growth Potential

The numbers in Tables 2.2, 2.3 and 2.4 indicate that existing development in Wildomar represents about 63% of its potential residential units and buildout population. But the City has achieved only about 31% of its potential for non-residential development as reflected by the number of employees and square feet of non-residential building area. These tables show that overall development as measured by service population and daily vehicle trips are currently at 51% and 44% of buildout levels respectively.

Another way of looking at those numbers is that if development in Wildomar occurs as depicted in this report, the City's population will increase by 60%, its employment by over 200%, and its total vehicle trips by 125%.

The fees calculated in subsequent chapters are intended to pay for the capital facilities needed to serve the additional demand created by future development forecasted in this chapter.

Chapter 3
Street and Intersection Improvements

This chapter addresses impact fees for street and intersection improvements needed to serve future development in Wildomar. The improvements identified in this chapter are based on the current City of Wildomar General Plan Circulation Element. Projects to be funded by the Western Riverside County Council of Governments (WRCOG) Transportation Uniform Mitigation Fee (TUMF) are excluded from this analysis. The City has determined that there are no existing deficiencies in the portions of the City's street system that will be funded by impact fees calculated in this chapter.

Service Area

The service area for fees calculated in this chapter is the entire study area defined in Chapter 2. The resulting fees are intended to apply to all future development in the study area.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements. The street and intersection improvement projects identified in this chapter will be needed entirely as a result of future development, so the entire cost of those improvements is allocated to future development in the impact fee calculations.

Demand Variable

In this analysis, the demand for street improvements is measured by average daily vehicle trips (ADT) associated with future development. Future vehicle trips are projected using the trip generation factors in Table 2.1, Chapter 2.

Level of Service

The improvements used in this analysis are based on the level of service standard used in the General Plan Circulation Element. Specifically, the Circulation element provides for Level of Service (LOS) C generally, and allows LOS D only at intersections of any combination of secondary highways, major highways, urban expressways and freeway ramps.

Facility Costs

Table 3.1 on the next page, lists the street improvements, intersection improvements, and bridges or culverts used in calculating impact fees in this chapter.

Table 3.1: Street and Intersection Improvements (Excludes TUMF Projects)

Project	Segment	Estimated Cost [1]
Street Improvements		
Bundy Canyon Rd	Corydon St to Mission Tr	$ 99,669
Baxter Rd	I-15 NB ramp to Porras Rd	$ 3,441,316
La Estrella St	Porras Rd to W of Meadow Park Dr	$ 1,270,952
La Estrella St	E of Crest Meadows Dr to City Limit	$ 3,184,678
Grand Av	Central St to Clinton Keith Rd	$ 4,462,761
Orange St	Bundy Canyon Rd to Gruwell St	$ 4,463,511
Gruwell St	Orange St to Palomar St	$ 225,181
Monte Vista Dr	Bundy Canyon Rd to Baxter	$ 4,307,701
Unnamed North-South St	Baxter to La Estrella St	$ 1,763,410
Porras Rd	Baxter to La Estrella St	$ 713,865
George Av	La Estrella to Clinton Keith Rd	$ 1,075,821
Iodine Springs Rd	La Estrella to Clinton Keith Rd	$ 1,548,491
Inland Valley Dr	Clinton Keith Rd to Prielipp Rd	$ 671,301
Prielipp Rd	Inland Valley to City Limit	$ 1,309,758
Subtotal Street Improvements		$ 28,538,415
Intersections		
Intersection Frontage	Bundy Canyon Rd / Corydon St	$ 1,482,965
Intersection Frontage	Bundy Canyon Rd / Mission Tr	$ 1,888,629
Intersection Frontage	Bundy Canyon Rd / Orange St	$ 1,290,456
Intersection Frontage	Bundy Canyon Rd / Sellers Rd	$ 1,126,054
Intersection Frontage	Bundy Canyon Rd / Monte Vista Rd	$ 786,366
Intersection Frontage	Bundy Canyon Rd / Farm Rd	$ 1,202,780
Intersection Frontage	Bundy Canyon Rd / Sunset Av (1/2)	$ 503,906
Intersection Frontage	Central Av / Wild Stallion Ln & Cevera Rd	$ 903,137
Intersection Frontage	Central Av (Baxter) / Monte Vista Rd	$ 883,787
Intersection Frontage	Clinton Keith Rd / 730' E of Palomar St	$ 313,459
Intersection Frontage	Clinton Keith Rd / Stable Lanes Rd	$ 580,971
Intersection Frontage	Clinton Keith Rd / Hidden Springs Rd	$ 580,971
Intersection Frontage	Clinton Keith Rd / Arya Dr	$ 222,928
Intersection Frontage	Clinton Keith Rd / George Av	$ 953,853
Intersection Frontage	Clinton Keith Rd / Inland Valley Dr	$ 1,630,753
Intersection Frontage	Clinton Keith Rd / Smith Ranch Rd	$ 313,459
Intersection Frontage	Grand Av / Corydon St	$ 614,519
Intersection Frontage	Grand Av / Sheila Ln	$ 349,235
Intersection Frontage	Grand Av / Gruwell St	$ 606,279
Intersection Frontage	Grand Av / McVicar St	$ 430,509
Intersection Frontage	Corydon St / Palomar St	$ 1,397,534
Intersection Frontage	Corydon St / Union Av	$ 655,844
Intersection Frontage	Mission Tr / Malaga Rd	$ 472,892
Intersection Frontage	Mission Tr / Canyon Dr	$ 827,541
Intersection Frontage	Mission Tr / Palomar St	$ 1,267,472
Intersection Frontage	Mission Tr (Palomar) / Gruwell St	$ 1,128,990
Intersection Frontage	Mission Tr (Palomar) / McVicar St	$ 784,952
Subtotal Intersections		$ 23,200,242
Bridges and Culverts		
La Estrella Street Bridge		$ 2,012,794
Gruwell St. @Murrieta Creek/Wildomar Channel Bridge Widening		$ 535,531
Central St. @ Murrieta Creek/Wildomar Channel Bridge Widening		$ 448,351
Wildomar Creek Culvert Extension @ McVicar		$ 23,280
Subtotal Bridges and Culverts		$ 3,019,956
Total		**$ 54,758,613**

[1] Detailed cost estimates are available from the City of Wildomar Public Works Department

The street improvements and intersection improvements listed in Table 3.1 include only those improvements beyond the two inside lanes on any roadway. The two inside travel lanes across the street frontage of any development project will be considered project improvements necessary for access to the development, and therefore will be the direct responsibility of abutting developers on either side of the street.

Any additional street improvements beyond the two inside travel lanes, including additional lanes, frontage improvements, bridge widening and culvert extensions are covered by the impact fees calculated in this chapter. The cost of those improvements will be shared by all future development through the impact fees.

Intersection improvements are also split between those associated with a two-lane street and those needed for the full development of the street section as indicated in the Circulation Element. Intersection improvements in excess of those required for a two-lane street are also covered by the impact fees calculated in this chapter.

Allocation of Costs

In Table 3.2, the initial allocation of street and intersection improvement costs to future development by development type is based on the share of new vehicle trips associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained on the next page.

Table 3.2: Allocation of Costs - Street and Intersection Improvements

Development Type	Dev Units [1]	Share of New Trips [2]	Share of Cost [3]	Realloc P/I Cost [4]	Final Allocation [5]
Residential, Single-Family	DU	22.9%	$ 12,553,536	$ 2,422,767	$ 14,976,304
Residential, Multi-Family	DU	3.0%	$ 1,623,720	$ 313,370	$ 1,937,089
Commercial/Office	KSF	62.2%	$ 34,040,621		$ 34,040,621
Industrial/Business Park	KSF	6.9%	$ 3,804,599		$ 3,804,599
Public/Institutional	KSF	5.0%	$ 2,736,137	$ (2,736,137)	$ 0
Totals		100.0%	$ 54,758,613	$ 0	$ 54,758,613

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] New vehicle trips by development type as a percentage of total new vehicle trips; percentages based on data from Table 2.3

[3] Share of improvement cost = total improvement cost from Table 3.1 X share of new trips

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Final allocation = share of cost + reallocated Public/Institutional cost

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 3.2, to single family and multi-family residential development, based on their relative shares of trip generation. The reallocated costs are used to calculate the impact fees. The effect is to increase the impact fees for residential development by about 19%.

Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 3.3. Costs allocated to each type of development in Table 3.2 are divided by the added trips by development type to calculate a cost per trip. Then the cost per trip is multiplied by the trips per unit of development to arrive at a fee per unit.

Table 3.3: Impact Fees per Unit of Development - Street Improvements

Development Type	Dev Units [1]	Final Cost Allocation [2]	Added Trips [3]	Cost per Trip [4]	Trips per Unit [5]	Fee per Unit [6]
Residential, Single-Family	DU	$ 14,976,304	52,836	$ 283.45	9.57	$ 2,712.61
Residential, Multi-Family	DU	$ 1,937,089	6,834	$ 283.45	6.72	$ 1,904.78
Commercial/Office	KSF	$ 34,040,621	143,272	$ 237.59	25.97	$ 6,170.15
Industrial/Business Park	KSF	$ 3,804,599	16,013	$ 237.59	4.05	$ 961.50
Public/Institutional	KSF	$ 0	11,516	$ 0.00	10.46	$ 0.00

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 3.2

[3] Trips added by future development type; see Table 2.3

[4] Cost per trip = final cost allocation / added trips

[5] Trips per unit; see Table 2.1

[6] Fee per unit of development = cost per trip X trips per unit

Projected Revenue

Potential revenue from the street impact fees calculated in this chapter can be projected by applying the fees per unit of development from Table 3.3 to forecasted future units as shown in Table 2.3. The results are shown in Table 3.4 on the next page.

Table 3.4: Projected Revenue - Street Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 2,712.61	5,521	$ 14,976,320
Residential, Multi-Family	DU	$ 1,904.78	1,017	$ 1,937,161
Commercial/Office	KSF	$ 6,170.15	5,517	$ 34,040,718
Industrial/Business Park	KSF	$ 961.50	3,957	$ 3,804,656
Public/Institutional	KSF	$ 0.00	1,101	$ 0
Total				**$ 54,758,854**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 3.3

[3] Future units; see Table 2.3

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

Impact fees calculated in this chapter are based on the cost of providing street improvements that are needed only to serve future development. Assuming that development occurs and improvements are constructed as anticipated in this study, the revenue projected in Table 3.4 would approximately cover the total improvement cost shown in Table 3.1, provided that fees are adjusted periodically to keep pace with changes in construction costs.

Costs and impact fees in this report are shown in current dollars. Once adopted, impact fees should be adjusted at least annually, to reflect changes in price levels. An index, such as the Engineering News Record Building Cost Index can be used to adjust facility cost estimates until the cost estimates and fee calculations are updated. See the Implementation Chapter for more on indexing of fees and on imposition of impact fees for street and intersection improvements.

Chapter 4
Police Impact Fees

This chapter calculates impact fees for future police facilities to serve additional development in Wildomar. The City contracts with the Riverside County Sheriff's Department (RCSD) for law enforcement services, and a Sheriff's Captain acts as the City's police chief. Wildomar is served by Sheriff's Department personnel from a substation in nearby Lake Elsinore.

Definite plans for future police facilities to serve the City have not been developed, but it is obvious, given the extent of projected growth in Wildomar, that additional facility space will be needed to meet additional demand for law enforcement services generated by future development in the City. Whether that space will be provided in a new Wildomar substation or by expanding other RCSD facilities has not been decided, but in either case, the City will be responsible for the cost.

The impact fees calculated in this chapter are based on the cost of maintaining the current ratio of facility space to service population. That ratio is based on Wildomar's existing service population and the share of space in the Lake Elsinore Sheriff's station being used to serve the City. The cost used in the calculations is the estimated cost of additional facility space needed to maintain the existing ratio for future development in Wildomar. The actual ratio of facility square footage to service population is discussed below in the Level of Service section.

Service Area

Although the service area for the Lake Elsinore Sheriff's station extends well beyond the boundaries of Wildomar, the impact fees calculated in this chapter relate only to the City of Wildomar study area defined in Chapter 2. Those fees are intended to apply to all future development in the study area.

Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development. As discussed in Chapter 2, service population is a composite variable consisting of both resident population (representing residential development) and employees (representing non-residential development). The service population factors from Table 2.1 in Chapter 2 are used to calculate impact fees in this chapter.

Level of Service

The existing Lake Elsinore Sheriff's station is approximately 27,000 square feet in size. An estimated 20% of the calls served by that station originate in Wildomar. Thus, it is

reasonable to assume that the amount of facility space needed to serve Wildomar at present is 20% of 27,000 square feet, or 5,400 square feet. Based on those numbers, Table 4.1 calculates the current level of service, in terms of square feet per capita of service population.

Table 4.1: Square Feet per Capita - Police Facilities

Existing Square Feet [1]	Existing Service Pop [2]	Square Feet per Capita [3]
5,400	41,895	0.129

[1] Existing square feet of facility space serving Wildomar; see discussion in text

[2] Existing service population; see Table 2.2

[3] Square feet per capita of service population = existing square feet / existing service population

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. 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 used to determine the amount of additional law enforcement space needed to serve future development in Wildomar is the existing ratio of square feet to service population, as shown in Table 4.1, above. That standard is used to determine the amount of additional facility space needed to maintain that ratio for future development, based on the growth forecast in Chapter 2.

Facility Cost

Table 4.2 on the next page calculates the cost of future police facilities using the square feet per capita factor from Table 4.1 with the projected future service population from table 2.3, and the estimated cost per square foot for construction of police facilities.

Table 4.2: Cost of Future Facilities - Police Facilities

Square Feet per Capita [1]	Added Svc Pop [2]	Total Square Feet [3]	Cost per Square Foot [4]	Facility Cost [5]
0.129	39,821	5,133	$523.00	$ 2,684,389

[1] Square feet of law enforcement space per capita of service population; see Table 4.1
[2] Projected service population added by future development; see Table 2.3
[3] Total square feet of space required to serve future development = square feet per capita X added service population
[4] Cost per square foot of building area includes estimated construction cost of $500 per square foot plus $23.00 per square foot for land (based on a floor area ratio of 0.25 and land cost of $250,000 per acre)
[5] Total cost of additional facility space = total square feet X cost per square foot

Allocation of Costs

As shown in Table 4.3, the initial allocation of police facility costs to future development by development type is based on the share of service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

Table 4.3: Allocation of Costs - Police Facilities

Development Type	Dev Units [1]	Share of Svc Pop [2]	Share of Cost [3]	Realloc P/I Cost [4]	Final Allocation [5]
Residential, Single-Family	DU	43.0%	$ 1,153,746	$ 137,839	$ 1,291,585
Residential, Multi-Family	DU	5.6%	$ 150,799	$ 18,016	$ 168,815
Commercial/Office	KSF	32.3%	$ 866,573		$ 866,573
Industrial/Business Park	KSF	13.3%	$ 357,415		$ 357,415
Public/Institutional	KSF	5.8%	$ 155,855	$ (155,855)	$ 0
Totals		100.0%	$ 2,684,389	$ 0	$ 2,684,389

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area
[2] Service population by development type as a percentage of total added service population; see Table 2.3
[3] Share of facility cost = facility cost from Table 4.2 X share of service population
[4] Reallocated Public/Institutional costs; see discussion in text
[5] Final allocation = share of cost + reallocated Public/Institutional cost

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 4.3, to the single family and

multi-family residential development categories, based on their relative shares of added population. The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 12%.

Impact Fees per Unit of Development

Table 4.4 shows the calculation of Police impact fees per unit of development by development type. Those fees are calculated using the allocated costs from Table 4.3, the added service population by development types from Table 2.3, and the service population per unit factors from Table 2.1.

Table 4.4: Fees per Unit of Development - Police Facilities

Development Type	Dev Units [1]	Final Allocation [2]	Added Svc Pop [3]	Cost per Capita [4]	Svc Pop per Unit [5]	Fee per Unit [6]
Residential, Single-Family	DU	$ 1,291,585	17,115	$ 75.47	3.10	$ 233.94
Residential, Multi-Family	DU	$ 168,815	2,237	$ 75.47	2.20	$ 166.02
Commercial/Office	KSF	$ 866,573	12,855	$ 67.41	2.33	$ 157.07
Industrial/Business Park	KSF	$ 357,415	5,302	$ 67.41	1.34	$ 90.33
Public/Institutional	KSF	$ 0	2,312	$ 0.00	2.10	$ 0.00

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 4.3

[3] Added service population; see Table 2.3

[4] Cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Fee per unit of development = cost per capita X service population per unit

Projected Revenue

Potential revenue from the Police impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 4.4 to forecasted future units from Table 2.3. The results are shown in Table 4.5.

Table 4.5: Projected Revenue - Police Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 233.94	5,521	$ 1,291,583
Residential, Single-Family	DU	$ 166.02	1,017	$ 168,842
Commercial/Office	KSF	$ 157.07	5,517	$ 866,555
Industrial/Business Park	KSF	$ 90.33	3,957	$ 357,436
Public/Institutional	KSF	$ 0.00	1,101	$ 0
Total				**$ 2,684,416**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 4.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units; this study assumes no fees will be collected from Public/Institutional development such as schools.

Impact fees calculated in this chapter are based on the cost of providing additional facilities needed only to serve future development. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 4.5 would approximately cover the total facility cost shown in Table 4.2, provided that fees are adjusted periodically to keep pace with changes in construction costs.

Costs and impact fees in this report are shown in current dollars. Once adopted, impact fees should be adjusted at least annually, to reflect changes in price levels. An index, such as the Engineering News Record Building Cost Index can be used to adjust facility cost estimates until the cost estimates and fee calculations are updated. See the Implementation Chapter for more on indexing of fees.

Chapter 5
Fire Protection Facilities and Equipment

This chapter addresses impact fees for fire protection facilities needed to serve future development in Wildomar. The City of Wildomar contracts with the Riverside County Fire Department (RCFD) for fire protection services including fire prevention, fire suppression, emergency medical response and related services.

Fire protection services are provided to Wildomar by RCFD using a regional system of fire protection facilities and equipment. At present there is one fire station (Station #61) in the City. That station, which is owned by the County, is located south of the I-15 freeway near Central Avenue between Grand Avenue and Palomar Street. Several other fire stations operated by RCFD also respond to calls in Wildomar. They include Station 75 (Bear Creek), Station 94 (Canyon Hills) and Station 68 (Menifee).

Wildomar's current contract with RCFD covers the cost of operating approximately 1.3 fire stations. RCFD has identified a need for another fire station north of the I-15 freeway in Wildomar as the City grows. No specific location has been identified.

Fire Station #61, the existing fire station in the City, is outdated and undersized. In its present condition it is inadequate to serve the long term needs of the City. The City has been in discussions with Riverside County and RCFD regarding plans to replace Station #61 with a larger building on a larger site, or at a minimum to renovate and expand the existing station.

It is virtually certain that much of the cost of such a project will be paid by the City, possibility with participation of the Wildomar Redevelopment Agency. It is also possible the City may acquire ownership of the fire station. A final decision on those matters has not been reached. However, it is clear under Wildomar's contract with RCFD that the City will be responsible for constructing any new fire stations needed to serve the City.

Service Area

The service area for fees calculated in this chapter is the entire study area defined in Chapter 2. The resulting fees are intended to apply to all development in the study area.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements.

According to the analysis in this chapter, the demand for fire protection services will very nearly double between now and buildout of the City. So, for purposes of the impact fee analysis, it is reasonable to allocate the entire cost of the additional fire station and a new Type I fire engine to future development in the impact fee calculations.

Demand Variable

In this analysis, the demand for fire protection services is measured by service population, which is consistent with the method used by Riverside County to calculate the fire protection impact fees currently in effect in Wildomar. In the impact fee calculations, costs are allocated in proportion to the service population associated with different types of development.

As discussed in Chapter 2, service population consists of both residents (representing residential development) and employees (representing non-residential development). Service population factors associated with different types of development are shown in Table 2.1, and are used later in this chapter to calculate the impact fees (see Table 5.3).

Level of Service

This analysis assumes there will be two fire stations in the City at buildout. New development will account for approximately half of the projected demand for fire protection services at buildout, so impact fees charged to future development to pay for one new fire station are based on essentially the same level of service provided to existing development in the City.

Facility and Equipment Costs

As discussed above, Wildomar has one existing fire station, and one new fire station will be needed in the future. A fully-equipped new Type I fire engine will be needed for the new fire station. Table 5.1 shows the cost of the fire station and the fire engine that will be used in calculating impact fees in this chapter.

Table 5.1: Cost of Future Fire Station and Fire Engine

Component	Component Cost [1]
Future Fire Station (includes FF&E)	$ 4,500,000
Fire Station Site (2 Acres)	$ 500,000
Future Type I Engine	$ 500,000
Total Facility/Equipment Cost	**$ 5,500,000**

[1] Cost estimates for the fire station and the fire engine provided by the Riverside County Fire Department. The cost estimate for land was provided by the City of Wildomar.

Allocation of Costs

As shown in Table 5.2, the initial allocation of the future fire station/fire engine costs to future development by development type is based on the share of service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below

Table 5.2: Allocation of Costs - Future Fire Station and Fire Engine

Development Type	Dev Units [1]	Share of Svc Pop [2]	Share of Cost [3]	Realloc P/I Cost [4]	Final Allocation [5]
Residential, Single-Family	DU	43.0%	$ 2,363,891	$ 282,416	$ 2,646,307
Residential, Multi-Family	DU	5.6%	$ 308,970	$ 36,913	$ 345,883
Commercial/Office	KSF	32.3%	$ 1,775,508		$ 1,775,508
Industrial/Business Park	KSF	13.3%	$ 732,302		$ 732,302
Public/Institutional	KSF	5.8%	$ 319,329	$ (319,329)	$ 0
Totals		100.0%	$ 5,500,000	$ 0	$ 5,500,000

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Added service population by development type as a percentage of total added service population; percentages based on data from Table 2.3

[3] Share of facility cost = facility cost from Table 5.1 X share of service population

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Final allocation = share of cost + reallocated Public/Institutional cost

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 5.2, to single family and multi-family residential development, based on their relative shares of population. The

reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 12%.

Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 5.3. Costs allocated to each type of development in Table 5.2 are divided by the added service population by development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at a fee per unit.

Table 5.3: Impact Fees per Unit of Development - Fire Protection

Development Type	Dev Units [1]	Final Allocation [2]	Added Svc Pop [3]	Cost per Capita [4]	Svc Pop per Unit [5]	Fee per Unit [6]
Residential, Single-Family	DU	$ 2,646,307	17,115	$ 154.62	3.10	$ 479.32
Residential, Multi-Family	DU	$ 345,883	2,237	$ 154.62	2.20	$ 340.16
Commercial/Office	KSF	$ 1,775,508	12,855	$ 138.12	2.33	$ 321.82
Industrial/Business Park	KSF	$ 732,302	5,302	$ 138.12	1.34	$ 185.08
Public/Institutional	KSF	$ 0	2,312	$ 0.00	2.10	$ 0.00

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 5.2

[3] Added service population; see Table 2.3

[4] Cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Fee per unit of development = cost per capita X service population per unit

Projected Revenue

Potential revenue from the fire protection impact fees calculated in this chapter can be projected by applying the fees per unit of development from Table 5.3 to forecasted future units as shown in Table 2.3. The results are shown in Table 5.4.

Table 5.4: Projected Revenue - Fire Protection Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 479.32	5,521	$ 2,646,326
Residential, Multi-Family	DU	$ 340.16	1,017	$ 345,943
Commercial/Office	KSF	$ 321.82	5,517	$ 1,775,481
Industrial/Business Park	KSF	$ 185.08	3,957	$ 732,362
Public/Institutional	KSF	$ 0.00	1,101	$ 0
Total				**$ 5,500,111**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 5.3

[3] Future units; see Table 2.3

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

Impact fees calculated in this chapter are based on the cost of providing additional facilities that are needed only to serve future development. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 5.4 would approximately cover the total facility cost shown in Table 5.1, provided that fees are adjusted periodically to keep pace with changes in construction costs.

Costs and impact fees in this report are shown in current dollars. Once adopted, impact fees should be adjusted at least annually, to reflect changes in price levels. An index, such as the Engineering News Record Building Cost Index can be used to adjust facility cost estimates until the cost estimates and fee calculations are updated. See the Implementation Chapter for more on indexing of fees.

Chapter 6
Fees In Lieu of Park Land Dedication and Park Impact Fees

This chapter addresses park land dedication and fees in lieu of dedication as authorized by the Quimby Act (Govt. Code Section 66477), which is part of the Subdivision Map Act. It also addresses park impact fees for residential development that does not involve a subdivision.

The Quimby Act

Under the Quimby Act, the City may, by ordinance, "require the dedication of land or impose a requirement for payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition of approval of a tentative tract map or parcel map…." The provisions of the Quimby Act apply only to residential subdivisions.

An ordinance imposing dedication and fee requirements under the Quimby Act must contain "definite standards for determining the proportion of a subdivision to be dedicated and the amount of any fee to be paid in lieu thereof."

Before imposing these requirements, the City must have adopted a general plan or specific plan containing policies and standards for parks and recreation facilities. The dedicated land and/or in-lieu fees "are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision (paying the fees)." That does not mean that parks or recreational facilities acquired or constructed with the fees must be exclusively for the use of the subdivision paying the fees.

The Quimby Act provides that only in-lieu fees, not land dedication requirements, may be applied to subdivision of less than 50 parcels. Otherwise, the City may choose to require either land dedication or payment of in-lieu fees.

Park Impact Fees for Non-Subdivision Projects. Because the provisions of the Quimby Act apply only to subdivisions, residential development projects that do not involve a subdivision of land (i.e., projects on existing parcels) are not subject to the dedication and fee requirements authorized by the Act.

However, residential development that does not involve a subdivision has the same park and recreation needs as development involving a subdivision. Therefore, this report proposes that the City enact park impact fees identical to the park in-lieu fees calculated in this chapter, and that those fees would apply to residential development that does not involve a subdivision.

Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. The resulting fees are intended to apply to all residential development in the study area. However, it is important that revenue from those fees be spent for parks that serve occupants of the development projects paying the fees, as required by the Quimby Act.

The City has not adopted park standards to define the service radius for various types of parks, so there is no definitive basis for making that determination. Community parks typically have a much larger service radius than neighborhood parks, and in a city of Wildomar's size, may serve the entire city. So, to the extent that in-lieu fees are spent on community parks, proximity to the development paying the fees is less of a concern.

Demand Variable

Level-of-service standards for parks are almost universally based on population. In addition, the Quimby Act specifies that park land dedication/in-lieu fee standards must be based on the relationship between park acreage and population. Thus, population will be used as the demand variable in calculating acreage requirements and in-lieu fees in this chapter. Population-per-dwelling-unit factors for residential development types are shown in Table 2.1 in Chapter 2.

Level of Service

Wildomar has three existing parks, which are listed in Table 6.1. The City has no parks master plan, and has not designated any of the existing parks as either neighborhood or community parks.

Table 6.1: Existing Parks

Existing Parks	Total Acreage
Marna O'Brien Park	8.94
Regency Heritage Park	3.26
Windsong Park	2.07
Total	**14.27**

Table 6.2 on the next page calculates the existing ratio of park acreage to population, based on the existing park acreage shown in Table 6.1 and the existing population from Table 2.2 in Chapter 2.

Table 6.2: Existing Park Acres per 1,000 Residents

Existing Park Acres [1]	Estimated 2011 Population [2]	Existing Park Acres per Capita [3]	Existing Park Acres per 1000 [4]
14.27	32,511	0.00044	0.44

[1] Existing acres of parks in Wildomar; see Table 6.1
[2] Estimated 2011 population; see Table 2.2
[3] Existing park acres per capita = existing park acres / estimated 2011 population
[4] Existing park acres per 1,000 residents = existing park acres per capita X 1,000

The Quimby Act provides that park land dedication requirements may be based on a ratio of at least 3.0 acres per thousand residents, and may increase to a maximum of 5.0 acres per thousand to match the existing ratio if the existing ratio (as of the last Census) exceeds 3.0 acres per thousand.

In this case, as shown in Table 6.2 above, the current ratio of park land to population in Wildomar is below 3.0 acres per 1,000, so a ratio of 3.0 acres per thousand residents will be used to calculate fees in lieu of park land dedication.

Methodology

This chapter calculates impact fees using the method specified in the Quimby Act to calculate park land dedication requirements and fees in lieu of park land dedication. That method is identical to the standard-based method discussed in Chapter 1. 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. Because population is used as a demand variable in the fee calculations, and population is related to residential development, the fees calculated in this chapter apply only to residential development.

Required Acres per Unit of Development

Table 6.3, on the following page, calculates the acres of park land per unit that must be provided to meet the standard of 3.0 acres per 1,000 residents. That number varies with the average number of persons per unit by development type. If park land is dedicated by the developer, the units-per-acre factors from Table 6.3 would be multiplied by the number of units in a project to determine the number of acres to be dedicated.

Table 6.3: Acres per Unit for Park Land Dedication/In Lieu Fee

Development Type	Dev Units [1]	Acres per Capita [2]	Persons per Unit [3]	Acres per Unit [4]
Residential, Single-Family	DU	0.003	3.10	0.0093
Residential, Multi-Family	DU	0.003	2.20	0.0066

[1] DU = dwelling units

[2] Acres per capita based on the Quimby minimum of 3.0 acres per 1,000 residents

[3] Persons per dwelling unit; see Table 2.1

[4] Acres per unit = acres per capita X persons per unit

If the City chooses to collect in-lieu fees rather than requiring dedication of park land, those fees would be based on the acres-per-unit factors from Table 6.3. Table 6.4 calculates fees in-lieu of dedication, based on those factors and the estimated average cost per acre to acquire park land in Wildomar.

Table 6.4: Fees per Unit - Park Land In Lieu Fees

Development Type	Dev Units [1]	Acres per Unit [2]	Cost per Acre [3]	In-Lieu Fee per Unit [4]
Residential, Single-Family	DU	0.0093	$ 250,000	$2,325.00
Residential, Multi-Family	DU	0.0066	$ 250,000	$1,650.00

[1] DU = dwelling units

[2] Acres per unit; see Table 6.3

[3] Estimated cost per acre to acquire land for parks

[4] Fee per unit = acres per unit X cost per acre

As discussed earlier in this chapter, residential development that does not involve a subdivision creates the same need for parks as residential development in a subdivision. Therefore, this report proposes that the in-lieu fees per unit shown in Table 6.4, also be applied as park impact fees to residential units that are not subject to in-lieu fees.

Projected Revenue

Potential revenue from the in-lieu fees can be projected by applying the fees per unit from Table 6.4 to forecasted future residential units by development type, as shown in Table 6.5 on the next page. This projection assumes that all future residential development involving a subdivision will pay in-lieu fees rather than dedicating land, and that any non-subdivision residential projects will pay an equivalent park impact fee.

Table 6.5: Projected Revenue - Park Land In-Lieu Fees

Development Type	Units [1]	In-Lieu Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$2,325.00	5,521.00	$ 12,836,325
Residential, Multi-Family	DU	$1,650.00	1,017.00	$ 1,678,050
Total Projected Revenue				**$ 14,514,375**

[1] DU = dwelling unit

[2] See Table 6.4

[3] See Table 2.3, Chapter 2

[4] Projected revenue = in-lieu fee per unit X future units; projected revenue assumes that all future residential development pays the in-lieu fee rather than dedicating land

The costs used in this chapter are in current dollars, and the fees calculated above should be adjusted at least annually for changes in land costs.

Chapter 7
Community Centers

This chapter calculates impact fees for community center facilities in Wildomar. At present, the City has no community center facilities. This report estimates that the City is now almost 63% built out in terms of population. The City may not impose impact fees on new development to pay for more than its proportionate share of the cost of facilities, so impact fees charged to new development would be limited to paying for about 37% of the cost of any new community center facilities. If Wildomar imposes impact fees on new development to pay for community center facilities, the City must identify other fund sources to pay for the existing community's share of the cost of those facilities.

Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. The resulting fees are intended to apply to all residential development in the study area. It is important that revenue from those fees be spent for facilities that serve occupants of the development projects paying the fees. However, this report assumes that the City would construct only one community center facility to serve the entire City, and that facility would benefit all residential development in the City.

Demand Variable

Community center facilities are provided for the use of City residents. Any use by non-residents would be incidental. Consequently, resident population is used as the demand variable in calculating impact fees for community centers in this study. Because population is used as the demand variable in the fee calculations and population is related to residential development, the fees calculated in this chapter apply only to residential development.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. 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 fees calculated in this chapter are based on the relationship between population and community center space as defined in Table 7.1.

Level of Service and Cost per Capita

The level of service used in this analysis is 0.4 square feet of community center space per capita. Based on that standard, Table 7.1 shows the total size of a community center needed to serve the forecasted buildout population of the City. It also shows the estimated facility cost and the average cost per capita.

Table 7.1: Level of Service and Cost per Capita - Community Centers

Buildout Population [1]	Square Feet per Capita [2]	Total Square Feet [3]	Cost per Square Foot [4]	Facility Cost [5]	Cost per Capita [6]
51,863	0.40	20,745	$398.00	$8,256,590	159.20

[1] Projected population at buildout; see Table 2.4
[2] Square feet of building area per capita
[3] Total square feet of recreation center space = buildout population X square feet per capita
[4] Cost per square foot of building area includes construction cost of $350 per square foot plus $25.00 per square foot for furniture, fixtures and equipment and $23.00 per square foot for land (based on FAR of 0.25 and land cost of $250,000 per acre)
[5] Facility cost = total square feet X cost per square foot
[6] Cost per capita = square feet per capita X cost per square foot

In the next section, the average cost per capita from Table 7.1 is used to calculate impact fees per unit of development by development type.

Impact Fees per Unit of Development

Table 7.2 shows the community center impact fees per unit of development by development type. Those fees are calculated using the per-capita cost from Table 7.1 and the persons per dwelling unit factors from Table 2.1. Note that impact fees based on resident population alone apply only to residential development types.

Table 7.2: Fees per Unit of Development - Community Centers

Development Type	Dev Units [1]	Pop per Unit [2]	Cost per Capita [3]	Fee per Unit [4]
Residential, Single-Family	DU	3.10	$159.20	$493.52
Residential, Multi-Family	DU	2.20	$159.20	$350.24

[1] Units of development; DU = dwelling unit
[2] Population per unit of development; see Table 2.1
[3] Cost per capita; see Table 7.1
[4] Fee per unit of development = population per unit X cost per capita

Projected Revenue

Potential revenue from the community center impact fees calculated in this chapter can be projected by applying the fees per unit from Table 7.2 to forecasted future residential units from Table 2.3. The results are shown in Table 7.3.

Table 7.3: Projected Revenue - Community Center Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 493.52	5,521	$ 2,724,724
Residential, Multi-Family	DU	$ 350.24	1,017	$ 356,194
Total				**$ 3,080,918**

[1] Units of development; DU = dwelling unit

[2] Fee per unit of development; see Table 7.2

[3] Future units; see Table 2.3

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

Because the impact fees calculated here are intended to cover only future development's proportionate share of the cost of the City's community center facilities, the projected revenue shown in Table 7.3 equals 37.3% of the estimated total cost of the facility. As discussed earlier, based on the forecast of future development in Chapter 2, the population added between 2011 and buildout will represent 37.3% of the total population at buildout. To cover the other 62.7% of the cost, the City will have to fund $6.39 million of the facility cost from other sources of revenue.

The costs used in this chapter are given in current dollars, and the fees calculated above should be indexed, or adjusted at least annually, to keep pace with changes in price levels. See the Implementation Chapter for more on indexing of fees.

Chapter 8
City Hall

This chapter calculates impact fees for a permanent City Hall in Wildomar. At present, the City leases space for City Hall, but in the long run, the City intends to construct its own City Hall building.

The impact fees calculated in this chapter are based on future development's proportionate share of the cost of a future City Hall building. This report estimates that the City is now approximately 51% built out in terms of service population. As discussed below, service population is used to represent the service demand created by development, and the impact fees calculated in this report are intended to pay for no more than new development's proportionate share of the cost of the future City Hall. Consequently, the City must identify other fund sources to pay for the existing community's share of the cost of a new building.

Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. Those fees are intended to apply to all development in the study area.

Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development. As discussed in Chapter 2, service population is a composite variable consisting of both resident population (representing residential development) and employees (representing non-residential development). The service population per-unit factors from Table 2.1 in Chapter 2 are used to calculate impact fees in Table 8.3.

Level of Service

The level of service standard used to determine the size of the City Hall building needed at buildout of Wildomar is based on an analysis of data from other cities in the area regarding the relationship between city hall size and population. A conservative ratio of 0.25 square feet of building area per capita of service population is used to establish the size of the future City Hall building.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. 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.

In the impact fee calculations, the cost of a new City Hall building is allocated to both existing and future development, so the impact fees reflect only future development's share of total facility cost. To calculate those impact fees, new development's proportionate share of the cost of the facility is allocated to future development in the City, based on the shares of service population associated with various types of development.

Facility Costs

Based on the level of service standard discussed in the Level of Service section above, Table 8.1 shows the total size and estimated cost of a future City Hall building needed to serve the projected service population of the City at buildout.

Table 8.1: Level of Service and Cost per Capita - City Hall

Square Feet per Capita [1]	Buildout Svc Pop [2]	City Hall Square Feet [3]	Cost per Square Foot [4]	Facility Cost [5]
0.25	81,716	20,429	$458.00	$ 9,356,482
New Development's Share of Cost (48.7%) [6]				**$ 4,556,607**

[1] Square feet per capita of service population used as a planning standard
[2] Projected service population at buildout; see Table 2.4
[3] Square feet of City Hall building = sq. ft. per capita X buildout service pop.
[4] Cost per square foot of building area includes estimated construction cost of $435 per square foot plus $23.00 per square foot for land (based on a floor area ratio of 0.25 and land cost of $250,000 per acre)
[5] Facility cost = City Hall square feet X cost per square foot
[6] New development's share of cost = new development's share of buildout service population; see Tables 2.3 and 2.4

Allocation of Costs

As shown in Table 8.2 on the next page, the initial allocation of City Hall costs to future development by development type is based on the percentage of future service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 8.2, to single family and multi-family residential development, based on their relative shares of population. The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 12%.

Table 8.2: Allocation of Costs - City Hall

Development Type	Dev Units [1]	Share of Svc Pop [2]	Share of Cost [3]	Realloc P/I Cost [4]	Final Allocation [5]
Residential, Single-Family	DU	43.0%	$ 1,958,422	$ 233,974	$ 2,192,396
Residential, Multi-Family	DU	5.6%	$ 255,974	$ 30,581	$ 286,555
Commercial/Office	KSF	32.3%	$ 1,470,962		$ 1,470,962
Industrial/Business Park	KSF	13.3%	$ 606,693		$ 606,693
Public/Institutional	KSF	5.8%	$ 264,556	$ (264,556)	$ 0
Totals		100.0%	$ 4,556,607	$ 0	$ 4,556,607

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Added service population by development type as a percentage of total added service population; percentages based on data from Table 2.3

[3] Share of facility cost = new development's share of facility cost from Table 8.1 X share of service population

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Final allocation = share of cost + reallocated Public/Institutional cost

Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 8.3 on the next page. Costs allocated to each type of development from Table 8.2 are divided by the added service population by development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at a fee per unit.

Table 8.3: Impact Fees per Unit of Development - City Hall

Development Type	Dev Units [1]	Final Allocation [2]	Added Svc Pop [3]	Cost per Capita [4]	Svc Pop per Unit [5]	Fee per Unit [6]
Residential, Single-Family	DU	$ 2,192,396	17,115	$ 128.10	3.10	$ 397.10
Residential, Multi-Family	DU	$ 286,555	2,237	$ 128.10	2.20	$ 281.82
Commercial/Office	KSF	$ 1,470,962	12,855	$ 114.43	2.33	$ 266.62
Industrial/Business Park	KSF	$ 606,693	5,302	$ 114.43	1.34	$ 153.33
Public/Institutional	KSF	$ 0	2,312	$ 0.00	2.10	$ 0.00

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 8.2

[3] Added service population; see Table 2.3

[4] Cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Fee per unit of development = cost per capita X service population per unit

Projected Revenue

Potential revenue from the City Hall impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 8.3 to forecasted future units from Table 2.3. The results are shown in Table 8.4.

Table 8.4: Projected Revenue - City Hall Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 397.10	5,521	$ 2,192,389
Residential, Single-Family	DU	$ 281.82	1,017	$ 286,611
Commercial/Office	KSF	$ 266.62	5,517	$ 1,470,943
Industrial/Business Park	KSF	$ 153.33	3,957	$ 606,727
Public/Institutional	KSF	$ 0.00	1,101	$ 0
Total				**$ 4,556,669**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 8.3

[3] Future units; see Table 2.3

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

Impact fees calculated in this chapter are based on the future development's share of the cost of a new City Hall. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 8.4 would cover

slightly less than half of the total facility cost shown in Table 8.1, if fees are adjusted periodically to keep pace with changes in land and construction costs.

Costs and impact fees in this report are shown in current dollars. Once adopted, impact fees should be adjusted at least annually, to reflect changes in price levels. An index, such as the Engineering News Record Building Cost Index can be used to adjust construction cost estimates until the cost estimates and fee calculations are updated. See the Implementation Chapter for more on indexing of fees.

Chapter 9
Animal Shelter

This chapter calculates impact fees for the regional animal shelter serving Wildomar. The Animal Shelter was completed in 2010. It is located in Wildomar and is intended to serve the needs of Wildomar and other several other participating communities far into the future. Construction was financed through a joint powers authority, to which Wildomar is a party, and Wildomar is responsible for paying a share of the debt service each year through 2038.

For purposes of the impact fee analysis, Wildomar's share of the animal shelter cost is defined as the present value of its share of the 30-year stream of debt service payments required to pay off the debt on the building. That cost will be allocated proportionately between existing and future development

Service Area

Although the service area for the animal shelter extends well beyond the boundaries of Wildomar, the impact fees calculated in this chapter are based on Wildomar's share of the cost of that facility, and relate only to the City of Wildomar study area defined in Chapter 2. The fees are intended to apply to all future development in the study area.

Demand Variable

Most animals that end up in the animal shelter start out as household pets, so impact fees for the animal shelter will be charged only to residential development. That is why resident population, which represents residential development, is used in the impact fee calculations for the animal shelter. The population per-unit factors from Table 2.1 in Chapter 2 are used to calculate impact fees per unit in Table 9.2 on page 9-3.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated using a specified set of facilities and a specified increment of development that is served by those facilities. In this case, Wildomar's share of the cost of the animal shelter is allocated to both existing and future development, so the impact fees reflect only future development's proportionate share of the cost.

Level of Service

Level of service is not a factor in the calculation of impact fees for the animal shelter. The level of service is implied in the size and cost of the existing animal shelter, and it is not necessary to address it explicitly here.

Cost per Capita

Table 9.1 shows the calculation of the cost per capita for the animal shelter. To incorporate bond interest into the facility cost, the total cost of the facility is calculated as the present value of the stream of debt service payments (principal and interest) on the animal shelter over the 30-year term of the bonds, discounted at 3% per year to account for expected inflation. That method incorporates interest cost into the overall cost of the facility, while discounting for the fact that money paid in the future has less value than money paid today.

The principal amount of the debt incurred to build the animal shelter was $15.1 million. The sum of all scheduled payments on that debt over 30 years will amount to $33.6 million, and the present value of those payments, discounted at 3% per year for future inflation, equals $24,376,082. Table 9.1 shows Wildomar's 17.1% share of that cost and calculates the cost per capita based on the projected population of the City at buildout.

Table 9.1: Cost per Capita - Animal Shelter

Facility Cost [1]	Wildomar Percentage [2]	Wildomar Cost Share [3]	Buildout Population [4]	Cost per Capita [5]
$24,376,082	17.1%	$4,168,310	51,863	$80.37

[1] Facility cost = discounted present value of all debt service payments on bonds issued for construction of the regional animal shelter; see discussion in text
[2] Wildomar percentage = the percentage of capital cost to be paid by Wildomar
[3] Wildomar cost share = facility cost X Wildomar percentage
[4] Buildout population of Wildomar; see Table 2.4
[5] Cost per capita = Wildomar cost share / buildout population

In the next section, the average cost per capita from Table 9.1 is used to calculate impact fees per unit of development by development type.

Impact Fees per Unit of Development

Table 9.2 on the next page shows the Animal Shelter impact fees per unit of development by development type. Those fees are calculated using the per-capita cost from Table 9.1 and the population per unit factors from Table 2.1.

Table 9.2: Fees per Unit of Development - Animal Shelter

Development Type	Dev Units [1]	Population per Unit [2]	Cost per Capita [3]	Fee per Unit [4]
Residential, Single-Family	DU	3.10	$80.37	$249.15
Residential, Multi-Family	DU	2.20	$80.37	$176.82

[1] Units of development; DU = dwelling unit
[2] Population per unit; see Table 2.1
[3] Cost per capita; see Table 9.1
[4] Fee per unit = population per unit X cost per capita

Projected Revenue

Potential revenue from the Animal Shelter impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 9.2 to forecasted future units from Table 2.3. The results are shown in Table 9.3.

Table 9.3: Projected Revenue - Animal Shelter Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 249.15	5,521	$ 1,375,557
Residential, Single-Family	DU	$ 176.82	1,017	$ 179,826
Total				**$ 1,555,383**

[1] Units of development; DU = dwelling unit
[2] Fee per unit of development; see Table 9.2
[3] Future units; see Table 2.3
[4] Projected revenue = fee per unit X future units

Because the impact fees calculated here are intended to cover only future development's proportionate share of the cost of the Animal Shelter, the projected revenue shown in Table 9.3 is approximately 37.3% of Wildomar's share of the cost of the Animal Shelter. The remaining cost of this facility will have to be funded by the City from non-impact fee sources of revenue.

Other impact fees calculated in this report assume that facilities will be constructed in the future on a pay-as-you-go basis. Those impact fees should be indexed, or adjusted annually, to keep pace with construction costs. The Animal Shelter, on the other hand, has already been constructed and was financed with debt. The cost used in the impact fee calculations is the present value of all debt service payments, discounted for expected inflation. Since the cost was discounted at a fixed rate, the fees should be increased annually by the same fixed rate, regardless of the actual rate of inflation in future years.

Chapter 10
Corporation Yard Impact Fees

This chapter calculates impact fees for future corporation yard facilities to serve additional development in Wildomar. At present, the City contracts for street and park maintenance and does not have a corporation yard. However, in the future, Wildomar will need to construct its own corporation yard, whether or not the City continues to contract for maintenance services.

Plans have not been developed for the City's future corporation yard, so this chapter uses conservative estimates of the size and cost of such a facility. When that facility is completed, it will serve both existing and future development in the City.

The impact fees calculated in this chapter will cover only future development's proportional share of the cost of the corporation yard. The existing community's share of the cost, about 51% of the total will have to be funded from other sources of revenue.

Service Area

The service area for fees calculated in this chapter is the study area defined in Chapter 2. The resulting fees are intended to apply to all development in the study area.

Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development. As discussed in Chapter 2, service population is a composite variable consisting of both resident population (representing residential development) and employees (representing non-residential development). The service population factors from Table 2.1 in Chapter 2 are used to calculate impact fees in this chapter.

Level of Service

The needs analysis for corporation yard facilities was not driven by a level of service standard, but rather by a very conservative assessment of the facilities that will be needed by the City at buildout. Although there is a level of service implied by that assessment, the level of service is not explicitly involved in the impact fee calculations.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements.

Thus, to calculate impact fees for corporation yard facilities, new development's proportionate share of the cost of the planned corporation yard is allocated to future development in the City, based on the shares of service population associated with existing and future development.

Facility Cost

Table 10.1 shows the estimated cost for the planned corporation yard facility. It also shows future development's share of that cost, based on future development's projected share of total service population at buildout.

Table 10.1: Estimated Costs - Corporation Yard

Component	Unit Type	No. of Units	Est. Cost per Unit [1]	Estimated Cost [2]
Maintenance/Storage Building	Sq. Ft.	3,000	$ 400.00	$ 1,200,000
Site Development	Acres	5	$ 75,000.00	$ 375,000
Corporation Yard Site Site	Acres	5	$ 250,000.00	$ 1,250,000
Total Cost				**$ 2,825,000**
New Development's Share of Cost (48.7%) [3]				**$ 1,375,775**

[1] Estimated costs provided by the City of Wildomar

[2] Estimated cost = number of units X estimated cost per unit

[3] New develoment's share of cost = new development's share of buildout service population; see Tables 2.3 and 2.4

Allocation of Costs

As shown in Table 10.2 on the next page the initial allocation of corporation yard costs to future development by development type is based on the percentage of future service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 10.2 to single family and multi-family residential development, based on their relative shares of population. The reallocated costs are used to calculate the impact fees. The effect is to increase the impact fees for residential development by about 12%.

Table 10.2: Allocation of Costs - Corporation Yard

Development Type	Dev Units [1]	Share of Svc Pop [2]	Share of Cost [3]	Realloc P/I Cost [4]	Final Allocation [5]
Residential, Single-Family	DU	43.0%	$ 591,306	$ 70,644	$ 661,950
Residential, Multi-Family	DU	5.6%	$ 77,286	$ 9,233	$ 86,520
Commercial/Office	KSF	32.3%	$ 444,127		$ 444,127
Industrial/Business Park	KSF	13.3%	$ 183,179		$ 183,179
Public/Institutional	KSF	5.8%	$ 79,877	$ (79,877)	$ 0
Totals		**100.0%**	**$ 1,375,775**	**$ 0**	**$ 1,375,775**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Added service population by development type as a percentage of total added service population; percentages based on data from Table 2.3

[3] Share of facility cost = new development's share of facility cost from Table 10.1 X share of service population

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Final allocation = share of cost + reallocated Public/Institutional cost

Impact Fees per Unit of Development

Table 10.3 shows the calculation of corporation yard impact fees per unit of development by development type. Those fees are calculated using the final allocated costs from Table 10.2, the added service population by development type from Table 2.3, and the service population per-unit factors from Table 2.1.

Table 10.3: Fees per Unit of Development - Corporation Yard

Development Type	Dev Units [1]	Final Allocation [2]	Added Svc Pop [3]	Cost per Capita [4]	Svc Pop per Unit [5]	Fee per Unit [6]
Residential, Single-Family	DU	$ 661,950	17,115	$ 38.68	3.10	$ 119.90
Residential, Multi-Family	DU	$ 86,520	2,237	$ 38.68	2.20	$ 85.09
Commercial/Office	KSF	$ 444,127	12,855	$ 34.55	2.33	$ 80.50
Industrial/Business Park	KSF	$ 183,179	5,302	$ 34.55	1.34	$ 46.30
Public/Institutional	KSF	$ 0	2,312	$ 0.00	2.10	$ 0.00

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 10.2

[3] Added service population; see Table 2.3

[4] Cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Fee per unit of development = cost per capita X service population per unit

Projected Revenue

Potential revenue from the corporation yard impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 10.3 to forecasted future units from Table 2.3. The results are shown in Table 10.4.

Table 10.4: Projected Revenue - Corporation Yard Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 119.90	5,521	$ 661,968
Residential, Single-Family	DU	$ 85.09	1,017	$ 86,537
Commercial/Office	KSF	$ 80.50	5,517	$ 444,119
Industrial/Business Park	KSF	$ 46.30	3,957	$ 183,209
Public/Institutional	KSF	$ 0.00	1,101	$ 0
Total				**$ 1,375,832**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 10.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units; this study assumes no fees will be collected from Public/Institutional development such as schools.

Impact fees calculated in this chapter are based on the cost of future development's share of the planned corporation yard facilities. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 10.4 would cover slightly less than half of the total facility cost shown in Table 10.1, provided that fees are adjusted periodically to keep pace with changes in land and construction costs.

Costs and impact fees in this report are shown in current dollars. Once adopted, impact fees should be adjusted at least annually, to reflect changes in price levels. An index, such as the Engineering News Record Building Cost Index can be used to adjust construction cost estimates until the cost estimates and fee calculations are updated. See the Implementation Chapter for more on indexing of fees.

Chapter 11
Drainage Improvements

This chapter addresses impact fees for drainage improvements needed to serve future development in Wildomar. Wildomar's topography creates unique issues for the City's drainage system. Runoff from development on the slopes of eastern Wildomar has the potential to create severe impacts on relatively flat, low-lying downstream areas in the western part of the City, so an effective drainage system is a very high priority in planning for development.

The drainage improvements identified in this chapter are based on local collector lines identified in the three drainage master plans that the cover the City:

- The Wildomar Master Drainage Plan
- The Sedco Master Drainage Plan
- The Murrieta Creek Master Drainage Plan

The fees calculated in this chapter also include the cost of a portion of a sub-regional collector system serving Wildomar. Cost estimates used in the impact fee calculations are based on the uncompleted portions of Wildomar's drainage system and have been updated to 2012. Those estimates do not include costs for which Riverside County collects Area Drainage Plan Fees.

The City has determined that there are no existing deficiencies in the drainage systems to be funded by the impact fees, so all of the improvements identified in this chapter are needed to serve future development.

Study Area

The study area for fees calculated in chapter is the entire study area defined in Chapter 2. The resulting fees are intended to apply to all future development in the study area.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements. The drainage improvement projects identified in this chapter will be needed entirely as a result of future development, so the entire cost of those improvements is allocated to future development in the impact fee calculations.

Demand Variable

In this analysis, the demand for drainage improvements is measured by the amount of additional impervious surface area associated with various types of development. The addition of impervious surfaces like roofs, patios and driveways prevents rainwater from percolating into the soil and increases the runoff from a site. The increased runoff absorbs capacity in the drainage system.

Level of Service

The level of service standard used to establish the need for drainage improvements in Wildomar is the return frequency of the design storm used to calculate system capacity requirements in the drainage master plans.

The Wildomar and Murrietta creek facilities consist of a variety of surface channels and underground reinforced concrete pipes of various sizes. The channels are all designed to carry the 100-year storm flow. All underground facilities are designed to carry the 10-year storm flow. The Sedco Master Plan consists of surface channels and underground reinforced concrete pipe of various sizes. The underground portion of lines A, B, and C and any other underground facilities as described in the study are designed to convey the 10-year storm flow. All surface channels are designed to convey the 100-year storm flow. The sub-regional collector facilities are assumed to follow the same criteria when final hydrology and design is completed.

Facility Costs

Table 11.1 summarizes the cost of drainage improvements used to calculate impact fees in this chapter.

Table 11.1: Drainage System Improvements

Drainage System Component	Estimated Cost [1]
Wildomar Master Drainage Plan	$ 15,819,250
Sedco Master Drainage Plan	$ 3,779,008
Murrieta Creek Master Drainage Plan	$ 324,452
Sub-regional Collector System	$ 18,392,293
Total	**$ 38,315,003**

[1] Detailed cost estimates are available from the City of Wildomar Public Works Department

Impervious Surface Area per Unit

Table 11.2, below, shows estimates of average added impervious area (ISA) per unit of development for various types of development. The amount of ISA on a site varies substantially with the density of development, so the breakdown of residential development types shown in Table 11.2 is more detailed that for other impact fees calculated in this report.

The information shown for each type of development in Table 11.2 includes the expected average units of development per acre, the square feet of ISA per unit, ISA as a percentage of site area, the number of future units expected, and the total ISA added. The estimated area of impervious surface per unit is higher in absolute terms for lower density residential development, but is lower as a percentage of site area. The total amount of added ISA from Table 11.2 is used in the calculation of impact fees.

Table 11.2: New Impervious Surface Area - Future Development

Development Type	Dev Units [1]	Avg Units per Acre [2]	ISA SF per Unit [3]	% Site New ISA [4]	Future Units [5]	Total New ISA [6]
Residential Rural Mountainous	DU	0.1	4,500	1.6%	318	1,431,000
Residential Rural	DU	0.2	4,500	3.0%	40	180,000
Residential Estate Density	DU	0.5	4,500	6.9%	390	1,755,000
Residential Very Low Density	DU	1.0	4,250	12.6%	232	986,000
Residential Low Density	DU	1.5	4,000	23.0%	997	3,988,000
Residential Medium Density	DU	3.0	3,750	31.3%	2,910	10,912,500
Residential Med-High Density	DU	5.0	3,500	40.2%	634	2,219,000
Residential Very High Density	DU	17.0	2,200	85.9%	424	932,800
Residential Mixed Use Pl Area	DU	17.0	2,200	85.9%	593	1,304,600
Subtotal Residential					6,538	23,708,900
Commercial/Office	Acre	1.0	39,204	90.0%	507	19,861,138
Business Park/Light Industrial	Acre	1.0	39,204	90.0%	260	10,175,006
Public Facilities	Acre	1.0	30,492	70.0%	84	2,569,561
Subtotal Non-Residential					850	32,605,705
Total Impervious Surface Area						**56,314,605**

[1] Units of development; DU = dwelling unit

[2] Estimated units of development per acre

[3] Square feet of new impervious surface area (ISA) per unit of development estimated by Colgan Consulting

[4] New impervious surface area as a percentage of site area

[5] Future units of development; see Table 2.3 (detailed breakdown of residential development types by Colgan Consulting)

[6] Total new impervious surface area

It should be noted that, in Table 11.2 only, for purposes of estimating impervious surface area, acres are used as the units of development for the three categories of non-residential development. Elsewhere in this chapter and in the rest of the report, the units of development for non-residential development types are thousands of square feet (KSF) of building area.

Allocation of Costs

In Table 11.3, below, the total cost of drainage improvements from Table 11.2 is allocated to various types of development, based on their shares of the total impervious surface area added by new development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 11.3, to various categories of residential development, based on their relative shares of ISA. The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 11%.

Table 11.3: Allocation of Costs - Drainage System Improvements

Development Type	Share of New ISA [1]	Share of Cost [2]	Realloc P/I Cost [3]	Final Allocation [4]
Residential Rural Mountainous	2.5%	$ 973,615	$ 105,520	$ 1,079,135
Residential Rural	0.3%	$ 122,467	$ 13,273	$ 135,740
Residential Estate Density	3.1%	$ 1,194,057	$ 129,411	$ 1,323,468
Residential Very Low Density	1.8%	$ 670,849	$ 72,706	$ 743,555
Residential Low Density	7.1%	$ 2,713,332	$ 294,070	$ 3,007,402
Residential Medium Density	19.4%	$ 7,424,583	$ 804,673	$ 8,229,256
Residential Med-High Density	3.9%	$ 1,509,750	$ 163,626	$ 1,673,376
Residential Very High Density	1.7%	$ 634,653	$ 68,783	$ 703,436
Residential Mixed Use Pl Area	2.3%	$ 887,616	$ 96,199	$ 983,816
Commercial/Office	35.3%	$ 13,513,006		$ 13,513,006
Industrial/Business Park	18.1%	$ 6,922,811		$ 6,922,811
Public/Institutional	4.6%	$ 1,748,263	$ (1,748,263)	$ 0
Totals	**100.0%**	**$ 38,315,003**	**$ 0**	**$ 38,315,003**

[1] Share of new ISA based on Total New ISA column in Table 11.2

[2] Share of improvement cost = total improvement cost from Table 11.1 X share of new ISA

[3] Reallocated Public/Institutional costs; see discussion in text

[4] Final allocation = share of cost + reallocated Public/Institutional cost

Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 11.4. In this table, costs allocated to each development category in Table 11.3 are divided by the number of added units in the category to compute an impact fee per unit.

Table 11.4: Impact Fees per Unit of Development - Drainage

Development Type	Dev Units [1]	Final Allocation [2]	Added Units [3]	Fee per Unit [4]
Residential Rural Mountainous	DU	$ 1,079,135	318	$ 3,393.51
Residential Rural	DU	$ 135,740	40	$ 3,393.51
Residential Estate Density	DU	$ 1,323,468	390	$ 3,393.51
Residential Very Low Density	DU	$ 743,555	232	$ 3,204.98
Residential Low Density	DU	$ 3,007,402	997	$ 3,016.45
Residential Medium Density	DU	$ 8,229,256	2,910	$ 2,827.92
Residential Med-High Density	DU	$ 1,673,376	634	$ 2,639.39
Residential Very High Density	DU	$ 703,436	424	$ 1,659.05
Residential Mixed Use Pl Area	DU	$ 983,816	593	$ 1,659.05
Commercial/Office	KSF	$ 13,513,006	5,517	$ 2,449.34
Industrial/Business Park	KSF	$ 6,922,811	3,957	$ 1,749.51
Public/Institutional	KSF	$ 0	1,101	$ 0.00

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross sq. ft. of bldg. area

[2] Final cost allocation; see Table 11.3

[3] Added units by development type; see Table 11.2

[4] Fee per unit of development = final cost allocation / added units

Projected Revenue

Potential revenue from the drainage impact fees calculated in this chapter can be projected by applying the fees per unit of development from Table 11.4 to forecasted future units. The results are shown in Table 11.5 on the next page.

Table 11.5: Projected Revenue - Drainage Impact Fees

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential Rural Mountainous	DU	$ 3,393.51	318	$ 1,079,135
Residential Rural	DU	$ 3,393.51	40	$ 135,740
Residential Estate Density	DU	$ 3,393.51	390	$ 1,323,468
Residential Very Low Density	DU	$ 3,204.98	232	$ 743,555
Residential Low Density	DU	$ 3,016.45	997	$ 3,007,402
Residential Medium Density	DU	$ 2,827.92	2,910	$ 8,229,256
Residential Med-High Density	DU	$ 2,639.39	634	$ 1,673,376
Residential Very High Density	DU	$ 1,659.05	424	$ 703,436
Residential Mixed Use Pl Area	DU	$ 1,659.05	593	$ 983,816
Commercial/Office	KSF	$ 2,449.34	5,517	$ 13,513,006
Industrial/Business Park	KSF	$ 1,749.51	3,957	$ 6,922,811
Public/Institutional	KSF	$ 0.00	1,101	$ 0
Total				**$ 38,315,003**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross sq. ft. of bldg. area

[2] Fee per unit of development; see Table 11.4

[3] Future units; see Table 11.2

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

Impact fees calculated in this chapter are based on the cost of providing drainage improvements that are needed only to meet demand created by future development. Assuming that development occurs and improvements are constructed as anticipated in this study, the revenue projected in Table 11.5 would approximately cover the total facility cost shown in Table 11.1, if the fees are adjusted periodically to keep pace with changes in construction costs.

Costs and impact fees in this report are shown in current dollars. Once adopted, impact fees should be adjusted at least annually, to reflect changes in price levels. An index, such as the Engineering News Record Building Cost Index can be used to adjust facility cost estimates until the cost estimates and fee calculations are updated. See the Implementation Chapter for more on indexing of fees.

Chapter 12
Multi-Purpose Trails Impact Fees

This chapter calculates impact fees for multi-purpose trails. Wildomar has an existing trail network and the City is developing plans to expand the existing network into an extensive system of multi-purpose trails. The trails in that system range from four-foot wide dirt wilderness trails in rural areas to ten-foot wide trials surfaced with decomposed granite in more urban areas.

The impact fees calculated in this chapter are intended to cover future development's proportional cost of the ultimate trail network. This report estimates that the City is now approximately 51% built out in terms of service population. As discussed below, service population is used to represent the service demand created by development, and the impact fees calculated in this report are intended to pay for no more than new development's proportionate share of the cost of the entire trail system. Consequently, the City must identify other fund sources to pay for the existing community's share of the cost of additional trail construction.

Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. Those fees are intended to apply to all new development in the study area.

Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development. As discussed in Chapter 2, service population is a composite variable consisting of both resident population (representing residential development) and employees (representing non-residential development). The service population per-unit factors from Table 2.1 in Chapter 2 are used in Table 12.3 on page 12-4.

Level of Service

The City does not have an adopted level of service standard for trails. The level of service is implied in the plans being developed for the trail system, which is summarized in Table 12.1 on the next page. Stated as miles of trails per capita of service population, that level of service is 1.08 miles per thousand.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements. The improvements covered by the impact fees for multi-purpose trails are shown in the next section.

Facility Costs

Table 12.1 lists the existing and future trail improvements contained in the multi-purpose trails plan currently being developed by the City. That plan has been reviewed by the Planning Commission, but has not yet been adopted by the City Council. Table 12.1 also shows the total cost of those improvements and new development's share of that cost, based on the ratio of added service population to total buildout service population.

Table 12.1: Existing and Future Multi-Purpose Trails

Trail Type	Est Cost per LF [1]	Existing Miles [2]	Repl Cost Existing [3]	Future Miles [4]	Est Cost Future [5]	Total Miles [6]	Total Cost [7]
Roadside	$ 151.00	10.25	$ 8,172,120	20.31	$ 16,192,757	30.56	$ 24,364,877
Countryside/Creekside	$ 114.00	1.25	$ 752,400	3.88	$ 2,335,450	5.13	$ 3,087,850
Roadside Ranch	$ 4.76	6.84	$ 171,908	15.81	$ 397,350	22.65	$ 569,258
Wilderness	$ 4.39	4.53	$ 105,002	25.04	$ 580,407	29.57	$ 685,409
		22.87	**$ 9,201,430**	**65.04**	**$ 19,505,963**	**87.91**	**$ 28,707,393**
New Development's Share of Cost (48.7%) [8]							**$ 13,980,501**

[1] Estimated construction cost per linear foot (LF) by City of Wildomar
[2] Existing miles of trails by type by City of Wildomar
[3] Replacement cost of existing trails = miles X 5,280 feet per mile X estimated cost per LF
[4] Planned future miles of trails by type by City of Wildomar
[5] Estimated cost of future trails = miles X 5,280 feet per mile X estimated cost per LF
[6] Total miles = existing miles + future miles
[7] Total cost = replacement cost of existing trails + estimated cost of future trails
[8] New development's share of cost = new development's share of buildout service population; see Tables 2.3 and 2.4

Allocation of Costs

As shown in Table 12.2 on the next page, the initial allocation of multi-purpose trails costs to future development by development type is based on the percentage of future service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 12.2, to single family and multi-family residential development, based on their relative shares of population. The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 12%.

Table 12.2: Allocation of Costs - Multi-Purpose Trails

Development Type	Dev Units [1]	Share of Svc Pop [2]	Share of Cost [3]	Realloc P/I Cost [4]	Final Allocation [5]
Residential, Single-Family	DU	43.0%	$ 6,008,796	$ 717,876	$ 6,726,672
Residential, Multi-Family	DU	5.6%	$ 785,374	$ 93,829	$ 879,203
Commercial/Office	KSF	32.3%	$ 4,513,180		$ 4,513,180
Industrial/Business Park	KSF	13.3%	$ 1,861,445		$ 1,861,445
Public/Institutional	KSF	5.8%	$ 811,705	$ (811,705)	$ 0
Totals		100.0%	$ 13,980,501	$ 0	$ 13,980,501

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Added service population by development type as a percentage of total added service population; percentages based on data from Table 2.3

[3] Share of cost = new development cost from Table 12.1 X share of service population

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Final allocation = share of cost + reallocated Public/Institutional cost

Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 12.3 on the next page. Costs allocated to each type of development, from Table 12.2 are divided by the added service population for each development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at a fee per unit.

Table 12.3: Fees per Unit of Development - Multi-Purpose Trails

Development Type	Dev Units [1]	Final Allocation [2]	Added Svc Pop [3]	Cost per Capita [4]	Svc Pop per Unit [5]	Fee per Unit [6]
Residential, Single-Family	DU	$ 6,726,672	17,115	$ 393.03	3.10	$ 1,218.39
Residential, Multi-Family	DU	$ 879,203	2,237	$ 393.03	2.20	$ 864.66
Commercial/Office	KSF	$ 4,513,180	12,855	$ 351.08	2.33	$ 818.02
Industrial/Business Park	KSF	$ 1,861,445	5,302	$ 351.08	1.34	$ 470.45
Public/Institutional	KSF	$ 0	2,312	$ 0.00	2.10	$ 0.00

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 12.2

[3] Existing service population; see Table 2.2

[4] Existing trails cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Fee per unit of development = cost per capita X service population per unit

Projected Revenue

Potential revenue from the in-lieu fees can be projected by applying the fees per unit from Table 12.3 to forecasted future units by development type from Table 2.3. The results are shown in Table 12.4.

Table 12.4: Projected Revenue - Multi-Purpose Trails

Development Type	Dev Units [1]	Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential, Single-Family	DU	$ 1,218.39	5,521	$ 6,726,731
Residential, Single-Family	DU	$ 864.66	1,017	$ 879,359
Commercial/Office	KSF	$ 818.02	5,517	$ 4,513,016
Industrial/Business Park	KSF	$ 470.45	3,957	$ 1,861,571
Public/Institutional	KSF	$ 0.00	1,101	$ 0
Total				**$ 13,980,677**

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 12.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units; this study assumes no fees will be collected from Public/Institutional development such as schools.

Impact fees calculated in this chapter are based on new development's share of the cost of existing and planned multi-purpose trails. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 12.4 would equal approximately 48.7% of the total costs shown in Table 12.1.

Costs and impact fees in this report are shown in current dollars. Once adopted, impact fees should be adjusted at least annually, to reflect changes in price levels. An index, such as the Engineering News Record Building Cost Index can be used to adjust facility cost estimates until the cost estimates and fee calculations are updated. See the Implementation Chapter for more on indexing of fees.

Chapter 13
Implementation

This chapter contains recommendations for adoption and administration of development impact fees based on this report. Statutory requirements for the adoption and administration of fees imposed as a condition of development approval are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*). For implementation of fees in lieu of park land dedication, see the Quimby Act (Government Code Section 66477).

Adoption

The form in which development impact fees are enacted, whether by ordinance or resolution, should be determined by the City Attorney. Ordinarily, it is desirable that specific fee amounts be set by resolution to facilitate periodic adjustments.

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 the City 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; and
    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 reviewed and approved by the City Attorney.

Finding 1: Purpose of the Fee. The City Council finds that the purpose of the impact fees hereby enacted is to prevent new development from reducing the quality and availability of public services provided to residents of the City by requiring new development to contribute to the cost of additional capital assets needed to serve such development.

Finding 2: Use of the Fee. The City Council finds that revenue from the impact fees hereby enacted will be used to construct public facilities and pay for other capital assets needed to serve new development. Those public facilities and other assets are identified in the City of Wildomar – 2012 Impact Fee Study prepared by Colgan Consulting Corporation. [1]

Finding 3: Reasonable Relationship: Based on data and analysis presented in the City of Wildomar – 2012 Impact Fee Study prepared by Colgan Consulting Corporation, 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 the City 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:

[1] 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.

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

In addition, Section 66001 (b), requires that, at the time when an impact fee is imposed on a specific development project, the City 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 the fee will be used to finance." In this case, the fees will be used to finance public facilities and other development-related capital expenditures identified in the City of Wildomar - 2012 Impact Fee Study prepared by Colgan Consulting Corporation.

Section 66020 (d) (1) requires that the City, 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.

The City should develop procedures for imposing fees that satisfy these requirements for findings and notice.

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.

In cases where the fees are not collected upon issuance of building permits, Subsections 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 city that has interpreted that language to mean that funds must be segregated by individual projects. As a practical matter, that approach is unworkable 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. We recommend that approach.

It is important that fee revenue be expended so as to provide a reasonable benefit to the development projects from which the fees are collected. Some fees in this report were calculated without knowing the specific locations of all facilities to be funded by the fees. The City should exercise caution in the expenditure of those fees to ensure that facilities are located in such as way as to serve the development projects from which the fees were collected.

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 indicate its impacts on a particular public facility or infrastructure system will be 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) of the Mitigation Fee Act, 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. A fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, the City may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project to promote goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, and are allowable only if the City offsets the lost revenue from other fund sources.

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 impact fee imposed on that development project for that type of facility must be adjusted to reflect a credit for such dedication or construction. In the event 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.

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 which 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. Where residential service demand is estimated on the basis of demand per dwelling unit, an addition to a dwelling unit would not be subject to an impact fee if it does not increase the number of dwelling units in the structure. In any project that results in a net increase in the number of dwelling units, the added units would normally be subject to impact fees. A similar analysis can be applied to non-residential development, using the measure of demand on which the impact fees are based.

Reporting. 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 (Section 66006 (b) (1) (A));
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).

That information 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. Prior to the adoption of Government Code amendments contained in SB 1693, 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, 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 an incomplete improvement 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) provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be updated annually 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. We recommend that the City Council identify this study as the public document on which the use of the fees is based. In most cases, the CIP covers a limited number of years and may not include all improvements needed to serve future development covered by the impact fee study.

Indexing of Impact Fees. Impact fees calculated in this report assume the facilities in question will be constructed on a pay-as-you-go basis. Those fees are based on current cost estimates and should be adjusted annually to account for changes in cost levels. We recommend the *Engineering News Record* Building Cost Index (ENR-BCI) as the basis for indexing construction costs. Where land costs make up a significant portion of the costs covered by a fee, land costs should be adjusted separately, based changes in local land costs.

Imposition of Traffic Impact Fees

The non-residential traffic impact fees in this report are calculated for broad categories of development, specifically Commercial/Office development and Industrial/Business Park development. Broad categories are used, because there is no way of knowing with any certainty the mix of specific development types that will emerge as the City grows.

The trip generation rates used in the impact fee calculations are estimated average rates for those broad categories. However, those averages may not be well suited to every development project that falls within a particular category. When applying traffic impact fees to a particular non-residential development project, the City should consider whether the long-term traffic impacts of that project are reasonably reflected by the impact fees calculated in this chapter.

If the estimated trip generation rate for a specific development project is substantially higher or lower than the category average, a customized fee can be calculated using the cost per trip for that category from Table 3.3 in Chapter 3 of this report, and the trip generation rate that best reflects the impacts of the project in question. If estimates of street improvement costs have been updated from the time this study was completed, the cost per trip should be adjusted accordingly.

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. It is important 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 who is 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. The 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

Colgan Consulting recommends that agencies charging impact fees increase the fees by a small percentage to recover the cost of periodically updating the fees.

One method that can be used for allocating the cost of fee study updates to impact fees is to divide the cost of the current study by the amount of revenue that will be generated by the impact fees before the fees will need to be updated. However, in light of uncertainty regarding the timing of an economic recovery, and the possibility that development may be unusually slow over the next five years, we believe that approach needs to be modified to take a longer view.

This report projects the total revenue that will be collected through buildout of the City, assuming that: (1) development occurs as anticipated in the current general plan, and (2) the impact fees are adjusted annually to keep pace with changes in the costs underlying the impact fee calculations.

The City anticipates that buildout will occur within approximately 20 years, and the impact fees will need to be recalculated about every five years. So over that period of time, the City would have to pay for three impact fee studies, in addition to this one. Using those assumptions, it is possible to calculate the City's average percentage cost of impact fee studies over the next 20 years. The actual calculation is shown in the Executive Summary at the beginning of this report.