

*Development Impact Fee
Calculation and Nexus Report
for the City of
Desert Hot Springs, California
(Sphere of Influence Planning Area)
October, 2008*

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October 31, 2008

Honorable Mayor and City Council
Via Mr. Rick Daniels, City Manager
City of Desert Hot Springs
65950 Pierson Boulevard
Desert Hot Springs, CA 92240

RE: 2008-09 Sphere of Influence-based Development Impact Fee Calculation and Nexus Report

Honorable Mayor, Council and City Manager Daniels:

The City continuously experiences private development of vacant parcels and absorbs the demands for service created by that development and will continue to do so for some time. Additionally, the City can expect to double in size as the many parcels in the Sphere of Influence (occasionally referred to as the SOI) annex to the City and then develop. Revenue and Cost Specialists, L.L.C., was contracted to undertake a comprehensive update of the previous identification of the capital projects and capital acquisitions necessary to preserve the existing *Levels of Service (LOS)* currently offered to and enjoyed by (after having have been paid for by) the existing community. The construction of these additional projects is necessary to avoid the eventual diminution of the existing *Levels of Service* due to the addition of new residential, commercial and industrial development in the City of Desert Hot Springs. The Report also calculates the development impact fees (DIFs) necessary to fund those required projects.

Council and City staff, responsible for providing services to a continually expanding residential and business community, must recognize that the magnitude of the impact fees is **a direct function** of the identification of \$1,217,690,069 in costs for the capital projects identified in the *Master Facilities Plan (Sphere of Influence Planning Area)* required to accommodate the anticipate development within only the City's Sphere of Influence which would include the following:

- 58,386 detached dwellings,
- 3,840 attached dwelling units,
- 2,052 modular dwellings (in a park environment),
- 4,592 commercial lodging/resort keyed rooms,
- 3,633,122 square feet of commercial/office space, and;
- 62,687,196 square feet of industrial space.

Use of only the City's SOI allows for greater fairness by distributing the economies of scale over the development of all parcels that will eventually become part of the City of Desert Hot Springs.

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Regardless, anyone in the position of the Council members may find themselves reluctant to adopt the impact fees because they appear “too high”. It is incumbent upon this Report to convince the Council of the justification of the proposed development impact fee schedule.

Adoption of the maximum development impact fees based upon the Sphere of Influence as the planning area and contained herein and imposition of them upon the remaining development opportunities in Desert Hot Springs, would generate \$1,203,586,853 in a combination of public improvement dedications and revenues for use on the many capital expansion projects deemed as development generated. The identification of \$1.2 billion in capital needs generated by new development, is not taken lightly, but must be examined in perspective to the cost of existing infrastructure and other capital that new development will share in the use and enjoyment of upon City review, approval, construction and finally, occupancy.

To offer such a perspective, a major element in this Report is a *proportional analysis*, or identification of what is being asked of future residents, in the form of dedicated public improvements or an in-lieu (development impact fee) payment compared with the cost of the City's existing infrastructure (land, facilities, and equipment), contributed by the existing population and business community. The dedications, taxes and assessments contributed to date by the existing community over numerous decades of development have generated just over \$125 million (at current replacement costs) in infrastructure or capital improvements to the City of Desert Hot Springs. The following table identifies those assets contributed or generated by the existing community's financial commitment, by infrastructure. It is important to note that this figure does not include the millions of dollars in tract or “local” improvements or Right of Way (ROW).

| Service Provided | Current Equity Investment (1) |
|---|-------------------------------|
| Law Enforcement Facilities, Vehicles & Equipment | \$10,119,909 |
| Fire Suppression/Medic Facilities and Response Vehicles | \$7,282,835 |
| Circulation (street, signal and bridge) System | \$47,256,057 |
| Storm Drainage Collection System | \$7,901,252 |
| General Facilities, Vehicles and Equipment | \$7,048,892 |
| Public Use (community center) Facilities | \$14,356,170 |
| Aquatics Center Facilities | \$1,906,603 |
| Park/Trails Land Acquisition and Park Facilities | \$29,230,944 |
| Total | \$125,102,662 |

The following Report calculates updated development impact fees for the City based on the aforementioned private sector development and the City's changing requirements for public safety, circulation system and storm drainage improvements as well as infrastructure that directly effects the quality of life of the City's residents. The adoption of the updated DIFs will enable this City Council, as well as succeeding Councils, to continue to ensure that the City will be able to meet the *basic* infrastructure needs of new growth, without unduly burdening the existing population and business community for these development-generated capital costs.

It is not intended for the recommended development impact fees to address all of the City's capital needs, as identified on the various schedules in this Report. As per California Government Code 66000 et. seq. and common fairness, development impact fees cannot address current capital deficiencies. The proposed fees will recognize and meet the needs of the City's growing population and business community. However, with the adoption of development impact fees, other City discretionary revenue resources that may have been used to meet growth-generated needs for expanded services and facilities will now become available for those accumulating replacement and rehabilitation projects.

The information required to develop the City's capital costs and equity data was largely generated by the Desert Hot Springs staff, without whose assistance and hard work, this Report would have been impossible to complete. The following management and contractual personnel were instrumental in working on a near daily basis with RCS to gather or generate the information and data so critically necessary for the legal support of impact fees.

David Avila - (County-assigned) City Fire Chief

Jonathon D. Hoy - Public Works Director/City Engineer

Steven Mendoza - Community Development Director (recently resigned)

Linda Whalen-Kelly - Finance Director

Pat Williams - Police Chief

Without their hard work and willingness to provide the best data available, this Report could not have been completed to the degree of accuracy and completeness that it has. I would like to identify MSA Consulting's role in compiling the critical land use data-base information. The quality of information and resulting calculations were directly improved by their efforts.

The Development Impact Fee Calculation Report is now submitted for your review and consideration. RCS is prepared to assist in increasing the Council's and community's understanding of this very significant part of the City's revenue structure so very important in improving the City's ability to accommodate continued development.

Sincerely,



Scott Thorpe

**DESERT HOT SPRINGS
2008-09 FISCAL YEAR
SPHERE OF INFLUENCE-BASED
DEVELOPMENT IMPACT FEE
CALCULATION AND NEXUS REPORT**

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Chapter 1

Background and Introduction

Desert Hot Springs has retained Revenue & Cost Specialists¹ to recalculate the City's existing Development Impact Fees (may be referred to as DIFS) and undertake all efforts necessary to support the amount of the DIFs. A periodic review and adjustment of the City's DIFs in future years will be appropriate and warranted in order to continue to insure that the City collects sufficient monies to construct the additional infrastructure needed to serve new residents and businesses developing in town.

Planning Area for DIF Report. The companion *Master Facilities Plan*, (or long range capital facilities plan) is a much-needed planning document based upon the ultimate development of City's Sphere of Influence. More specifically, the land-use database for this broad planning area will generate the following:

- 58,386 detached dwellings,
- 3,840 attached dwelling units,
- 2,052 modular dwellings (in a park environment),
- 4,592 commercial lodging/resort keyed rooms,
- 3,633,122 square feet of commercial/office space, and;
- 62,687,196 square feet of industrial space.

The above referenced development is within the City's sphere of influence, which is to say, that if developed, especially in large tracts, will likely annex to the City of Desert Hot Springs and thus *will* impact the City. To ignore this fact would to ignore the concepts of good planning, that is, over a larger area. The use of this area for planning purposes does not imply that the City can adopt and impose DIFs outside of the City's limits. However, the capital needs information and resulting development impact costs are a reasonable representation of what it will cost to build the needed capital facilities on a regional basis. As such, this calculation would be adequate to request the County to adopt the similar development impact fees to be imposed and collected and either used to construct the needed improvements prior to its ultimate annexation to the City or placed in a reserve and transferred to the City upon annexation. Such a process is, if not unprecedented, it is at least far-sighted. To assume the construction of a detached dwelling, or group of detached dwellings, while in the City's SOI unincorporated area and not think it or they has an impact on many City services is short-sighted. Clearly, economies of scale will have some effect by using this method.

Thus, the combination of this Sphere of Influence-based *Development Impact Fee Calculation and Nexus Report*, based upon the companion Sphere of Influence-based *Master Facilities Plan* is intended to create a more realistic financial plan that increase fairness and equity to existing citizens and future citizens. Additionally, the resulting DIF's will maintain greater relevance over a greater span of time and not require recalculation with every major annexation.

This DIF Calculation Report is a comprehensive effort in that it includes a significant amount of detail such as a complete list and description of all projects to be financed by the proposed development impact fees, by infrastructure.² This *Development Impact Fee Calculation and Nexus Report* and the accompanying *Master Facilities Plan* provides:

- 1) Greater information for the Council to make policy decisions,
- 2) greater understanding by the development community, and;
- 3) an easier tracking (and updating) system for the staff.

One important component of this Report is that it includes a *proportional analysis* of the infrastructure needs required to support continued development of the City compared to the existing infrastructure or assets of the community. The inclusion of the proportional analysis will assist the City Council to understand and adopt an impact fee policy that recognizes inter-generational equity.

Lastly the proportionality analysis will provide the lay-person with a new perspective of what is *fair* by recognizing and reconciling the difference between the City's desired level of service required of new development, per statements in the various General Plan elements, with that of the *de-facto* or actual level of service provided to the existing community. This Report element will assist the Council in making the difficult policy decisions regarding the capital additions required of new development.

This Report provides the documentation of the City's costs which serve as the basis for calculating Development Impact Fees (DIFs). The updated Development Impact Fee schedules and related information can be found in Chapters 3 through 10 and Appendices A and B of this Report.

RCS has met with City staff from the Finance, Police, Fire, Planning and Public Works operations staff to review the supporting data which forms the calculation of Development Impact Fees. The results of this review can be found on the schedules located at the end of each infrastructure Chapter.

Development Impact Fee Structure. The General Plan provides a range of potential densities for residential development, as such, the DIFs for residential uses need to be calculated on a per dwelling unit basis to reflect more accurately the impacts from a specific development. For

example, a property zoned as detached residential dwelling development may contain from three to six units per acre. If fees are calculated on an acreage basis, the developer proposing three units per acre will pay the same amount as a developer constructing six units per acre. Similarly, fees are calculated on a square footage basis for commercial and industrial properties to reflect the impacts of different building intensities for this type of development.

A second reason for the proposed DIF fee structure recommended in this Report involves the issue of building expansion or intensification of commercial and industrial areas. For example, if a property owner of commercial or industrial property proposes an expansion to his building, the question exists about how to charge this proposed expansion for its impact on the City's streets, storm drainage system, and other infrastructures. A fee calculated on a building square footage basis will simplify this calculation. However, all detached dwellings are treated similarly. In short a detached dwelling is a detached dwelling, regardless of size. This is due to the fact that available demand statistics, which are used to generate the important nexus by land-use, do not differentiate between size of the residential structure, i.e. law enforcement, fire suppression or trip-generation statistics are not determined by the size of the structure. This holds true for attached dwellings or mobile home dwellings in parks as well.

CALCULATION OF DEVELOPMENT IMPACT FEES

In California, State legislation sets certain legal and procedural parameters for the charging of these fees. This legislation was passed as AB1600 by the California Legislature and is now codified as California Government Code Sections 66000 through 66009. This State law went into effect on January 1, 1989.

AB1600 requires documentation of projects to be financed by Development Impact Fees prior to their levy and collection, and that the monies collected actually be committed within five years to a project of "direct benefit" to the development which paid the fees. Many states have such controlling statutes.

Specifically, AB1600 requires the following:

1. Delineation of the **PURPOSE** of the fee.
2. Determination of the **USE** of the fee.
3. Determination of the **RELATIONSHIP** between the use of the fee and the type of development paying the fee.

4. Determination of the relationship between the **NEED** for the facility and the type of development project. **NOTE: Numbers 3 & 4 will be reversed throughout the chapters in this Report because it is apparent that need should be identified before use.**
5. Determination of the relationship between the **AMOUNT** of the fee and the **COST** of the portion of the facility attributed to the specific development project.

This Report, with some additions, utilizes the basic methodology consistent with the above requirements of AB1600. Briefly, the following steps were undertaken in the calculation of impact fees for the City and are listed below:

1. Define the level of service needed within the General Plan area for each project or acquisition identified as necessary. In some areas, certain statistical measures are commonly used to measure or define an acceptable level of service for a category of infrastructure. Street intersections, for instance, are commonly rated based on a Level of Service scale of "A" to "F" developed by transportation engineers.
2. Review the land-use map and determine the existing mix of land uses and amount of undeveloped and developed land. The magnitude of growth and its impacts can thus be determined by considering this land use data when planning needed infrastructure. This inventory can be found in Table 2-1 in Chapter 2.
3. Identify all additions to the capital facilities or equipment inventory necessary to maintain the identified levels of service in the area. Then, determine the cost of those additions.
4. Identify a level of responsibility, identifying, as termed in this Report, the relative need (or as referred to in the accompanying schedules as "PERCENT NEED") for the facility or equipment necessary to accommodate "growth" as defined, and as opposed to current needs.
5. Distribute the costs identified as a result of development growth on a basis of land use. Costs are distributed between each land use based on their relative use of the capital system. For example, future street costs were distributed to each land use based on their trip generation characteristics.

OTHER ASSUMPTIONS OF THE REPORT

In addition to the land use assumptions contained in the next Chapter of this Report, other important assumptions of this study include the following:

"Normal" Subdivision Improvements Omitted. Not included in either of the project lists or consequent calculations are the "local" public improvements generally associated with and identified as being the sole responsibility of the developer through the subdivision or development review process. This type of "on site" improvement would include all such capital construction within the boundaries of any development, such as street lights, curb, gutter, sidewalks and neighborhood streets. These improvements would continue to be the direct responsibility of the developer, with or without the addition of Development Impact Fees.

Land Costs. Land acquisition cost estimates were developed after discussions with City officials over recent acquisitions, current negotiations or knowledge of recent sales. Arguments for higher or lower costs can be made; however, the herein contained per acre amounts appear to be the most appropriate current figure for the purposes of this study.

"Zone-based" Fees for DIFs. In some categories of infrastructure, primarily storm drainage, the DIFs may need to recognize subregion or smaller portions of the City with extraordinary service costs or infrastructure needs. Subregion are generally the result of some geographical feature such as a river or hilly terrain that creates a differing need for infrastructure in the subregion. A reservoir that must be built at substantial costs to allow a small area of the City, above the current level of other reservoirs, to be developed, while there is no benefit to any other area of the City would be a prime example. A specific overlay or surcharge fee may be necessary in order to eliminate the possibility of others who will not receive any benefit from the reservoir from being required to assume responsibility for payment of that reservoir. However, as will be explained later in this Report, RCS has not recommended zone-based fees for any Desert Hot Springs fee, including storm drainage facilities.

Exclusion of Tax "Credits" for Undeveloped Land. It has been argued by some that a credit for capital-related revenues, such as gas taxes, should be made against the development impact fees calculated or imposed by a city. Using the state gas tax as an example, proponents of a DIF credit argue that a city will receive increased annual gas taxes because of the additional population generated by future residential development. It is therefore argued that a developer should receive a credit for any associated gas tax revenues collected as a result of the residents or businesses that occupy the new dwellings against any Circulation (street, signal and bridge) System development impact fee imposed by the City based on either of two separate arguments.

The first argument for a gas tax credit supposes that the additional gas taxes created by residential development are used to pay for the maintenance of existing streets, which is the responsibility of existing development. Since the new streets constructed via impact fees will not require rehabilitation or reconstruction for another 10 to 20 years, the gas tax generated by new development is therefore a windfall to the City and should be credited against the DIF. What this argument fails to consider is that any new resident or business to the City will begin to contribute

immediately to the use and deterioration of all City streets. A cursory review of City finances will reveal that the portion of the State gas tax received by cities falls far short of meeting the City's needed street improvements and repairs in any given year. The gas taxes "generated" by new development simply cannot meet the maintenance costs of either the new streets associated with the development or the existing streets which the new resident uses on a daily basis.

The second argument proposes that the developer pays his "full share" of constructing new roads when he pays the City's Circulation (street, signal and bridge) System DIF and that the gas taxes generated by his development are unfairly used to make improvements to the existing street system. It is most cities' experience that gas taxes are barely adequate to meet streets-related operational costs, and if they are sufficient to meet these costs, the remainder is used for capital-related maintenance projects. The amount of gas tax revenues used for expansion of the existing street system is usually, and specifically in Desert Hot Springs's case, a nominal amount of the total.

For these reasons, a credit is not considered for Circulation (street, bridge and signal) System DIF in this Report. A similar discussion can be made for the other fees considered herein, and therefore no credits against such fees are included in this calculation of impact costs.

Financing Costs. Since financing costs reflect an actual, and generally significant, outlay of funds for an agency, they are included in the project costs where debt financing will likely be necessary due to the immediacy of the need for the facility or infrastructure to show the full costs of such facility or infrastructure and insure that new development also pays its "fair share" of these costs. These costs are indicated on the project "detail" spreadsheets (3.1, 4.1, 5.1, etc.).

Appropriate Expansion. Debt service is a reasonable cost of construction of many, but not necessarily all, public facilities and infrastructure. The following example illustrates. DIFs are collected in incremental amounts, but facilities are not expanded in those same incremental amounts. As an example, a community center fee, based upon a standard of 1.2 square feet per detached dwelling, may be collected for each residential dwelling in the City, but after collecting the fee for a 100-unit subdivision, it would be impractical to expand the community center 120 square feet. Fees are collected, placed in a separate fund, generating interest until such a time that a 2,000 to 3,000 square foot expansion is possible. During that build-up time, the community center will experience some temporary overcrowding as the standard drops from 1.2 S.F./dwelling to about 0.9 S.F./dwelling. This "temporary overcapacity" clearly may be an inconvenience, bringing about some crowding and an increased unavailability for rental or event reservation until enough DIFs have been collected for a practical expansion to bring the community center facility back up to the original standard. In short, a development of 120 homes may be brought "on-line" (occupancy approved) and bring about a temporary reduction in community center facility standards without endangering the citizen's health and safety.

However, such a “temporary overcapacity” in storm water collection is not at all possible. Capacity for the collection/removal of storm water must be available prior to the construction that increases the impervious surface (and thus storm water runoff) of the parcel. If the local storm collection line is currently at capacity (peak or otherwise), no additional units may be brought on line until additional collection capacity can be created. Again, there is a practical size of addition to construct and it is not likely practical for developers to wait until there is enough added demand (and fees) to pay for the facility addition. As a result, financing through some type of debt instrument may be the only alternative. Circumstances vary from city to city as to what facility expansions are critical and which can absorb temporary overcapacity for limited periods of time.

Financing would only be included for facilities where, based upon staff's estimate, the immediacy of need for the facility requires debt financing. In such cases, the debt service payments would be discounted to today's cost to account for the diminishing value of the dollar and would be in keeping with the cost methodology used in this study to show projects in current costs. To consider the face value of bond payments when determining costs, on the other hand, would be inaccurate as it would treat the value of a dollar today the same as the value of a dollar twenty years from now. Such an approach would tend to overvalue the costs of debt service requirements and therefore cause an agency to overcharge on its development impact fees. However, no project requiring debt service was identified in the Master Facilities Plan.

REQUIRED PROPORTIONAL ANALYSIS

A proportional analysis is important, if for no other reason, than for community inter-generational equity, i.e., fairness in the infrastructure investment made by existing residents and businesses with those of new residents and businesses that wish to use the existing infrastructure. In short, previous generations of businesses and residents have contributed to the development of the City infrastructure and this fact should be recognized by future residents and businesses by contributing a like amount towards completing the various infrastructure systems.

It is one thing to identify the many public improvement projects needed through build-out. It is an entirely different thing to assume that all of the identified improvements are required to meet the demands of the new development. Clearly, some projects will be *replacements* of the existing infrastructure while others will be *capacity increasing* projects. Within the category of the latter, they may also be further classified into two categories;

1. Projects dealing with existing deficiencies, i.e., project required regardless of whether there is additional development or not. An example would be a traffic intersection currently controlled by stop signs that currently meets traffic warrants for a traffic signal.

2. Projects that are required as a result of development. An example of this would be a signal that is currently controlled quite adequately by stop signs, but because of development in the near and "downstream" areas will ultimately need to be signalized.

All impact fee calculations claim to be fair. Most DIF calculations will identify the desired or required capital projects, most ostensibly generated *as a result of development*. However, little evidence is ever offered in support for such a claim. Therefore, what is fair and equitable? Is it fair to require future residents and businesses in a city to construct, via payment of impact fees, a new Police Station when the current station is merely rented or leased space? On the other hand, if a community already has all of the parks they will need at build-out, are they precluded from imposing an impact fee to recoup some of that expenses incurred in constructing the General Plan build-out park system improvements? These are difficult questions that may be made easier by the following examples.

Comparison of Needed Infrastructure with Existing Infrastructure. The answer to these difficult questions may best be answered by comparing various infrastructure scenarios. This can be accomplished by looking closely at our friends in the planned community of Happy Valley³ for a few scenarios to explain the three conditions that can occur regarding the agency's current infrastructure and the demand upon them. We will use the provision of fire protection, a service that most of us as nonprofessional fighters can understand. These three "conditions" include:

1. Infrastructure construction is *On-target*
2. Infrastructure construction has been *Deficient*
3. Infrastructure construction has created *Excess Capacity*

Adoption of a Standard - According to the National Fire Protection Association (NFPA), a standard two-bay fire station (estimated to cost about \$3,000,000) can meet the needs of 5,000 homes or 10,000,000 square feet of business pad. If these standards were adopted as Happy Valley's fire protection element of the City's General Plan, they would be known as the *de jure* or stated legitimate standard (i.e., the standard the community would **like** to meet). The inductive impact fees (or cost per proportional unit served) for this *de jure* standard would then be:

**Table 1-1
Calculation of N.F.P.A. Impact Cost**

| Land Use | Station Cost | Units Served | Impact Fee |
|-------------------|--------------|--------------|-------------------|
| Residential Units | \$3,000,000 | 5,000 | \$600.00 per home |
| Business S.F. | \$3,000,000 | 10,000,000 | \$0.30 per S.F. |

Service Base - Happy Valley's General Plan indicates that there will be 10,000 residential units and about 20,000,000 square feet of commercial/industrial space creating a need for four stations at build-out. The station calculation is as follows:

**Table 1-2
Determination of Required Number of Stations**

| | Number of Units | Units served by One Station | Stations Required |
|---------------------------------------|-----------------|-----------------------------|-------------------|
| Residential Units | 10,000 | 5,000 | 2 Stations |
| Business S.F. | 20,000,000 | 10,000,000 | 2 Stations |
| Total Number of Stations at Build-out | | | 4 Stations |

Infrastructure "On-target" - The need for stations appears simple and the Happy Valley Council need only impose the impact fees calculated in Table 1-1. Currently the existing development in Happy Valley is generating half of its ultimate (build-out) fire calls. Happy Valley has 6,250 residential units and 7,500,000 square feet of commercial/industrial building pad and is half "built-out" (in terms of fire calls-for-service). This is demonstrated in Table 1-3 following:

**Table 1-3
Development of Current Infrastructure is "On-Target"**

| | Number of Units | Units served by One Station | Stations Required |
|---|-----------------|-----------------------------|-------------------|
| Residential Units | 6,250 | 5,000 | 1.25 Stations |
| Business S.F. | 7,500,000 | 10,000,000 | 0.75 Stations |
| Total Number of Stations Required Currently | | | 2.00 Stations |

Conversely, Happy Valley has the remaining half of its fire demand yet to come. Left to build, are 3,750 detached dwellings and 12,500,000 square feet of business floor space, and when constructed would collect (Table 1-4 following):

**Table 1-4
Remaining Development and Station Requirement**

| | Number of Units | Units Served by One Station | Stations Required |
|--|-----------------|-----------------------------|-------------------|
| Residential Units | 3,750 | 5,000 | 0.75 Stations |
| Business S.F. | 12,500,000 | 10,000,000 | 1.25 Stations |
| # of New Stations Required from Land to be Developed | | | 2.00 Stations |

If the earlier calculated impact fees (\$600 per residence and \$0.30 per square foot of business pad) were adopted and imposed, Happy Valley would collect (by build-out condition) and have enough to construct the remaining two stations. Table 1-5, on the following page, demonstrates this:

**Table 1-5
Remaining DIF Collection**

| | Number of Units | Impact Fee | Amount Collected |
|---------------------------------------|-----------------|------------|------------------|
| Residential Units | 3,750 | \$600.00 | \$2,250,000 |
| Business S.F. | 12,500,000 | \$0.30 | \$3,750,000 |
| Amount Collected in Impact Fees | | | \$6,000,000 |
| Cost of a New Station | | | \$3,000,000 |
| Stations to be Built with Impact Fees | | | 2.00 |

Infrastructure - Deficient - And everyone is pleased in Happy Valley, (in particular the Fire Chief who now has four stations). However, consider the implications if the current Happy Valley residents and businesses had only shown the earlier commitment to contribute enough money to construct only one station when, based upon their own adopted standards, should have two stations? Clearly three more stations would be needed on the path to General Plan "build-out." Would it be fair and equitable to charge the new residents the \$600 per home and businesses the \$0.30 per business square foot in order to build the remaining two stations required to meet the N.F.P.A. standards?

The simple and direct answer is no. The Happy Valley community has not, (with only one station constructed at half build-out), demonstrated their commitment to meeting the N.F.P.A. standards, and as a result would not have a strong case to assert that others who build after them need to contribute towards the construction of multiple fire stations at a higher rate by including the "missing" second station.

The service provided by the single station is the community's *de facto* (or "in fact") standard service level. With one station, the contributed equity to build the single station would be half of the impact fee proposed in Table 1-1, or \$300/residential unit and \$0.15/square foot of business space, respectively (see Table 1-6, on the following page).

**Table 1-6
Impact Fee at Deficient Condition**

| | Number of Units | Existing Contribution | Amount Collected |
|--|-----------------|-----------------------|------------------|
| Residential Units | 3,750 | \$200.00 | \$1,125,000 |
| Business S.F. | 12,500,000 | \$0.15 | \$1,875,000 |
| Amount Contributed by Existing Community | | | \$3,000,000 |
| Cost of One New Station | | | \$3,000,000 |
| Station(s) built with Community's Contribution | | | 1.00 |

If Happy Valley has built only one station at half of the General Plan build-out, we would logically conclude that the City would be "deficient" by one station. If the future residents were asked to pay at a rate that would build two stations (the \$600/\$0.30 rates) the City would have three stations at build-out, one financed and built by the first half of the community, and *two* financed and built by the second half of the community. The first half of the community would, in effect "inherit" one half of a station for free, (Welcome neighbor, glad to see you settle here!). In short, Happy Valley would fail the proportionality test required of the Dolan decision. The inequity would be exacerbated when the community decides to build the final "missing" second station from a City-wide assessment or from annual General Fund receipts, paid for by the entire community.

The only equitable option is for the City to adopt impact fees at the \$200/residence and \$0.15/square foot rates. Admittedly, the City will go further into a deficit position in terms of the

raw number of required stations, from being deficient by one station at half build-out to a deficiency of two stations at final build-out, *but the ratio of deficiency (or overall proportionality) would remain a constant 50% of the stations needed at either time.* The community, if they are truly serious about meeting the NFPA recommended standard, would then need to assess the entire community to raise the needed money in some fashion for the remaining two stations either in the form of some sort of assessment or dedication of general receipts to the City.

Infrastructure - Excess Capacity - One final but important scenario remains and must be considered. In this scenario the residents of Happy Valley were the industrious sort and (at half General Plan build-out) had constructed three stations when they were at the point when they only needed two stations. Clearly there would be excess capacity in each of the three existing stations. In this case the Happy Valley's current *de facto* standard would be well above the *de jure* or target standard. Statistically, each of the three stations would have 1/3 excess capacity (for providing services) and should be busy only about two-thirds of the time. Should the impact fee be limited only to the marginal \$200 per residence and \$0.15 per business square foot required to construct the one remaining required station? If so, the future residents receive a gift of the extra (third) station. There will be tough decisions ahead to be made by the Happy Valley City Council.

Marginal or Recoupment Fee? Hopefully, we would all agree that the Happy Valley City Council should adopt, *at a minimum*, the \$200/residence and \$0.15/square foot business space rates to insure that the fourth station would be built. This would be referred to as the *marginal needs* fee. This would be a benevolent gesture, giving the new residents a free ride on the cost of the (already built and paid for) third station.

Or in the alternative, the Council can recognize that the \$3,000,000 used to build the third station was a loan from the existing community's General Fund, and needs to be repaid by the future community receiving an instantaneous level of fire protection the day they receive their occupancy permit⁴, through the imposition and collection of impact fees.⁵ In this case, the \$600/residence and \$0.10/square foot of business space impact fees should be adopted, imposed and collected. The impact fee would accumulate \$6,000,000 through build-out, \$3,000,000 required to repay the General Fund in delayed revenue (for Station #3) and the \$1,000,000 necessary to build the fourth station. This would be referred to as the *fair share* at General Plan build-out fee. And more importantly, at General Plan built-out, long term equity would be achieved as each home and business would have contributed the same \$600 per residence and \$0.30 per square foot.

Exceptions to Proportionality Test. The previous discussion applies particularly well to above ground or facility-based services such as public-use centers, pools, police and fire stations, civic centers maintenance yards or other fixed location and fixed capacity facilities that serve the entire population.. However, it does not necessarily work well on ground level or below *system* infrastructure such as streets, utilities, and storm drainage, where the continuation of a deficient system into the future is not at all possible and the lack of additions would ensure the complete

inability to approve any further private construction without creating unsafe conditions to a specific area. As an example, if the agency's storm drainage system is currently deficient and creates some period flooding but not necessarily in dangerous amounts, the agency may not be able to approve and allow any more future development unless the storm drainage run-off created by the new development, is properly collected and released at a river or flood control channel.

Additionally, a currently deficient water system, i.e one with only the most minimal of distribution pipes, may not be able to serve any more future development without a substantial increase in the capacity of the water distribution system.

Specific Plan or Benefit to a Specific Area. An additional exception occurs when the need or benefit from a specific facility is generated by a finite or easily defined area such as a specific plan or a new area of the agency that is significantly outside of the existing agency's urban in-fill service area or the specific plan is primarily the sole beneficiary of the infrastructure to be constructed. An example may be a small area of the City, proposed for say 2,000 homes, but separate from the rest of the City in such a way that, to meet the General Plan's stated fire suppression standard level of service of a five minute response time, it requires a separate fire station but serving less than any of the other stations, which on average serve 5,000 homes. There is little argument as to why the remaining residents and businesses should not need to finance that higher station cost per home served. This is not uncommon in an area geographically separated from the major, or urban, part of the community. An example would be a small area separated by a river, up on a hillside or in a canyon.

Density may also be a Factor. Fire infrastructure system improvements to date may be spread over a more compact density (say 6-7 homes per acre) than the remaining development in town (say 2-3 homes per acre). Most likely, the fire system infrastructure costs per home for the lesser density will be far higher than the infrastructure costs required to serve the more compact but higher density.

Equity, such as between existing and future users and between users that require additional infrastructure not required of others, is the attempt of this Report. Excess capacity is often difficult to identify and even more difficult to convince others of. The City of Desert Hot Springs is much like Happy Valley, with excess or overcapacity in some areas of infrastructure, and perhaps slightly deficient⁶ in others, as you will see in the remainder of the Report.

OTHER ISSUES

Some members of the building industry have claimed that the addition of impact fees unfairly creates an inflated resale price for existing homes. The argument is that if the public agency adopts a \$10,000 to \$20,000 impact fee per detached dwelling, then the price for an existing detached dwelling is "artificially" increased by the same amount. We will use the example of a detached dwelling that cost the developer \$250,000 to construct and complete to a point that the occupancy permit is approved.

Full Cost of a Residential Dwelling. The \$250,000 represents only the above ground costs. The true and actual cost of a new home is the cost of acquiring the parcel, necessary government approvals and permits, construction supplies, labor, debt service on the above, on-site⁷ public improvements, *and*

the hidden cost of extending public services⁸ to that home!

These public service extension costs include (but are not limited to):

- The addition of law enforcement personnel requiring the expansion of the police station and response vehicles
- Additional fire stations and response vehicles.
- Road widening of traffic arterials and collectors.
- Additional capacity in downstream storm drainage pipes.
- Additions to water delivery capability, including source, treatment, storage and delivery (not provided by the City).
- Additions to the sewage capability, including collection, treatment and disposal (not provided by the City).
- Additions to the maintenance capabilities (i.e., municipal corporation yard and maintenance vehicles) necessary to maintain the above added infrastructure.
- Additional parks, library, aquatics center and public meeting space for recreational/social purposes.

Thus while the cost of constructing the above ground portion of a detached dwelling may be \$250,000, the "downstream" costs identified above may be in the area of \$15,000 per detached dwelling home or in the area of 6% of the above ground cost.

If this argument is not clear, picture a 2,800 square foot home, costing \$250,000 to construct the above ground structure, located in the middle of an empty square mile, no roads, no utility service, no public safety response, no flood control and no recreational facilities. What is the market value of this home? Probably not even the \$250,000 that it cost to construct the structure. All of a sudden, a \$15,000 impact fee for all the infrastructure needed to support that one residential dwelling, seems like a reasonable capital cost.

Thus, the true and complete cost of a new detached dwelling is the cost of building the structure and the cost of extending the municipal services to the home regardless of who pays for the actual costs of extending those services. To some degree these service-related infrastructure costs have been recognized, the only question remaining is who should for pay them, existing or new residents?

Effect on Market Price. Again, let us assume that a cumulative (and average) \$15,000 development impact fee imposed upon *new* detached dwelling construction increases the market price of an *existing* detached dwelling. Wouldn't this just be the recognition that the existing detached dwelling already has those physical links to the municipal services? A slightly different way of looking at this argument is that the existing family homes each have a "share" in a municipal corporation⁹ and the share is valued at the cost of the connection to the various municipal utilities, transportation system, flood protection and public safety. It is a logical step then to require any newly constructed home to purchase a "share" at an equal cost.

CHAPTER ORGANIZATION

Within most infrastructure Chapters (three through ten) there will be a minimum of three and a maximum of four cost/fee tables that are summaries of the schedules at the end of the chapter.. They will be:

The first schedule (3.1, 4.1, 5.1 etc.), the *Allocation of Project Cost Estimates* identifies the project, its costs and the relationship, in a percentage, to development.

Marginal Needs-based Development Impact Fees - This schedule will identify the impact fees that would need to be adopted to meet the basic capital needs identified in the Report (on the first schedule at the end of the Chapter, i.e., 3.2, 4.2, 5.2 etc.) for that infrastructure.

With adoption of this level of impact fees, one could claim that *new development is occurring without any additional cost to the existing residents and businesses.* You could not, however, claim that *new development is paying its "fair share."*

Commitment Financial or Equity-based Development Impact Fees - This schedule will identify the cost (in current nominal dollar value) of the existing infrastructure, including land, physical improvements and capital equipment. This is the average amount that has been "invested" by the current community of residents and businesses. This equity will be expressed in terms of the cost to construct or acquire the assets at current costs were it to be acquired or constructed today.

If the average equity of the existing infrastructure (for a residential detached dwelling for example) shown in this table is greater than the average cost for the same infrastructure on the previous *Marginal Needs-based Table*, it indicates that the infrastructure system is "front-ended" or has excess capacity. Earlier residents and businesses of the community have put more of the system into place than will the remaining unbuilt portions of the community, (as they build). The existing community has advanced money¹⁰ to build capacity into the infrastructure system to meet the needs of residents and businesses not yet there! The scenario where Happy Valley had already built three fire stations while it only had the current demands for two stations is an good example of a *front-ended* system.

Adoption of this level of impact fee would allow the City to claim that *new development is not being required to pay to eliminate existing deficiencies*.

Fair Share at General Plan Build-out Average-based Impact Fee or (existing capacity fee) -

When a system is front-ended, or where there is evidence of greater equity than of the marginal needs-based costs, there will be a third table that will identify the average cost of the system required at "build-out" (the cost of the existing infrastructure system plus the cost of the future system needs). It will be the average of the *marginal needs* and the *equity-based* tables combined and then divided by the General Plan built-out community that would represent an amount, that if adopted, would equalize the cost of the system between the future community with that of the existing community. The difference between the "marginal" amount and the larger "equity" amount would be "recoupment" of front-ended or advanced costs (or of delayed revenues).

However, if the average *equity* (again using a detached residential dwelling as an example) is less than the average cost on the previous *marginal-needs* table (for the same detached dwelling), it is an indication that system construction has been lagging or is currently *deficient*. When the marginal needs are greater than the *equity*, the fees are limited to the *equity* figures, based upon the argument that it would be inequitable to require future residents and businesses to contribute greater amounts than have the existing residents and businesses. Where marginal needs are greater than current equity, there is no need for the third table (Fair Share at General Plan/S.O.I. Build-out) in these cases. In short, if the existing community has not been inclined to construct an infrastructure system proportionally as the community developed, what basis does the community have to require the future residents to invest more, thus by eliminating, to some degree, the deficiencies created by the existing community? There can be no such rational argument.

Adoption of this level of fee would allow the City to claim that *development is paying its fair share*.

Distribution of Existing Development Impact Fee Fund Balance. There is an estimated \$5,451,744 in the eight existing Development Impact Fee fund categories dedicated for the variety of City-provided services. The specific 2008-09 fiscal year-end estimated amounts, by

infrastructure, are identified in Chapter 2 on Schedule 2.1 Each of these Funds was created to finance various infrastructure needed as new residents and businesses locate in newly created homes and buildings and also to separately account for each area of infrastructure. There are no specific restrictions on the monies beyond those that they be used on improvements within the Fund title and used within a reasonable time frame.

CHAPTER ENDNOTES

1. The firm had been previously known as *Management Services Institute*, but the same partners reorganized as *Revenue & Cost Specialists, L.L.C.*.
2. For greater detail of each project, refer to the City's *Master Facilities Plan*.
3. "Happy Valley" has been used as an imaginary community for purposes of DIF example for about nine years. Clearly no insult is intended to any real or imagined community of Happy Valley. It is also a Happy Valley because there is no inflation and the value of a dollar remains nominal.
4. Actually, the permitted structure receives fire protection services as it is being constructed.
5. This example assumes that each of the existing three stations is debt-free and owned out-right.
6. Not necessarily in a manner that indicates a danger, just below the standard being asked of the future residents.
7. On-site improvements include local streets and medians, curbs and sidewalks, sewer lines, water lines, street lights, storm gutter or drainage pipes, electrical power lines and all of the other requirements of the City's building requirements on the privately held property, hence the "on-site" reference. "Off-site" improvements are increased capacity needs that occur "down-stream" from the private property. The on-site public improvements generally become a city asset upon acceptance of the on-site public improvements made by the developer while the property upon which the on-site improvements, are still privately owned.
8. Desert Hot Springs does not necessarily provide all of these services. They are only highlighted to make a point about the types of municipal services typically required to support a residential dwelling.
11. Not unlike a share in a corporation such as I.B.M. or A.T. & T.
12. Perhaps unwittingly, but advanced none-the-less.

Chapter 2

Demographics and Findings

This Chapter provides an inventory of developed and undeveloped land within the City and presents a summary of the recommended Development Impact Fee schedules detailed in the following chapters of this Report. The City possesses many sizeable areas of vacant land zoned for residential, commercial lodging and business uses and will continue to accommodate and proctor that development quite some time.

LAND USE ASSUMPTIONS

This Report contains an inventory of developed and undeveloped land within the existing City limits of Desert Hot Springs and the Sphere of Influence. The undeveloped land inventory in Table 2-1 forms the base for distribution of the estimated costs of impacts from new development. The developed land inventory in Table 2-1 forms the base for distributing the cost of the existing infrastructure for comparison and for the *de facto* identification of the existing levels of service (LOS) provided by those existing infrastructure¹. There is significant vacant lands with the existing City limits/S.O.I. will likely take some time to come to fruition. The acreage amounts indicated on Table 2-2, and page 21, are based on a GIS Land Use Survey.²

**Table 2-1
Detailed Land Use Inventory**

| Total – Entire City and Sphere of Influence | Existing Development | | Anticipated Development | | Total G.P. Development | |
|--|----------------------|------------------|-------------------------|-------------------|------------------------|-------------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 2,905.9 | 8,608 | 16,753.5 | 58,386 | 19,659.4 | 66,994 |
| Attached Dwelling Units | 458.7 | 3,732 | 825.9 | 3,840 | 1,284.6 | 7,572 |
| Mobile Home Units | 496.3 | 2,836 | 193.7 | 2,052 | 690.0 | 4,888 |
| Commercial Lodging Units | 12.9 | 600 | 185.1 | 4,592 | 198.0 | 5,192 |
| Commercial/Office SF | 49.2 | 750,103 | 217.6 | 3,633,122 | 266.8 | 4,383,225 |
| Industrial/Manufacturing SF | 13.0 | 283,140 | 2,878.2 | 62,687,196 | 2,891.2 | 62,970,336 |
| Total | 3,936.0 | | 21,054.0 | | 24,990.0 | |
| <i>Summary:</i> | | | | | | |
| <i>Residential Dwellings</i> | <i>3,860.9</i> | <i>15,176</i> | <i>17,773.1</i> | <i>64,278</i> | <i>21,634.0</i> | <i>79,454</i> |
| <i>Commercial Units</i> | <i>12.9</i> | <i>600</i> | <i>185.1</i> | <i>4,592</i> | <i>198.0</i> | <i>5,192</i> |
| <i>Business Uses in S.F.</i> | <i>62.2</i> | <i>1,033,243</i> | <i>3,095.8</i> | <i>66,320,318</i> | <i>3,158.0</i> | <i>67,353,561</i> |

Land Use Definitions. This Report classifies properties as either one of three residential land uses or several different categories of commercial/industrial development. These land uses are defined³ below:

Residential Land Uses:

- **Detached Dwellings** - Corresponds to an allowable use within the City's land use designation of *RE - Residential Estate (0-1 du/acre)*, *RL - Low Density Residential (0 to 5 units/acre)* and *RM-Medium Density Residential (0 to 8 units/acre)* where each dwelling unit is a separate unit (i.e. no dwelling unit has any common wall or is contiguous to any other dwelling). In some cases there may be some *R-VSH Visitor Service Low or Medium* resort dwellings, if detached, that may fit in this category (e.g time-share detached dwellings).
- **Attached Dwellings** - Corresponds to the City's land use designations of *RM-Medium Density Residential (0 to 8 units/acre)* and *R-H High Density Residential* where the dwelling units have one or more common walls with a differing unit. In some cases there may be some *R-VSH Visitor Service Medium or High* resort dwellings, if detached, that may fit in this category (e.g time-share condominiums).
- **Mobile Home Dwellings** - This category of land use encompasses portions of the City's land use designations of *RMH-Residential Mobile Home (0 to 10 units/acre)* designation in the Zoning Code.

Business/Commerce Land Uses:

- **Commercial Lodging** - This category corresponds to a limited portions (as an allowable use) generally within the *R-VS Hotel/Motel Rooms* designation where the rooms are not intended for long-term use. A unit is defined as a *keyed entry*.
- **Commercial/Office Uses** - As utilized in this Report, Commercial uses include the general category of retail services and thus includes outlets ranging from restaurants to auto repair shops to shopping centers. This category includes the *C-N Neighborhood Commercial*, *C-C Community Commercial* and *C-G General Commercial* zones.
- **Industrial Uses** - This category contains all businesses engaged in heavy manufacturing or industrial development in the single industrial zone such as *I-L Light Industrial*, *I-M Medium Industrial* and *I-E Energy-Related Industrial*.

Definitions of Land Use Status. For each of the major land use categories detailed above and on Table 2-2, land is categorized as either Developed, Underdeveloped/Undeveloped. Definitions regarding the status of each land use are as follows:

Developed Acreage - Includes land in the City which is fully developed and is in conformance with the zoning designation for that area, or land which has received a building permit but which is not yet constructed. Acreage in this category may also include non-conforming use areas of the City which contain extensive development prior to annexation or before changes to the General Plan were made.

RCS has made no request for projections regarding properties which are currently classified as "Developed" but which may undergo redevelopment in the future. The City may wish to establish a policy now about how to charge impact fees for these redeveloping properties, especially in the situation where an older property (i.e., a building constructed in the 1960's) probably never paid a development impact fee to the City⁴.

Undeveloped Acreage - Refers to all non-public vacant (undeveloped/under-developed) acreage located within the City. This category also includes any largely vacant properties anticipated to be redeveloped in the future.

**Table 2-2
Summary of Undeveloped and Developed Acreage**

| | Developed Acres | % of Total | Vacant Acres | % of Total | Total Acres |
|------------------------|-----------------|------------|--------------|------------|-------------|
| Detached Dwellings | 2,905.9 | 11.6% | 16,753.5 | 67.0% | 19,659.4 |
| Attached Dwellings | 458.7 | 1.8% | 825.9 | 3.3% | 1,284.6 |
| Mobile Home Dwellings | 496.3 | 2.0% | 193.7 | 0.8% | 690.0 |
| Commercial Lodging | 12.9 | 0.1% | 185.1 | 0.7% | 198.0 |
| Commercial/Office Uses | 49.2 | 0.2% | 217.6 | 0.9% | 266.8 |
| Industrial Uses | 13.0 | 0.1% | 2,878.2 | 11.5% | 2,891.2 |
| Total | 3,936.0 | 15.8% | 21,054.0 | 84.2% | 24,990.0 |

Table 2-2, previous, provides a summary of the detailed land use inventory, limited to privately held property, provided on Table 2-1. Staff's land use inventory reveals that there are presently 3,936.0 acres of privately-held developed land within the City's current City boundaries. Conversely, there remain 21,054.0 acres of vacant or substantially undeveloped land in the City's Sphere of Influence. Undeveloped land represent approximately 84.2% of the total 24,990.0 privately held acres within Desert Hot Springs (including the progressing annexations previously identified). Residential detached dwelling designated land constitutes the greatest amount (67.0%) of vacant acreage of all the land uses.

Commercial/Industrial Development. In order to assess the costs of impact from commercial or industrial building intensification or building expansions, this Report includes a calculation of development impact fees both on an acreage basis and per gross square foot basis for commercial and industrial development. In order to accomplish this, City contract planning staff have estimated the average square feet of building coverage developed per net acre of land (sometimes referred to as the average FAR, or *Floor Area Ratio*), shown following:

Commercial/Office Development - 16,696 G.S.F. per Acre (about 38.3% F.A.R.)
Industrial Development - 21,780 G.S.F. per Acre (about 50% F.A.R.)

POPULATION PROJECTIONS

A second component in determining the magnitude of impact of future development and the necessary facilities needed to mitigate that impact is a realistic assessment of the build-out population of the City. Many of the facilities contained in this Report are sized according to either the estimated population at theoretical "build-out" or upon service levels which are based in part upon an estimation of the population to be served. Library facilities, parks and recreation facilities and public use facilities are examples of cost areas which rely heavily on population projections to determine space and facility needs. Park standards, for instance, are usually stated in terms of the number of acres of park land per 1,000 persons.

There are at least two generally accepted methods for projecting future population levels in a City: (1) past growth trends projected forward and (2) population holding capacity based on the General Plan land-use element. Each of these methods can be useful even though both possess certain limitations.

There are several serious flaws in projecting the build-out population of a community using the past growth trends methodology. While this method is relatively simple and therefore easy for the general public to understand, it does not give consideration to when an area is actually built out. Eventually there comes a point in time where the amount of available land to build on is negligible. This technique does not help explain when that point is reached.

Also, the past growth trends approach is not sensitive to policy changes made by Council or land use issues contained in the City's General Plan. For these reasons, this technique is more useful in projecting short-term population levels and should not be used to forecast the built-out population of an area.

This Report relies on the methodology of *holding-capacity*, (described in the following section), to project future service levels and facility requirements.

Holding Capacity Analysis. The methodology used in this Report to forecast the built-out population of Desert Hot Springs is the current holding capacity approach. This method calculates the sum of existing development and potential development allowable under current land use regulations, using average densities found in the City.

The first step in projecting the City's population using the holding capacity approach is to inventory the remaining undeveloped acres within the City's Sphere of Influence, which was previously accomplished in Tables 2-1 and 2-2 of this Chapter. The next step is to estimate the potential dwelling units allowed per acre and then multiply the potential number of units by the average number of residents per unit.

Table 2-3, found on the following page, projects the additional number of dwelling units and potential population for Desert Hot Springs through build-out. The number of potential new dwelling units was calculated by multiplying the amount of vacant acreage for each land use zone by the average densities (i.e., number of units allowed per acre) indicated in the City's General Plan.

The number of persons per unit for new residential units is based on the 2000 U.S. Census and ranges from 3.014 and 2.612 persons for detached and attached dwellings respectively to 1.731 persons for mobile homes. Based on these assumptions, future residential development within the existing City Limits and the City's Sphere of Influence (S.O.I.) is expected to accommodate a range of approximately 161,822 to 189,557 additional residents to Desert Hot Springs, joining the roughly 35,087 citizens already living in City and its sphere⁵, resulting in a total estimated population capacity at build-out (based upon the inclusion of existing City limits and existing Sphere of Influence) of about an average of 210,777 residents.

The estimated General Plan/S.O.I. (average) build-out population of 210,777 residents using this holding capacity approach is typically lower than the population forecasts based on the mathematical models described previously. This implies either that the City's period of residential build-out will actually be shorter than the 10 years indicated above or that the City's growth rate will decline from historical levels. This latter scenario is probably more likely to occur. As the residentially zoned land remaining to be developed continues to be built on during the next ten years, the City is likely to see the number of new dwelling units developed decrease each year.

Table 2-3
 City of Desert Hot Springs (SOI)
 Development Impact Fee Detail
 Average Dwelling Occupancy
 2000 United States (Special) Census Data (1)

| Existing Residential | Number of Units | Less Vacant | Number Occupied | Total Number of Occupants | Average Occupancy | Percentage Occupied |
|--|--------------------------|-----------------------|---------------------------|---------------------------|-------------------------------|---------------------|
| Detached Residential Dwellings | | | | | | |
| Detached Dwellings | 3,775 | 523 | 3,252 | 9,800 | 3.014 | 86.15% |
| Mobile Home Dwellings | 567 | 318 | 249 | 431 | 1.731 | 43.92% |
| Other | 0 | 0 | 0 | 0 | 0.000 | 0.00% |
| Attached Residential Dwellings | | | | | | |
| Duplex to Quadplex | 1,192 | 122 | 1,070 | 3,149 | 2.943 | 89.77% |
| Five or more | 1,312 | 208 | 1,104 | 2,324 | 2.105 | 84.15% |
| Attached | 180 | 35 | 145 | 584 | 4.028 | 80.56% |
| Total - Attached | 2,684 | 365 | 2,319 | 6,057 | 2.612 | 86.40% |
| Existing Population - State Department of Finance 01/01/06 | | | | | | 26,068 |
| Existing Population in Unincorporated Sphere of Influence | | | | | | 9,019 |
| Existing Population in City Limits/Sphere of Influence | | | | | | 35,087 |
| <i>Potential G.P. Build-out Population At Historic Occupancy Rates</i> | <i>Anticipated Units</i> | <i>Occupancy Rate</i> | <i>Probable Occupancy</i> | <i>Dwelling Density</i> | <i>Anticipated Population</i> | |
| Undeveloped Detached Dwellings | 58,386 | 86.15% | 50,297 | 3.014 | 151,595 | |
| Undeveloped Attached dwellings | 3,840 | 86.40% | 3,318 | 2.612 | 8,667 | |
| Undeveloped Mobile Homes | 2,052 | 43.92% | 901 | 1.731 | 1,560 | |
| Population to be Added via Development | | | | | 161,822 | 35,087 |
| Potential "Build-out" Population, at Historic Vacancy Rates. | | | | | | 196,909 |
| <i>Potential G.P. Build-out Population At 100% Occupancy Rate</i> | <i>Anticipated Units</i> | <i>Occupancy Rate</i> | <i>Probable Occupancy</i> | <i>Dwelling Density</i> | <i>Anticipated Population</i> | |
| Undeveloped Detached Dwellings | 58,386 | 100.00% | 58,386 | 3.014 | 175,975 | |
| Undeveloped Attached dwellings | 3,840 | 100.00% | 3,840 | 2.612 | 10,030 | |
| Undeveloped Mobile Home's | 2,052 | 100.00% | 2,052 | 1.731 | 3,552 | |
| Population to be Added via Development | | | | | 189,557 | 35,087 |
| Potential Maximum "Build-out" Population. | | | | | | 224,644 |
| Potential G.P. Build-out Population at Historic Occupancy | | | | | | 196,909 |
| Potential Maximum "Build-out" Population. | | | | | | 224,644 |
| Average Population at General Plan/S.O.I. Build-out | | | | | | 210,777 |

(1) Summary File 3 (SF3), available at <http://factfinder.census.gov>

(2) Current population based upon State of California Department of Finance data.

SUMMARY OF FINDINGS

City staff and RCS have identified \$1,217,690,069 in needed and desired capital improvement projects required through the City's General Plan build-out, including both projects related to existing deficiencies and those needed solely to support future growth. Less than 0.5% of the identified development-generated capital will be funded by an \$5.4 million in existing balance in the various existing development impact fee funds. The adoption of the recommended *maximum* impact fees supported by the calculations in this Report (Schedule 2.1) would finance nearly all of the needed capital facilities by raising some \$1,203,586,853 thus requiring a minor amount of additional funding (almost one percent) of \$8,651,472 from other capital revenue sources.

Based on these costs and the schedules found at the end of each of the remaining chapters of this Report, costs attributable to future development were derived on a per unit basis for residential land uses and on a per square foot of pad basis for commercial and industrial land uses. Schedule 2.1, found at the end of this Chapter, provides a summary of the recommended Development Impact Fees for each type of infrastructure and land use category. The total recommended maximum DIFs for each land use are also summarized below.

Table 2-4
Summary of Proposed Development Impact Fees
(at Maximum Fee Amounts)

| Land Use | Recommended Development Impact Fees |
|----------------------------|-------------------------------------|
| Detached Dwelling Units | \$14,393/Dwelling Unit |
| Attached Dwelling Units | \$12,894/Dwelling Unit |
| Mobile Home Dwelling Units | \$8,755/Dwelling Unit |
| Commercial Lodging Units | \$3,719/Lodging Unit |
| Commercial/Office Uses | \$9.500/Square Foot |
| Industrial Uses | \$3.895/Square Foot |

Specific impact fee rates for each land use can be found at the end of each chapter relating to each infrastructure. Schedule 2.1 at the end of this Chapter also identifies the probable impact fee revenue, the capital cost total and the difference, by individual infrastructure type (e.g. fire).

Schedule 2.1 identifies the individual and total impact fees by land-use and provide a calculation of the potential collection through build-out at the proposed *Existing Financial Commitment or Equity* and *Marginal Needs-based* development impact fee schedule rates and the cost of the total infrastructure needs.

FORMAT OF THIS REPORT

The following chapters of this Report contain the detailed information relative to the calculation of development impact fees recommended by RCS for the entire City. Appropriate textual explanations are contained in each chapter, with a chapter devoted to each of the eight sets of DIF schedules, listed below and Appendices (A) containing a summary of recommendations and (B) Expanded Land-use Database.

- CHAPTER 3 - Law Enforcement Facilities, Vehicles and Equipment
- CHAPTER 4 - Fire Suppression/Medic Facilities and Response Vehicles
- CHAPTER 5 - Circulation (streets, signals and bridges) System
- CHAPTER 6 - Storm Drainage Collection System
- CHAPTER 7 - General Facilities, Vehicles and Equipment
- CHAPTER 8 - Public Use (community center) Facilities
- CHAPTER 9 - Aquatics Center Facilities
- CHAPTER 10 - Parkland and Trails Acquisition and Park Facilities Development
- APPENDIX A - Summary of Recommendations
- APPENDIX B - Expanded Land-use Database

NOTE REGARDING TEXTUAL MATHEMATICS: *It is important to note that the use of a computer provides for calculations to a large number of decimal points. Such data, when included in text and supporting textual tables, has been rounded to no more than two decimals for clarity and thus may not replicated to the necessary degree of accuracy as the spreadsheet schedules at the end of each chapter.*

CHAPTER ENDNOTES

1. It will likely be some time before the current annexation effort will be completed and development plans are submitted. Additionally, the infrastructure necessary to support the annexation has not been adequately identified.
2. City of Desert Hot Springs GIS land Use Survey, Project Methodology, Data Dictionary, and Summary Report, MSA Consulting, Inc. Rancho Mirage, CA 92270. The figures are consistent with the most recent Land Use Element.
3. Desert Hot Springs General Plan Draft, Land Use Element.
4. However, contributed significantly during the elastic years of flexible property tax rates.
5. The high and low population figures are based upon 100% occupancy to the 83% occupancy during the 2000 Census. The average between the two is 208,677.

Schedule 2.1

City of Desert Hot Springs
 Summary of Development Impact Fees By Type of Fee
 (Fees per Residential Dwelling Unit, or Business Square Foot)
 at Maximum Development Impact Fees

| Law Enforcement Facilities Schedule 3.3 | Fire Suppression Facilities Schedule 4.2 | Circulation System et. al. Schedule 5.2 | Storm Drainage Improvements Schedule 6.4 | General Facilities Expansion Schedule 7.2 | Community (Public Use) Centers Schedule 8.1 | Aquatic Center Facilities Schedule 9.1 | Parkland Acquisition & Improvements Schedule 10.1 | Development Impact Fee Total Per Unit or Square Foot Notes (1) and (2) |
|--|---|--|---|--|--|---|--|--|
| Calculated Development Impact Costs/Fees | | | | | | | | |
| Detached Dwellings | \$179 | \$377 | \$4,162 | \$1,436 | \$517 | \$221 | \$5,841 | \$14,393 per Unit |
| Attached Dwellings | \$1,652 | \$215 | \$2,779 | \$1,040 | \$517 | \$192 | \$5,061 | \$12,894 per Unit |
| Mobile Home Dwellings | \$378 | \$790 | \$2,177 | \$459 | \$517 | \$127 | \$3,354 | \$8,755 per Unit |
| Commercial Lodging Units | \$1,140 | \$107 | \$2,189 | \$210 | No Fee | No Fee | No Fee | \$3,719 per Unit |
| Commercial/Office Uses | \$4,488 | \$0.084 | \$4,487 | \$0.349 | No Fee | No Fee | No Fee | \$9,500 per S.F. |
| Industrial/Manufacturing Uses | \$0.703 | \$0.111 | \$2,719 | \$0.270 | No Fee | No Fee | No Fee | \$3,895 per S.F. |
| Anticipated Collection with Recommended Impact Fees | | | | | | | | |
| Detached Dwellings | \$10,451,094 | \$22,011,522 | \$243,002,532 | \$83,842,296 | \$96,920,760 | \$12,903,306 | \$341,032,626 | \$840,349,698 |
| Attached Dwellings | \$6,343,680 | \$825,600 | \$10,671,360 | \$3,993,600 | \$5,521,920 | \$737,280 | \$19,434,240 | \$49,512,960 |
| Mobile Home Dwellings | \$775,656 | \$1,621,080 | \$4,467,204 | \$941,868 | \$1,955,556 | \$260,604 | \$6,882,408 | \$17,965,260 |
| Commercial Lodging Units | \$5,234,880 | \$491,344 | \$10,051,888 | \$964,320 | \$0 | \$0 | \$0 | \$17,077,648 |
| Commercial/Office Uses | \$16,305,451 | \$305,182 | \$16,301,818 | \$1,267,960 | \$0 | \$0 | \$0 | \$34,514,658 |
| Industrial/Manufacturing Uses | \$44,069,099 | \$6,958,279 | \$170,446,486 | \$16,925,543 | \$0 | \$0 | \$0 | \$244,166,629 |
| Total | \$83,179,860 | \$32,213,007 | \$454,941,288 | \$107,935,587 | \$104,398,236 | \$13,901,190 | \$367,349,274 | \$1,203,586,853 |
| City-wide DIF Revenue | \$83,179,860 | \$32,213,007 | \$454,941,288 | \$107,935,587 | \$104,398,236 | \$13,901,190 | \$367,349,274 | \$1,203,586,853 |
| Existing Fund Balance | \$455,644 | \$1,005,619 | \$380,017 | \$161,067 | \$1,458,408 | \$417,957 | \$1,371,091 | \$5,451,744 |
| Total Capital Requirements | \$84,159,499 | \$33,186,882 | \$455,299,576 | \$114,595,860 | \$105,856,644 | \$14,319,148 | \$368,722,856 | \$1,217,690,069 |
| Overage/(Shortfall) | (\$53,995) | \$31,744 | \$21,729 | (\$6,499,206) | \$0 | (\$1) | (\$2,491) | (\$8,651,472) |

NOTES: (1) Residential Units = Individual Dwellings.
 (2) Square Foot means floor or pad area.

Chapter 3

Law Enforcement Facilities, Vehicles, and Equipment

The Existing System (or infrastructure). The twenty-nine officers of Desert Hot Springs Police Department currently utilize 12,298.5 square feet of public facilities dedicated for law enforcement purposes by the City Council. The various facilities include:

- The 9,405.0 square foot law enforcement facility on Pierson Boulevard.
- The 576.0 square feet satellite station in the recently City-accepted fire station on Karen Avenue.
- A 1,440.0 square foot modular behind the Police Station (primarily used for various types of storage of necessary documents). This facility will be replaced by a 1,800 square foot structure planned for construction in this fiscal year.
- And a combined 877.5 square feet of two buildings at Tedesco Park that will be used law enforcement staff for administering various youth programs. The 877.5 square feet is limited to the administrative space used by the sworn staff. The space actually used by the youth in the programs (1,312.5) is not excluded here but included as a public use facility (see Chapter 8).

An expansion of the City-owned facility, or a move to a larger facility will likely need to occur before General Plan/S.O.I. build-out to allow the City to deal with growth-created additional calls-for-service. However, due to size limitations of the current parcel, it is unlikely that the current facility can be expanded unless the City acquires additional land around the existing City Hall.

Demand Upon Infrastructure Created by the Development of Underdeveloped or Vacant Parcels. Residents and businesses benefit from law enforcement services in three ways: directly, indirectly and through standby availability. Direct services are those where a resident or business owner requires a direct response, usually as a result of being the victim of a crime. Direct service results in the form of a law enforcement officer contacting the victim. Indirect benefits, such as crime prevention programs, preventative patrol time and other law enforcement services that serve all businesses, citizens and visitors, are impossible to calculate for a specific beneficiary. An example of indirect benefit would be the apprehension of a burglar in your neighbor's home yesterday. Had the burglar not been arrested he/she may have broken into your home tomorrow. Most residents and businesses may go for many years before ever requiring a call for service. However, these fortunate residents and businesses still benefit from law enforcement services, if

in no other way than in the knowledge that a law enforcement officer is available, through adequate planned stand-by, to respond if you require public safety assistance.

The addition of new residential units and new businesses will increase the demand upon the law enforcement service level by creating more direct calls-for-service, more areas requiring preventive patrol, and in general, more opportunities for crimes to be committed.

The development of vacant or underutilized parcels into residential or business units will simply generate more calls. The residents and business-owners occupying those residences and businesses will create the increase in law enforcement "calls-for-service." More homes and businesses will mean more responses to the burglaries, domestic disputes, noise complaints, shoplifting, and miscellaneous incidents that will occur in the new homes and businesses.

If the law enforcement staff capabilities/capacities (the base) are not expanded, then the increasing number of calls-for-service (the rate) will reduce the amount of "free" hours available for preventative patrol. This inability to expand the capabilities would ultimately drive the Department into a reactionary mode. The additional calls-for-service would limit the amount of time for training, planning, pro-active crime prevention and other non-direct services.

Table 3-1, following, summarizes an analysis of the calls-for-service received by the Police Department during the 2005 calendar year. The breakdown of calls into the land uses that generated them, divided by the number of developed units (during the same period) generated a *calls-for-service* factor.

Table 3-2
Law Enforcement Calls Generated by Land Use (twelve month period)

| Land Use | Developed Dwellings or K.S.F. | Calls For Service | Total Calls Per Dwelling or K.S.F |
|--------------------------|-------------------------------|-------------------|-----------------------------------|
| Detached Dwellings | 7,465 | 1,520 | 0.204/Unit |
| Attached Dwellings | 3,033 | 5,720 | 1.886/Unit |
| Mobile Home Dwellings | 671 | 290 | 0.432/Unit |
| Commercial Lodging Rooms | 569 | 740 | 1.301/Unit |
| Commercial Use Acres | 612.9 | 3,140 | 5.123/KSF |
| Industrial Use Acres | 174.2 | 140 | 0.804/KSF |

As an example, there were approximately 5,720 calls-for-service that generated a response to one of the 3,033 attached dwelling units in the City. The result indicates that, on average, each attached dwelling will generate just over one and three-quarter calls per year (1.886 calls-for-service per unit per year). The same analysis was undertaken for all other residential uses and the commercial and industrial business land uses. Since these calls-for-service by land use are an average, they can be used to project the number of additional calls that could be expected by multiplying the calls-for-service per residential unit or business acre by the number of anticipated number of new residential dwellings or business acres. To determine the number of additional officers necessary to meet this increase from future developments, the number of increased calls resulting from new development was then divided by the average number of calls that an officer responds to annually.

The Purpose of the Fee. Additional calls-for-service are to be expected, and the cost of adding officers necessary to respond to those calls also can be determined. Those new costs can be translated to a fee, or a financial contribution, necessary to be collected to offset the added costs of the required additional staffing. These costs include equipping and housing the additional officers. Providing that the fee is adopted and imposed, new development will finance the capital costs of expansion of the Police Department. The continued costs of the annual salary and benefits for those additional officers, however, will need to come from increases in property taxes and local sales taxes generated from new businesses and the occupants of new residences.

The Use of the Fee. The revenues raised from a properly calculated and legally-supported Law Enforcement Development Impact Fee would be limited to capital costs related to that growth. The fees would be used to expand the law enforcement station, increase the number of response and investigator's vehicles, and properly equip additional officers. Conversely, the Law Enforcement Facilities, Vehicles and Equipment Development Impact Fee receipts cannot be used to repair the existing building, replace existing vehicles, or replace equipment for routine turn-over vacancies.

The Relationship Between the Need for the Fee and the Type of Development Project. Department records were used to demonstrate that differing land uses generate differing numbers of calls. Clearly, a retail store is more likely to suffer shoplifting incidents, whereas a residence is more likely to experience a domestic disturbance or break-in.

It is not likely that a single private development will generate the need for a single officer. However, cumulatively the calls generated from various developments will create the need for an additional officer and ultimately an additional patrol beat. On an acreage basis, an acre of detached dwellings will generate less calls-for-service than an acre of attached dwellings. The impact fee is accordingly higher.

The complement of twenty-nine sworn officers absorb the roughly 11,550 annual calls by responding to just over 398 calls-for-service¹ each to privately-owned and currently developed parcels. Based upon the addition of 94,963 calls-for-service, the City will need to add 238 officers *to merely maintain the same response capabilities that are provided now*. This is not to imply that the existing level of services or the ratio of officers to calls-for-service is a neither adequate nor sufficient level of service, it merely is the *current* level of service. To adequately equip the required 238 sworn officers, the City will need to add 336 response vehicles at a total cost of \$13,284,432 to maintain the existing ratio of 1.41 vehicles per sworn officer (41 vehicles divided by 29 officers). The Department will need to acquire \$1.81 million in assigned equipment with which to equip the 238 officers. Approximately \$7.2 million will need to be available for the Department to maintain pace with the advances in computer, communication and specialty equipment technology over the full course of development of the City's sphere of influence.

The Relationship Between the Use of the Fee and the Type of Development Paying the Fee. Again, *use of the fee* is a similar argument to the *need for the fee*. As the development occurs, the new demand is generated and the impact fee would be collected as the development occurs (generally at building permit). The collected fee would be put to use to acquire equipment for additional officers, vehicles and additional building space necessary to respond to those additional calls, *without reducing the capability of responding to calls from the existing community*.

The Relationship Between the Amount of the Fee and the Cost of the Portion of the Facility Attributed to the Development Project. The building size is based upon the average square foot of space per existing officer, currently about 424.09 square feet per officer based upon the total 12,298.5 square feet of law enforcement facilities space and twenty-nine officers. The result is the need for an additional 100,933 square feet to maintain the existing average of 424.09 square feet per officer standard while adding 238 officers, as outlined in MFP project detail page identified as LE-01.

No developer would be required to construct any portion of the law enforcement facility as a condition of development. All contributions will be in the form of an impact fee representing their fiscal contribution matching their increased demand.

Marginal Needs-based Fees. Table, 3-3, on the following page, summarizes the resulting impact fees (from Schedule 3.2) for development to pay to contribute to the expansion of the Law Enforcement capabilities of the City in order to allow the City to extend the same level of service to the City's newest citizens and businesses.

[This space left vacant to place the following table on a single page].

Table 3-3
Law Enforcement Facilities, Vehicles and Equipment
Marginal Needs-based Development Impact Costs (Fees)

| Land Use | Allocation of Costs | Total Cost Per Unit or SF |
|--------------------------|---------------------|---------------------------|
| Detached Dwelling Units | \$10,498,461 | \$180/Unit |
| Attached Dwelling Units | \$6,383,511 | \$1,662/Unit |
| Mobile Home Units | \$781,354 | \$381/Unit |
| Commercial Lodging Units | \$5,265,819 | \$1,147/Unit |
| Commercial/Office Uses | \$16,405,560 | \$4.516/S.F. |
| Industrial Uses | \$44,369,151 | \$0.708/S.F. |

Existing Equity-based Fees. The existing 12,298.5 square feet of law enforcement facility space would cost some \$6,929,930 to replace at current land acquisition and construction costs. The Department has forty-one law enforcement vehicles with various added extra equipment costing a total of \$1,621,000 or an average of about \$39,537 per vehicle. Police officer equipment for the twenty-nine officers totals some \$220,574 or \$7,606.00 per officer. The Department also has specialty equipment costing approximately \$892,761. The combined current cost of the assets dedicated for law enforcement efforts is approximately \$9,664,265 and is then increased to \$10,119,909 to recognize the positive fund balance in the existing Law Enforcement Facilities, Vehicles and Equipment Development Impact Fee Fund of \$455,644 available to offset the costs of the identified needs.

When this combined net equity figure of \$10,119,909 is distributed to the current community (via Table 3-4 following and Schedule 3.3), we find that the existing equity is nearly the same as the calculated Law Enforcement Facilities et. Al. Marginal Needs-based Development Impact Fees (or cost), indicating that the existing community has invested about the same as would be required from future development. This is not surprising because the identified capital improvements are based on the service levels provided by the existing facilities. No opinion is offered regarding the adequacy or sufficiency of those levels of service.

Table 3-4
Law Enforcement Facilities, Vehicles and Equipment
Community Financial Commitment/Equity-based Proportionality Test Fees

| Land Use | Allocation of Equity | Total Equity Per Unit or SF |
|--------------------------|----------------------|-----------------------------|
| Detached Dwellings Units | \$1,333,904 | \$179/Unit |
| Attached Dwelling Units | \$5,010,709 | \$1,652/Unit |
| Mobile Home Units | \$253,917 | \$378/Unit |
| Commercial Lodging Units | \$648,447 | \$1,140/Unit |
| Commercial/Office Uses | \$2,750,371 | \$4.488/S.F. |
| Industrial Uses | \$122,560 | \$0.703/S.F. |

It should be noted that the existing community has contributed, on average, marginally less, at 99,%, than would be required of future development to meet the marginal needs for build-out and all users.

Recommended Development Impact Fee. The adoption of Table 3-4 based upon Schedule 3.3 at the end of the chapter, as the Law Enforcement, Vehicles and Equipment Development Impact Fee schedule and would generate enough capital to construct the facilities needed by the new development. The development impact fees contained within Schedule 3.3 also contain an amount just slightly lower than the marginal need amounts calculated in Schedule 3.2, thus not violating any proportionality requirements.

LAW ENFORCEMENT et. al. DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

Due to the slight imbalance between the current distribution of the City's Law Enforcement *Community Financial Commitment or Equity* and the future *Marginal Needs-based* costs, The Equity-based development impact fees for the six broad land uses, as identified in Table 3-4 and Schedule 3.3 is recommended as the fairest set of fees.

CHAPTER ENDNOTES

1. Limited to privately owned parcels, but there are additional calls to public property such as schools, parks, and roadway right-of-way that could not be included, thus are a function of calls to private property.

Schedule 3.1

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 Law Enforcement Facilities, Vehicles and Equipment

| Line # | Description | Estimated Cost | Construction Needs Supported by Other Resources | | Construction Needs From New Development in the Entire City | |
|--------|---|----------------|---|--------------------------|--|--------------------------|
| | | | Percent Need | Appropriated Dollar Cost | Percent Need | Appropriated Dollar Cost |
| LE-01 | Expand Law Enforcement Facilities Space/Building Enhancements | \$61,909,822 | 0.00% | \$0 | 100.00% | \$61,909,822 |
| LE-02 | Acquire Additional Patrol/Detective/Specialty Vehicles | \$13,284,432 | 0.00% | \$0 | 100.00% | \$13,284,432 |
| LE-03 | Acquire Officer Assigned Equipment | \$1,810,228 | 0.00% | \$0 | 100.00% | \$1,810,228 |
| LE-04 | Acquire Regional Emergency Communications Systems | \$1,155,017 | 10.85% | \$125,274 | 89.15% | \$1,029,743 |
| LE-05 | Acquire Specialty Equipment/Improvements | \$6,000,000 | 0.00% | \$0 | 100.00% | \$6,000,000 |
| | SUB-TOTAL ESTIMATED NEW PROJECT COSTS | \$84,159,499 | 0.15% | \$125,274 | 99.85% | \$84,034,225 |
| | LESS: Law Enforcement Development Impact Fee Fund Balance | (\$455,644) | 27.49% | (\$125,274) | 72.51% | (\$330,370) |
| | SUB-TOTAL ADJUSTMENTS | (\$455,644) | 27.49% | (\$125,274) | 72.51% | (\$330,370) |
| | Total - Law Enforcement Capital Project Needs | \$83,703,855 | 0.00% | \$0 | 100.00% | \$83,703,855 |
| | | | | | | Forward to Schedule 3.2 |

NOTES:

1. Costs distribution based upon a 10% sampling of City of Desert Hot Springs Police Department "Calls-for-Service" statistics.

Schedule 3.2

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Marginal Needs-based Development Impact Costs (Fees)
 Law Enforcement Facilities, Vehicles and Equipment

| Proposed Land Use | Undeveloped | | Call Generation Rate | Calls for Service | Percentage of Additional Service Calls | Allocation of Expansion Costs | Cost Distribution Per Acre | Average Units or Square Feet/Acre | Development Impact Fee per Unit or Square Foot |
|-----------------------------|-----------------|------------|----------------------|-------------------|--|-------------------------------|---|-----------------------------------|--|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 16,753.5 | 58,386 | 0.204 | 11,910.74 | 12.54% | \$10,498,461 | \$627 | 3.49 | \$180 per Unit |
| Attached Dwelling Units | 825.9 | 3,840 | 1.886 | 7,242.24 | 7.63% | \$6,383,511 | \$7,729 | 4.65 | \$1,662 per Unit |
| Mobile Home Units | 193.7 | 2,052 | 0.432 | 886.46 | 0.93% | \$781,354 | \$4,034 | 10.59 | \$381 per Unit |
| Commercial Lodging Units | 185.1 | 4,592 | 1.301 | 5,974.19 | 6.29% | \$5,265,819 | \$28,449 | 24.81 | \$1,147 per Unit |
| Commercial/Office SF | 217.6 | 3,633,122 | 5.123 | 18,612.48 | 19.60% | \$16,405,560 | \$75,393 | 16,696 | \$4,516 per S.F. |
| Industrial/Manufacturing SF | 2,878.2 | 62,687,196 | 0.803 | 50,337.82 | 53.01% | \$44,369,151 | \$15,416 | 21,780 | \$0.708 per S.F. |
| TOTAL | 21,054.0 | -- | -- | 94,963.94 | 100.00% | \$83,703,855 | in Total Law Enforcement Capital Needs to Finish Syste | | |

Schedule 3.3

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Community Financial Commitment or Equity-based Proportionality Test Fees
 Law Enforcement Facilities, Vehicles and Equipment

| Proposed Land Use | Developed | | Call Generation Rate | Existing Calls for Service | Percentage of Existing Service Calls | Allocation of Infrastructure "Equity" | Distribution of "Equity" per Acre | Average Units or Square Feet/Acre | Current Financial Commitment per Unit or Square Foot |
|-----------------------------|----------------|-----------|----------------------|----------------------------|--------------------------------------|---------------------------------------|---|-----------------------------------|---|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 1,577.6 | 7,465 | 0.204 | 1,522.79 | 13.18% | \$1,333,904 | \$846 | 4.73 | \$179 per Unit |
| Attached Dwelling Units | 449.3 | 3,033 | 1.886 | 5,720.24 | 49.51% | \$5,010,709 | \$11,152 | 6.75 | \$1,652 per Unit |
| Mobile Home Units | 29.3 | 671 | 0.432 | 289.87 | 2.51% | \$253,917 | \$8,666 | 22.90 | \$378 per Unit |
| Commercial Lodging Units | 6.0 | 569 | 1.301 | 740.27 | 6.41% | \$648,447 | \$108,075 | 94.83 | \$1,140 per Unit |
| Commercial/Office SF | 40.2 | 612,889 | 5.123 | 3,139.83 | 27.18% | \$2,750,371 | \$68,417 | 15,246 | \$4,488 per S.F. |
| Industrial/Manufacturing SF | 8.0 | 174,240 | 0.803 | 139.91 | 1.21% | \$122,560 | \$15,320 | 21,780 | \$0.703 per S.F. |
| TOTAL | 2,110.4 | -- | -- | 11,552.91 | 100.00% | \$10,119,909 | in Existing Current Law Enforcement Assets/Equity. | | |
| | | | | | | | | | \$6,929,930 in Equity in Current Law Enforcement Facilities. |
| | | | | | | | | | \$1,621,000 in Equity in Current Law Enforcement Vehicles. |
| | | | | | | | | | \$220,574 in Equity in Current Law Enforcement Officer Equipment. |
| | | | | | | | | | \$892,761 in Specialty, Communications and Electronic Equipment. |
| | | | | | | | | | \$455,644 in Existing Law Enforcement Facility et. al. DIF Fund Bala |

| Land Use | Units or K.S.F. | Calls for Service | Annual Calls Per Unit |
|--|-----------------|-------------------|-----------------------|
| Detached Dwellings | 7,465 | 1,520 | 0.204 |
| Attached Dwellings | 3,033 | 5,720 | 1.886 |
| Mobile Dwellings (in Parks) | 671 | 290 | 0.432 |
| Commercial Lodging Units | 569 | 740 | 1.301 |
| Commercial Acre (retail/office) K.S.F. | 612.9 | 3,140 | 5.123 |
| Industrial/Manufacturing K.S.F. | 174.2 | 140 | 0.803 |

Chapter 4

Fire Suppression/Medic Facilities and Response Vehicles

The Existing System. The City contracts for fire staffing protection services from the State of California Department of Forestry via the County of Riverside Fire Department. The City's contract Fire Department staff responds from the existing City-owned 4,900 square foot station at 65958 Pierson Boulevard and may soon be responding from a new 6,344 square foot fire suppression facility on Karen Avenue just northerly of Pierson Boulevard.

Demand Upon Infrastructure Created by the Development of Underdeveloped or Vacant Parcels. While it can be said that numerous factors are considered when determining the number and location of fire stations in any city, it can be stated without any logical contradiction that all new private development in the City will have an affect on the City's current ability to respond to fire, rescue, and emergency calls-for-service. The affect, simplified but not trivialized, is twofold. Initially, each new residential and business development will create, on average, more calls-for-service increasing the likelihood of simultaneous (and thus competing) calls-for-service. Additionally, as development spreads further from any existing station or stations, as large-scale development is often likely to do, the distances (and thus response times) will increase, taking the existing engine companies out-of-service for greater periods of time.

The capacity of any fire station is finite and will reach practical limits (through call-for-service frequency and total time). When that capacity is exceeded, the level of service afforded to existing development will be greatly reduced. Or stated in another way, if development continues without the addition of fire stations, the existing station could be overwhelmed, making a timely response for emergency service a virtual coin flip. That is, will the existing truck companies be available to respond to your needs or will they most likely be out-of-service on a call in a different part of the community?

The Purpose of the Fee. In order to continue to be able to respond to an ever-increasing number of expected calls, the City staff has determined the need for the addition of four stations, response vehicles for those four stations, specialty response vehicles and a number of administrative/training facilities. Having the right type and number of fire stations in the right locations will enable policy makers, the assigned City Fire Chief and City Council to house firefighters, apparatus, and equipment in a rational way for maximum use of resources.

Conversely, the penalties are high and extremely visible, for poor fire station location or no facility location. Adverse effects are felt by the City staff, the council, and indeed by the existing taxpayers. With poor location or no additional location, response times, (via distance or out-of-

service due to a previous call), can become excessive, and if a tragedy occurs, the incident will be well publicized.

Often, response time is mistakenly referred to for only the first-in unit, and this can be a grave error. Instead, response time must consider the arrival of *all* the forces necessary to place the incident under control. If the first unit arrives within five minutes but cannot provide the necessary water flow, or perform the needed functions due to a lack of staffing, the five minute response becomes insignificant and irrelevant. Thus an increase in the number and type of response vehicles is also necessary to match and equip the needed additional staff. The following sections identify the manner in which the City plans to meet the demands of additional calls-for-service.

The Use of the Fee. The revenues raised from a properly calculated and legally-supported Fire Suppression/Medic Facilities and Vehicles Development Impact Fee would be limited to capital costs related to that growth. The fees would be used to construct new stations or expand existing stations (to increase the response capacity of that station) and increase the number of emergency response vehicles. Conversely, the Fire Suppression/Medic Facilities and Vehicles Development Impact Fee receipts would not be used to repair the existing fire stations or replace any existing emergency response vehicles. Additional facilities are planned to come on-line, as needed, as development creates additional demands beyond the capability (volume or calls and distance) of the existing stations. The capital expansions include:

Land Acquisition and Construction of Additional Stations. Based upon the County of Riverside's Fire Department, the Fire Chief (assigned to the City by Riverside County) anticipates the need for a four additional fire stations and appropriate suppression/medic response vehicles in order to provide service to the almost tenfold increase in calls-for-service expected based upon the projected land-use database (Table 2-1) and maintain the five to six minute response time the County's Fire Capital facilities is based upon.

While the City's ultimate boundaries can be served by five to six stations, in terms of response time, the nearly ten-fold increase in calls-for-service would overwhelm the staff if only one company (roughly three to four firefighters/medics were assigned to each station). Thus, the fire management staff has indicated a facilities location pattern that keeps the number of stations to a minimum, but would staff them with multiple companies as has been undertaken successfully at a nearby community. The stations would be considered either *urban* which would consist of two engine companies or *heavy urban* which would consist of two engine companies and a single truck company. Additional specialty vehicles would be assigned as necessary.

The proposed projects and costs are identified on Schedule 4.1 and are detailed in the Master Facilities Plan. The total cost of \$33,186,882 for completing the fire infrastructure system is a net \$32,181,263 after off-setting the existing Fund Balance of \$1,005,619.

Station near Mountain View Road and Far View Road (FD-01/FD-02). This project consists of the acquisition of a one acre parcel and the construction of a “basic” 9,000 square foot, three bay wide by two vehicles deep station. The land acquisition and facility construction is estimated to cost approximately \$5,283,412. The three by two station configuration would house up to two companies and thus would require two Type I engines, a medic squad and a ½ ton utility pick-up truck (\$862,500). This station would be required upon significant development of the easterly area.

Station near 20th Avenue and Palm Drive#366 (FD-03/FD-04). This project consists of the acquisition of a one and a half acre parcel and construction of a 11,500 square foot, three bays wide by two vehicles deep headquarters style station. The land acquisition and facility construction is estimated to cost approximately \$6,731,969. The station consists of 9,000 square feet dedicated for a three company fire suppression/medic operation and would also have 2,500 square feet for fire management. The three by two station configuration would house a Type I engine, a Type I truck with aerial capacity and a ½ ton utility pick-up truck (\$1,247,500). This station would be generally required upon significant development of the westerly commercial/industrial area.

Station near Dillon Road and Indian Avenue (FD-05/FD-06). This project also consists of the acquisition of a one acre parcel and the construction of a “basic” 9,000 square foot, three bay wide by two vehicles deep station. The land acquisition and facility construction is estimated to cost approximately \$5,283,412. The three by two station configuration would house up to two companies and thus would require two Type I engines, a medic squad and a ½ ton utility pick-up truck (\$862,500). This station would generally be required upon development of the south-easterly area.

Station near 8th Street and Palm Avenue (FD-07/FD-08). This project also consists of the acquisition of a one acre parcel and the construction of a “basic” 9,000 square foot, three bay wide by two vehicles deep station. The land acquisition and facility construction is estimated to cost approximately \$5,283,412. The three by two station configuration would house up to two companies and thus two Type I engines, a medic squad and a ½ ton utility pick-up truck (\$1,247,500). This station would generally be required upon development of the south-easterly area.

Acquire Administrative Vehicles (FD-09). There will be a need for at least six additional full-sized sedans to support the demand for additional fire prevention/administrative/educational services. There will also be a need for two fully equipped Battalion Chief SUV’s (\$200,000).

Acquire Two Reserve Engine/Pumpers (FD-10). Based upon the addition of four new stations and thus seven new engines/pumpers and an aerial lift truck, two additional front-line engines/pumpers are necessary to maintain an appropriate ratio of reserve engine/pumpers to front-

line engines/pumpers (\$750,000).

Mobile Air and Lighting Support Vehicle (FD-11). The vehicle or trailer would have high intensity lights that can be aimed for improving the visibility of an involved structure or other accident site. The vehicle would also have air bottle re-filling capability (\$450,000).

Special Operations Support Vehicle (FD-12). The vehicle would serve as an on-site supply warehouse and canteen for long-term responses (\$75,000).

Training Center (FD-13/FD-14). This important facility is intended to be located on a two acre parcel adjacent to the proposed headquarters station at 20th Avenue and Palm Drive. The training facility would consist of a multi-story live fire tower for hands-on manipulated training, a drafting pit, pipe trench and other various training apparatus. The addition of a training facility would allow for more coordinated training at a single facility and safer water draft testing. The facility would have a training classroom that would also could act as the City's primary or secondary Emergency Operations Center (EOC) (\$2,129,275). The facility would also have a pick-up truck assigned to it for use by the training officer (\$22,500).

Maintenance Facility (FD-15/D-16). Construct a 4,500 square foot maintenance facility also to be located adjacent to the proposed 20th Avenue and Palm Drive headquarters facility. The maintenance facility structure would likely have two bay doors on each of two sides to allow for the drive-through servicing of up to two large response vehicles. The facility would require a number of hydraulic and above-ground lifts and or pits, storage, and repair equipment or machines (presses, saws, welders, etc.) (\$2,485,919). The facility would also have a one on pick-up truck assigned to it for use in retrieving parts and supplies (\$27,000).

Acquire Shared Emergency Communication Systems (FD-17). The \$244,983 represents the amount (17.5%) of the Emergency Riverside County Inter-operable Communications Authority equipment necessary to support the entire City limits and Sphere of Influence that has been distributed to the fire suppression/medic demands, or 17.5% of the total \$1,400,000 necessary between law enforcement and fire suppression/medic services.

The Relationship Between the Need for the Fee and the Type of Development Project. Fire service response standards extended to new development should be consistent with the fire response currently enjoyed by the City's existing citizens and business community by constructing new facilities, or the result will be a deterioration in the level of service provided both to the existing residents and future citizens and businesses within Desert Hot Springs. It follows that it is appropriate to assess future development to contribute additional fire facilities.

While the majority of these requests for service were made by Desert Hot Springs citizens from their residences, a large percentage of requests were generated from commercial and industrial

uses within the City. A survey of each land use and its existing effect on requests for calls-for-service was conducted to project the impact of future development on fire services. The survey was undertaken by staff by reviewing the annual calls-for-service in the year 2005. Only requests for fire/medic/rescue services to privately held property were counted. Requests for service to public property, such as City parks and public right-of-way or intersections, were excluded thus distributing these calls pro-rata through the requests for service from privately held property. This is based upon the argument that all public land serves privately held land in some manner.

Table 4-1 following, identifies the number of requests for service received by the Fire Department during the past calendar year by land use (detached dwellings, attached dwellings, Commercial lodging units, commercial and industrial uses). The number of requests for service received by the Fire Department during the year was then divided by either the developed acreage, the existing number of dwelling units to determine the number of requests generated per commercial or industrial acre or per dwelling unit.

Table 4-1
Average Annual Existing Responses Per Unit Or Acre

| Land Use | Dwellings, Units or KSF | Calls-for- Service | Annual Calls per KSF |
|-------------------------------------|----------------------------|-----------------------|-------------------------|
| Detached Dwelling Units | 7,465 | 1,750 | 0.234/Unit |
| Attached Dwelling Units | 3,033 | 406 | 0.134/Unit |
| Mobile Home Dwelling Units | 671 | 330 | 0.492/Unit |
| Commercial Lodging Units | 569 | 38 | 0.067/Unit |
| Commercial/Office Uses (KSF) | 612.9 | 32 | 0.052/KSF |
| Industrial/Manufacturing Uses (KSF) | 174.2 | 12 | 0.069/KSF |

Of residential land uses, an detached dwelling is nearly 75% more likely to require an emergency fire service response at 0.234 annual responses *per unit*, than an attached dwelling at 0.134 annual responses *per dwelling unit*. Industrial/manufacturing development is shown to generate 0.069 responses *per 1,000 square feet of pad* of developed land, while existing commercial/office uses generates a minimal response demand of 0.052 calls *per 1,000 square feet of pad*. The higher demand by industrial uses is somewhat unexpected given the greater density of employees and patrons in a commercial establishment when compared to an industrial business of similar size.

It should also be noted that there is also significant training is required to be prepared for industrial responses, (i.e., trenching response and hazardous materials training).

Table 4-2, following, indicates that on a comparative basis, an acre of mobile home development creates the highest demand for fire/medic services, thus the impact fee is the highest on an acreage basis. Based on the existing rate of responses by land use, the increased number of fire service responses generated by future residential, commercial, industrial and office development was extrapolated. This was accomplished by multiplying the average responses per unit or acre, established in Table 4-1, by the number of undeveloped units, commercial lodging units or acres.

Table 4-2
Calls-for-service by Land Use Acre

| Land Use | Calls per Unit | Units per Acre | Calls per Acre |
|------------------------------|----------------|----------------|----------------|
| Detached Dwelling Units | 0.234 | 4.73 | 1.107 |
| Attached Dwelling Units | 0.134 | 6.75 | 0.905 |
| Mobile Home Dwelling Units | 0.492 | 22.90 | 11.260 |
| Commercial Lodging Units | 0.067 | 94.83 | 6.354 |
| Commercial/Office Uses (KSF) | 0.052 | 15,246 | 0.793 |
| Industrial Uses (KSF) | 0.069 | 21,780 | 1.503 |

Table 4-3, following, indicates the number of additional calls-for-service that could be anticipated from the development of currently vacant land.

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Table 4-3
Additional Annual Fire Responses Generated
by Future Development (Rounded)

| Land Use | Fire/Medic Calls-for-Service/Unit | Undeveloped Units or Acres | Additional Fire Responses (Rounded) |
|--------------------------------|-----------------------------------|----------------------------|-------------------------------------|
| Detached Dwellings | 0.234/unit | 58,356 units | 13,686 calls |
| Attached Dwellings | 0.134/unit | 3,840 units | 514 calls |
| Mobile Home Dwellings | 0.492/unit | 2,052 units | 1,009 calls |
| Commercial Lodging Units | 0.067/unit | 4,592 units | 307 calls |
| Commercial/Office Uses | 0.052/KSF | 3,633.1 KSF | 190 calls |
| Industrial/Manufacturing Uses | 0.069/KSF | 62,687.2 KSF | 4,319 calls |
| Total Calls-for-Service | -- | -- | 20,025 calls |

Resulting Marginal Needs-based Development Impact Fee. The collection of the resulting development impact fee, through build-out of the City's sphere, would allow the City to construct virtually all of the proposed facilities and purchase all the needed vehicles. This generally indicates that the City has been reasonably on-track with routine expansion of the Fire suppression/medic capital facilities. Table 4-4, following indicates the development impact fee schedule necessary to finance the cost to construct the required stations and acquire the new response vehicles.

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Table 4-4
Fire Suppression/Medic Facilities and Response Vehicles
Marginal Needs-based Development Impact Costs (Fees)

| Land Use | Allocation of Costs | Total Cost Per Unit or SF |
|-------------------------------|---------------------|---------------------------|
| Detached Dwelling Units | \$21,994,093 | \$377/Unit |
| Attached Dwelling Units | \$826,332 | \$215/Unit |
| Mobile Home Dwelling Units | \$1,621,825 | \$790/Unit |
| Commercial Lodging Units | \$492,974 | \$107/Unit |
| Commercial/Office Uses | \$304,784 | \$0.084/S.F. |
| Industrial/Manufacturing Uses | \$6,941,254 | \$0.111/S.F. |

The Relationship Between the Use of the Fee and the Type of Development Paying the Fee. The *use of the fee* is equivalent to the *need for the fee*. The development impact fee would be collected as the new development occurs (generally at building permit). As the development occurs, the additional demands upon fire suppression/medic services is generated. The collected fee would be put to use to acquire additional response facilities and emergency response vehicles necessary to respond to those additional calls-for-service, *without reducing the capability of responding to calls from the existing community*.

The Relationship Between the Amount of the Fee and the Cost of the Portion of the Facility Attributed to the Development Project. The land and replacement construction costs of the existing stations are estimated at \$6,123,816. There is approximately \$63,400 in specialty and electronic equipment. The contract with the County includes response vehicles so the City owns, at this point, only one rescue vehicle with a replacement cost of about \$90,000. And lastly, the Fire Suppression/Medic Facilities and Vehicle Development Impact Fee Fund has a sizable fund balance of \$1,005,619 (accumulating for use on a needed station in the future) for a total City-wide investment of \$7,282,835.

The current equity of the stations and parcels, the limited specialty equipment and fund balance is approximately \$7,282,835. This figure represents what it would cost to establish the existing fire suppression response capability at current land acquisition and construction and vehicle acquisition costs. This represents the current investment or *commitment* towards fire suppression/medic capability by the existing community. When this figure is distributed over the

existing community in the same manner as the future costs, by the land-use demands, an investment, or financial "commitment" (or "equity" for that matter) per unit can be determined. As an example, each detached dwelling has in effect "invested" about \$665 into fire suppression capital, nearly double what would be required by the Marginal Needs-based impact fees at \$377 per detached dwelling.

The current community's commitment has been to establish the dual station capability paid for via past exactions or development impact fees and General Fund receipts. To allow future residents to benefit by use of all of the capital needs without contributing additional assets, would be clearly unfair to the existing residents. Table 4-5 following, summarizes the distribution of the \$7,282,835 in replacement cost to the existing community, (Schedule 4.3 provides this in greater detail).

Table 4-5
Fire Suppression/Medic Facilities and Response Vehicles
Community Financial Commitment/Equity-based Proportionality Test Fees

| Land Use | Allocation of Equity | Total Equity Per Unit or SF |
|----------------------------|----------------------|-----------------------------|
| Detached Dwelling Units | \$4,962,991 | \$665/Unit |
| Attached Dwelling Units | \$1,151,414 | \$380/Unit |
| Mobile Home Dwelling Units | \$935,878 | \$1,395/Unit |
| Commercial Lodging Units | \$107,768 | \$189/Unit |
| Commercial/Office Uses | \$90,752 | \$0.148/S.F. |
| Industrial Uses | \$34,032 | \$0.195/S.F. |

Of importance is the fact that the equity-based costs on Table 4-5 are far greater than the Marginal Needs-based fees as demonstrated in Table 4-4. This indicates that the City is ahead in terms of its investment in needed fire suppression/medic facilities and vehicles. In terms of constructing fire stations and acquiring response vehicles, the City will be successful as the above fees would generate enough to finance the additional stations, including the land acquisition. Since the current agreement with the County includes the annualized costs of vehicles, the City may be able to reduce the contract cost with the County by supplying a City-owned vehicles.

Recommended Fire Suppression/Medic Facilities and Vehicles Development Impact Fee Schedule.

Since the equity position of the existing community is far greater than the Marginal Needs-based impact fees necessary for expansion, the Marginal Needs-based fees, as identified in Table 4-4 and Schedule 4.2, would be the most equitable fee schedule to adopt as it would provide full funding for the fire capital needs but not violate any proportionality requirements.

OTHER NOTES AND ISSUES

1. A trend recently identified by a municipal chief in a municipality in Riverside County, is one where newly constructed industrial developments, initially charged the lower industrial use impact fee, often end up being commercial uses and generate the greater demand created by commercial land uses. If this trend is not monitored and adjusted for, the Fire Department, as well as other City services, will be faced with the greater demand from commercial uses, but will be left only with the collection of the lower industrial impact fee rates. To avoid this under-collection, the City should impose an impact fee representing the difference between the commercial impact fee and the previously paid industrial land-use impact fee when a Conditional Use Permit is approved and tenant improvement plans are submitted indicating a commercial use.

FIRE SUPPRESSION/MEDIC FACILITIES AND VEHICLES DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

The Marginal Needs-based development impact fees, as detailed in Schedule 4.2 is recommended as the development impact fee schedule that will recover the revenues required to acquire the fire suppression/medic facilities required to *accommodate* the development of currently vacant lands.

CHAPTER ENDNOTES

There are no endnotes

Schedule 4.1

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 Fire Suppression/Medic Facilities and Vehicles

| Line # | Description | Estimated Cost | Construction Needs Supported by Other Resources | | Construction Needs From New Development in the City S.O.I. | |
|--------|--|----------------|---|-------------------------|--|-------------------------|
| | | | Percent Need | Apportioned Dollar Cost | Percent Need | Apportioned Dollar Cost |
| FD-01 | Construct Station #3 near Mountain View Road and Far View Road | \$5,283,412 | 0.00% | \$0 | 100.00% | \$5,283,412 |
| FD-02 | Acquire Response Vehicle for Station #3 | \$862,500 | 0.00% | \$0 | 100.00% | \$862,500 |
| FD-03 | Construct Station #4 near 20th Avenue and Palm Drive | \$6,731,969 | 0.00% | \$0 | 100.00% | \$6,731,969 |
| FD-04 | Acquire Response Vehicle for Station #4 | \$1,247,500 | 0.00% | \$0 | 100.00% | \$1,247,500 |
| FD-05 | Construct Station #5 near Dillon Road and Indian Avenue | \$5,283,412 | 0.00% | \$0 | 100.00% | \$5,283,412 |
| FD-06 | Acquire Response Vehicle for Station #5 | \$862,500 | 0.00% | \$0 | 100.00% | \$862,500 |
| FD-07 | Construct Station #6 near 8th Street and Palm Drive | \$5,283,412 | 0.00% | \$0 | 100.00% | \$5,283,412 |
| FD-08 | Acquire Response Vehicle for Station #6 | \$1,247,500 | 0.00% | \$0 | 100.00% | \$1,247,500 |
| FD-09 | Acquire Administrative Vehicles | \$200,000 | 0.00% | \$0 | 100.00% | \$200,000 |
| FD-10 | Acquire Two Reserve Engine/Pumpers | \$750,000 | 0.00% | \$0 | 100.00% | \$750,000 |
| FD-11 | Acquire a Mobile Air and Lighting Support Vehicle | \$450,000 | 0.00% | \$0 | 100.00% | \$450,000 |
| FD-12 | Acquire a Special Operations Support Vehicle | \$75,000 | 0.00% | \$0 | 100.00% | \$75,000 |
| FD-13 | Construct Training Center | \$2,129,275 | 0.00% | \$0 | 100.00% | \$2,129,275 |
| FD-14 | Acquire Fleet for Training Center | \$22,500 | 0.00% | \$0 | 100.00% | \$22,500 |
| FD-15 | Construct Fleet Maintenance Shop | \$2,485,919 | 0.00% | \$0 | 100.00% | \$2,485,919 |
| FD-16 | Acquire Fleet for Vehicle Maintenance Shop | \$27,000 | 0.00% | \$0 | 100.00% | \$27,000 |
| FD-17 | Acquire Regional Emergency Communication Systems | \$244,983 | 11.37% | \$27,846 | 88.63% | \$217,137 |
| | Sub-Total Estimated New Project Costs | \$33,186,882 | 0.08% | \$27,846 | 100.00% | \$33,159,036 |
| | LESS: Fire Suppression/Medic Development Impact Fee Fund Balance | (\$1,005,619) | 2.77% | (\$27,846) | 97.23% | (\$977,773) |
| | Sub-Total Adjustments | (\$1,005,619) | 2.77% | (\$27,846) | 97.23% | (\$977,773) |
| | Total - Fire Suppression/Medic Capital Requirements | \$32,181,263 | 0.00% | \$0 | 100.00% | \$32,181,263 |
| | | | | | | Forward to Schedule 4.2 |

NOTES:

1. Costs distribution based upon City of Desert Hot Springs Fire Department "Calls-for-Service" statistics.

Schedule 4.2

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Marginal Needs-based Development Impact Costs (Fees)
 Fire Suppression/Medic Facilities and Vehicles

| Proposed Land Use | Undeveloped | | Call Generation Rate | Calls for Service | Percentage of Additional Service Calls | Allocation of Expansion Costs | Cost Distribution Per Acre | Average Units or Square Feet/Acre | Development Impact Fee per Unit or Square Foot |
|--------------------------|-----------------|------------|----------------------|-------------------|--|-------------------------------|---|-----------------------------------|--|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 16,753.5 | 58,386 | 0.234 | 13,685.68 | 68.34% | \$21,994,093 | \$1,313 | 3.49 | \$377 per Unit |
| Attached Dwelling Units | 825.9 | 3,840 | 0.134 | 514.18 | 2.57% | \$826,332 | \$1,001 | 4.65 | \$215 per Unit |
| Mobile Home Units | 193.7 | 2,052 | 0.492 | 1,009.17 | 5.04% | \$1,621,825 | \$8,373 | 10.59 | \$790 per Unit |
| Commercial Lodging Unit | 185.1 | 4,592 | 0.067 | 306.75 | 1.53% | \$492,974 | \$2,663 | 24.81 | \$107 per Unit |
| Commercial/Office SF | 217.6 | 3,633,122 | 0.052 | 189.65 | 0.95% | \$304,784 | \$1,401 | 16,696 | \$0.084 per S.F. |
| Industrial/Manufacturing | 2,878.2 | 62,687,196 | 0.069 | 4,319.15 | 21.57% | \$6,941,254 | \$2,412 | 21,780 | \$0.111 per S.F. |
| TOTAL | 21,054.0 | -- | -- | 20,024.58 | 100.00% | \$32,181,263 | in Total Fire Suppression Capital Needs to Finish System | | |

Schedule 4.3

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Community Financial Commitment or Equity-based Proportionality Test Fees
 Fire Suppression/Medic Facilities and Vehicles

| Proposed Land Use | Developed | | Call Generation Rate | Existing Calls for Service | Percentage of Existing Service Calls | Allocation of Infrastructure "Equity" | Distribution of "Equity" per Acre | Average Units or Square Feet/Acre | Current Financial Commitment per Unit or Square Foot |
|--------------------------|----------------|-----------|----------------------|----------------------------|--------------------------------------|---------------------------------------|---|--|--|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 1,577.6 | 7,465 | 0.234 | 1,750.00 | 68.15% | \$4,962,991 | \$3,146 | 4.73 | \$665 per Unit |
| Attached Dwelling Units | 449.3 | 3,033 | 0.134 | 406.00 | 15.81% | \$1,151,414 | \$2,563 | 6.75 | \$380 per Unit |
| Mobile Home Units | 29.3 | 671 | 0.492 | 330.00 | 12.85% | \$935,878 | \$31,941 | 22.90 | \$1,395 per Unit |
| Commercial Lodging Unit | 6.0 | 569 | 0.067 | 38.00 | 1.48% | \$107,768 | \$17,961 | 94.83 | \$189 per Unit |
| Commercial/Office SF | 40.2 | 612,889 | 0.052 | 32.00 | 1.25% | \$90,752 | \$2,258 | 15,246 | \$0.148 per S.F. |
| Industrial/Manufacturing | 8.0 | 174,240 | 0.069 | 12.00 | 0.47% | \$34,032 | \$4,254 | 21,780 | \$0.195 per S.F. |
| TOTAL | 2,110.4 | -- | -- | 2,568.00 | 100.00% | \$7,282,835 | in Total Equity in Current Fire Suppression/Medic Assets | | |
| | | | | | | | \$6,123,816 | in Equity in Current Fire Suppression/Medic Facilities. | |
| | | | | | | | \$90,000 | in Equity in Current Fire Suppression/Medic Vehicles. | |
| | | | | | | | \$63,400 | in Specialty, Communications and Electronic Equipment. | |
| | | | | | | | \$1,005,619 | in Fire Suppression/Medic DIF Fund Balance. | |

| Land Use | Units or K.S.F. | Calls for Service | Annual Calls Per Unit |
|----------------------------------|-----------------|-------------------|-----------------------|
| Detached Dwellings | 7,465 | 1,750 | 0.234 |
| Attached Dwellings | 3,033 | 406 | 0.134 |
| Mobile Homes (in Parks) | 671 | 330 | 0.492 |
| Commercial Lodging | 569 | 38 | 0.067 |
| Commercial Acres (retail/office) | 612.9 | 32 | 0.052 |
| Industrial/Manufacturing Acres | 174.2 | 12 | 0.069 |

Chapter 5

Circulation (Streets, Signals and Bridges) System

The following Chapter will discuss the Circulation (street, signal and bridge) System improvements planned for the City through build-out of the existing City limits and Sphere of Influence as identified in the Land-use Database Table in Chapter 2.

Initially, RCS recommends the calculation of a comprehensive Circulation System, consisting of the individual components of major street, signal and bridge improvements. The reasons are practical in that combining this infrastructure will provide greater flexibility in establishing priorities in what is essentially a singular transportation issue with a common nexus, traffic or trip-end¹ generation. It is not uncommon that a single circulation capital project involves both a street improvement and signal improvement.

The Existing System. The City currently has and maintains an extensive system of roadway lanes, all at twelve foot wide, available for transportation of goods and services, as well as for educational, recreational, and social purposes. Streets that fall under the jurisdiction of Desert Hot Springs are classified as one of seven listed types of roadways (plus *local or neighborhood* streets for a total of eight) for the purposes of this Report. The various types of roads identified by cross-sections in the City's Circulation Element)² are described as:

- **Urban Arterial** - Contains the greatest portion of through travel use and includes all higher-volume streets except those serving short trips. An *Urban Arterial* has eight twelve foot wide lanes of travel and is usually divided by a fourteen foot raised median and a bike lane, but has no allowance for contiguous parking.
- **Major Arterial** - Serves local and long-distance trips with moderate mobility and considerable land access and connects less concentrated traffic generating areas such as schools, neighborhoods and shopping areas. An *Major Arterial* has six lanes of travel and is usually divided by a fourteen foot median, raised or painted, and like an *Urban Arterial* has no allowance for curbside parking. It may have bike lanes.
- **Minor Arterial** - Serves local and moderate-distance trips with adequate and sufficient mobility and considerable land access and connects less concentrated traffic generating areas such as schools, neighborhoods and neighborhood shopping areas. A *Minor Arterial* has four lanes of travel, is usually divided by a twenty foot painted median and has no allowance for curbside parking in order to maximize traffic flow.

- **Major Collector** - Collects traffic from neighborhoods and rural areas in either incorporated or unincorporated jurisdictions. A *Major Collector* has four lanes of travel, no bike lane, no parking. It differs from the Minor Arterial in that the median is only sixteen foot wide.
- **Minor Collector** - Serves mixed trips and provides service to abutting land and collects traffic from local. A *Minor Collector* contains four lanes of travel but has no dividing medians. Unlike most of the heavy traffic flow roadways, it provides for curbside parking.
- **Secondary** - Serves mixed trips and provides service to abutting land and collects traffic from local streets. A *Secondary* road provides four travel lanes and also an additional twelve feet outside of the travel lanes reserved for parking.
- **Local Collector** - Also serves mixed trips and provides service to abutting land and collects traffic from local streets. A *Local Collector* road provides for two lanes of travel and also an additional eight feet outside of the two travel lanes reserved for parking.
- **Local Streets** - These streets provide access from primarily residential areas to collectors and connectors, but provide little long-distance mobility. Normally, construction of these streets is the responsibility of the developer, who then dedicates the completed street to the City. Assuming that the design criteria has been met and the improvements meet inspection requirements, the City accepts the street and the responsibility to maintain it. For these reasons, the cost of all "local" streets has not been included in the Circulation (streets, bridges and signals) System equity calculation or the proportionality test.

Demand Upon Infrastructure Created by the Development of Undeveloped Parcels. Undeveloped parcels create few trip-ends beyond an occasional visit to the site for weed abatement purposes or to consider a sale or development of the vacant parcel. None of these trip-ends are on a routine basis. However, a developed parcel will generate a statistically predictable amount of trip-ends, depending upon the specific land use of the development. Thus it can be stated that a vacant parcel, when developed into a specific use, i.e., residential or business, will generate more traffic than it did when it was vacant. Similarly, a change in the use of the property may also increase the number of trip-ends, i.e., the demolition of a low trip-generating insurance office into reconstruction as a new a high trip generating fast-food restaurant.

All new development contributes to cumulative traffic impacts, which are difficult to measure and mitigate on a project-by-project, basis but which have significant and widespread cumulative impacts on the City's existing road system. Factors that will increase the competition for existing lane miles include the following:

- An increase in the City's full-time population through the construction of about 64,278 additional residential dwelling units contributing approximately 2.15 million new trip-miles *daily* or just under 56.8% of the newly expected daily trip-ends.
- An increase in the City's inventory of commercial lodging availability by 4,592 units, generating an additional 83,574 trip-miles or 2.2% of the total additional *daily* 3.8 million trip-miles.
- The construction of private commercial/office uses on the 218 acres currently identified as undeveloped commercial uses will generate 135,515 new daily trip-miles³ about 3.6% of the total new trips ends expected at build-out. This figure could vary significantly depending upon the type of commercial uses constructed and possible requested zoning changes or conditional use permits issued.
- The addition of 2,878 acres of industrial development generating the potential for an additional 1,416,731 daily trips, only about 37.4% of the total new trips. Again, it is possible that some parcels zoned for industrial uses will end up being commercial uses after obtaining a Conditional Use Permit.

When all (or most) of the available vacant land is developed, the City can expect an *additional* 3,781,821 daily trip-miles. For perspective, the City currently experiences approximately 377,639 daily trip-ends from the existing residences and businesses. The roughly 3,781,821 anticipated trip-ends represents an over tenfold increase over the current 377,639 daily trip-ends.

The Purpose of the Fee. The fee will be used to construct additional lane miles (including bridges) proportional to the addition of trip-miles resulting from new development. To insure that the intersection of those lane miles are safe, there are traffic signals proposed.

Given the magnitude of growth projected in this Report, numerous intersection improvements and construction of new traffic signals will also be needed to avoid congestion and gridlock in the future. Traffic planners have long known that the critical constraint in a typical roadway network is usually not the roadway itself but the intersections. While the street capacity may be theoretically adequate to carry traffic volumes at build-out, motorists may experience congestion and even gridlock at the intersections of the street. While the City of Desert Hot Springs will certainly undertake numerous major street widening projects, an equally important component of traffic circulation is the installation of traffic signals and lane reconfiguration at critical intersections in the City.

The importance of traffic signals is two-fold. First, the City can build only so many major collector streets and there are limits as to how wide they can be. Second, north-south collectors will, by definition, intersect with east-west collectors assuring that *someone* will have to stop,

either at a stop sign or a traffic signal. The traffic carrying capacity of each collector can only be maximized by assuring orderly flow of traffic by signaling those intersecting collectors.

None of this is intended to eliminate the time-honored practice of the developer constructing the full width roadway and being reimbursed for the portion greater than would otherwise be required of the developer. This impact fee calculation and resulting fee collection would simply improve the reimbursement capability.

The City's Total Master Facilities Plan Circulation (streets, bridges and traffic signals) section identifies sixty circulation projects and an additional six projects to encourage public transit (and reduce vehicular demand) estimated to cost \$455,299,576. This figure is decreased by a \$380,017 fund balance in the existing Circulation System Development Impact Fee Fund leaving a net total of \$454,919,559 in projects to be funded by development impact fee receipts.

Each street project includes the construction of traffic signals within the street segment. Bridges may be included also, however, storm drainage projects are included in Chapter 6, following. The individual projects and costs are identified on Schedule 5.1 at the end of the Chapter and detailed in the accompanying Master Facilities Plan.

The Use of the Fee. The revenues collected from the adopted and imposed Circulation System development impact fee schedule would be used to construct the projects (or portions of projects) identified in Schedule 5.1 at the conclusion of this Chapter's text. The collected fees will be used to create greatly needed additional lane miles with which to accommodate the additional demands of the 3,781,821 additional daily trip-miles.

The following table identifies some of the key system attributes of the streets, bridges and traffic signals system. The table identifies that approximately 9.1% of the total trip-miles at "build-out" are currently represented by the existing community who have borne a slightly greater amount of the cost of the entire system at 9.4%. This indicates that the City has created a minor amount of excess capacity in terms of the construction of circulation infrastructure. Or stated a different way, at General Plan/S.O.I. build-out, the current drivers will represent 9.1% of the ultimate trip-ends, but will have constructed about 9.4% (in terms of cost) of the required infrastructure. It is a short leap away to assume that the remaining 90.9% of the traffic trip-mile generators should be required to generate the revenues for the remaining 90.6% of the infrastructure cost.

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**Table 5-1
Comparison of Transportation System Attributes**

| Infrastructure Factor | Existing Community | Future Community | Total at Build-out |
|-----------------------|--------------------|------------------|--------------------|
| Number of Trip-miles | 377,639 | 3,781,821 | 4,159,460 |
| Percentage of Total | 9.1% | 90.9% | 100.0% |
| Cost of Total System | \$47,256,057 | \$454,919,559 | \$502,175,616 |
| Percentage of Total | 9.4% | 90.6% | 100.0% |

The Relationship Between the Need for the Fee and the Type of Development Project. Schedule 5.2 identifies the additional traffic to be generated by new development, by type of development. The technical volume, *Trip Generation (Manual)* 7th Edition, produced by the Institute of Traffic Engineers, has been used to identify the *nexus*, or relationship between the type of development and the projected number of trips that development will generate.

New Trip Adjustment for *Pass-by* or *Diverted* Trips. Schedule 5.2 contains a sub-schedule that identifies adjustments to new total *trip-ends*. As an example, an acre of general commercial use would be expected, on average, to generate about 541.46 trip-ends daily. However, approximately 15% of those trip-ends, or about 81 trip-ends per day, are *pass-by trip-ends*, that is, the *trip-end* is not truly an *end* but is actually one in a series of stops, i.e. at various commercial establishments, with a different location such as a residence as the final *trip-end* or destination of the series of *trip-ends*. In order to be considered a *pass-by* trip, the location of the stop must be contiguous to the *generator*⁴ route, i.e. the route that would have been used even if the temporary stop had not been made⁵. The Institute of Transportation Engineers (ITE) indicates that:

Thus when forecasted trips based upon the trip generation rates are distributed to the adjacent streets, some reduction is made to account for those trips already there that will be attracted to the proposed development.⁶

Pass-by trip-ends are fully adjusted (reduced at 100%) from the average trip-ends (per day) generated by the seven land uses identified in Schedules 5.2 and 5.3.

A *diverted* trip is similar to a *pass-by* trip-end in that it is an extra stop between, as an example, a motorists's work site and his or her residence. A *diverted* trip differs slightly in that it requires

a minor deviation from the normal *generator* route and the temporary stop. In short, a *diverted* trip creates a separate side trip using additional (and different) lane miles from that of the normal route from the motorist's place of employment and his or her home⁷. These trips increase the traffic volume from the generator route for only brief distances. The ITE adds that diverted trips:

are produced from traffic volume on roadways within the vicinity of the generator (route) and require a diversion from that roadway to another roadway with access to the site. These roadways could include streets or freeways adjacent to the generator but without access to the generator.⁸

These *diverted* trips will be adjusted (reduced at 50%) from the full trip count for each of the land uses identified in Chapter 2.

Again, the sub-schedule at the bottom of Schedule 5.2 indicates the total trip-ends and the reduction due to the number pass-by trips (at 100%) and diverted trips (at 50%). The trip pass-by and diversion percentages were generated and are supported by a study conducted by the San Diego Association of Governments in conjunction with various U.S. and California agencies⁹.

The Relationship Between the Use of the Fee and the Type of Development Paying the Fee. There is very little difference between this and the above category. The fee collected will be based on the projected number of trip-ends the proposed development will generate in relationship to the total 3,781,821 additional projected trip-ends at build-out. Any amount imposed as a Circulation System Development Impact Fee will be placed in a separate fund (collecting interest), and is to be used only on the projects identified on Schedule 5.1 as development-related.

From time to time the City may require an applicant for a private project to construct a street or signal improvement (or portion thereof) that is on the list of required improvements at the end of this Chapter. This method is often undertaken to expedite the project at the request of the applicant/developer. The developer should receive a credit for any monies expended on this required improvement against their Circulation System Development Impact Fee. An ordinance addressing the issue of credits should be prepared and added to Desert Hot Springs Municipal Code.

The Relationship Between the Amount of the Fee and the Cost of the Portion of the Facility Attributed to the Development Project. The calculation of the Circulation System Impact Fee is based upon the recognition that differing types of developments generate differing amounts of trips. The fee is based upon the projected number of trips generated by the proposed private development project. Impact fee receipts will be accumulated until they reach the amount that could construct a meaningful project to alleviate or mitigate the demands of those new developments. Table 5-2 (summarized from Schedule 5.2) below identifies the Marginal Needs-based Circulation System Development Impact Fee Schedule.

Table 5-2
Circulation (streets, bridges and signals) System
Marginal Needs-based Development Impact Costs (Fees)

| Land Use | Allocation of Costs | Total Cost Per Unit or SF |
|----------------------------|---------------------|---------------------------|
| Detached Dwelling Units | \$243,006,869 | \$4,162/Unit |
| Attached Dwelling Units | \$10,670,307 | \$2,779/Unit |
| Mobile Home Dwelling Units | \$4,467,733 | \$2,177/Unit |
| Commercial Lodging Units | \$10,053,213 | \$2,189/Unit |
| Commercial/Office Uses | \$16,301,255 | \$4.487/S.F. |
| Industrial Uses | \$170,420,186 | \$2.719/S.F. |

This set of proposed fees would generate the marginal needs amount of capital revenues necessary to construct the needed circulation system projects. These figures then need to be compared to the financial commitment or equity distribution demonstrated by the existing community.

Alternative Cost Methodology. A more precise calculation of costs for specific types of land uses (i.e., banks, hospitals, convalescent homes, etc.) can be determined by multiplying the average cost per trip of \$120.29 (rounded to one - one hundredth of a dollar) by the applicable daily trip rate. An example of this calculation can be found in Schedule 5.2 at the end of the Chapter and applied to Table 5-3, following. These tables list trip rates and costs for various residential, resort, industrial and commercial developments. A fee system based on a lengthy schedule of trip rates theoretically provides more accuracy and therefore equity in determining specific uses' impact on the City's circulation system, but at the same time may increase the City's costs to administer the fee. A more extensive listing of traffic generators by land use is available in *Trip Generation* as published by the Institute of Transportation Engineers, New York, NY.

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Table 5-3
Detail of Circulation System Community Financial Commitment-based
Development Impact Fees for Specific Commercial Uses

| LAND USE | Adjusted Trip-ends | Average Distance | Trip-end to Trip | Additional Trip-miles | Cost per Trip-mile | Cost per 1,000 Square Feet or Dwelling Unit |
|---|-----------------------|---------------------|---------------------|--------------------------|-----------------------|--|
| RESIDENTIAL LAND USES (per Unit): | | | | | | |
| Detached Dwelling | 8.76 | 7.9 | 0.5 | 34.60 | \$120.29 | \$4,162.03 /Unit |
| Apartment | 6.15 | 7.9 | 0.5 | 24.3 | \$120.29 | \$2,923.05 /Unit |
| Condominium/Townhome | 5.36 | 7.9 | 0.5 | 21.2 | \$120.29 | \$2,550.15 /Unit |
| Mobile Home Dwelling | 4.57 | 7.9 | 0.5 | 18.1 | \$120.29 | \$2,177.25 /Unit |
| RESORT/TOURIST (per Unit or Entry Door): | | | | | | |
| Hotel | 6.29 | 7.6 | 0.5 | 23.9 | \$120.29 | \$2,874.93 /Room |
| All Suites Hotel | 3.77 | 7.6 | 0.5 | 14.3 | \$120.29 | \$1,720.15 /Room |
| Motel | 4.34 | 7.6 | 0.5 | 16.5 | \$120.29 | \$1,984.79 /Room |
| INDUSTRIAL (per 1,000 SF): | | | | | | |
| General Light Industrial | 6.17 | 9.0 | 0.5 | 27.8 | \$120.29 | \$3,344.06 /KSF |
| Heavy Industrial | 5.97 | 9.0 | 0.5 | 26.9 | \$120.29 | \$3,235.80 /KSF |
| Manufacturing | 2.73 | 9.0 | 0.5 | 12.3 | \$120.29 | \$1,479.57 /KSF |
| Warehousing | 4.39 | 9.0 | 0.5 | 19.8 | \$120.29 | \$2,381.74 /KSF |
| Storage Facility | 2.21 | 9.0 | 0.5 | 9.9 | \$120.29 | \$1,190.87 /KSF |
| COMMERCIAL (per 1,000 SF): | | | | | | |
| Office Park | 7.42 | 8.8 | 0.5 | 32.6 | \$120.29 | \$3,921.45 /KSF |
| Research Park | 5.01 | 8.8 | 0.5 | 22.0 | \$120.29 | \$2,646.38 /KSF |
| Business Park | 9.34 | 8.8 | 0.5 | 41.1 | \$120.29 | \$4,943.92 /KSF |
| Bldg. Materials/Lumber Store | 29.35 | 4.3 | 0.5 | 63.1 | \$120.29 | \$7,590.30 /KSF |
| Garden Center | 23.45 | 4.3 | 0.5 | 50.4 | \$120.29 | \$6,062.62 /KSF |
| Movie Theater | 2.47 | 4.3 | 0.5 | 5.3 | \$120.29 | \$637.54 /KSF |
| Church | 5.92 | 4.3 | 0.5 | 12.7 | \$120.29 | \$1,527.68 /KSF |
| Medical-Dental Office | 22.21 | 8.8 | 0.5 | 97.7 | \$120.29 | \$11,752.33 /KSF |
| General Office Building | 7.16 | 8.8 | 0.5 | 31.5 | \$120.29 | \$3,789.14 /KSF |
| Shopping Center | 30.20 | 4.3 | 0.5 | 64.9 | \$120.29 | \$7,806.82 /KSF |
| Hospital | 11.42 | 4.3 | 0.5 | 24.6 | \$120.29 | \$2,959.13 /KSF |
| Discount Center | 62.93 | 4.3 | 0.5 | 135.3 | \$120.29 | \$16,275.24 /KSF |
| High-Turnover Restaurant | 8.90 | 4.3 | 0.5 | 19.1 | \$120.29 | \$2,297.54 /KSF |
| Convenience Market | 43.57 | 4.3 | 0.5 | 93.7 | \$120.29 | \$11,271.17 /KSF |
| Walk-in Bank | 13.97 | 4.3 | 0.5 | 30.0 | \$120.29 | \$3,608.70 /KSF |
| Other: (not available "per KSF") | | | | | | |
| Cemetery (per acre) | 3.07 | 4.3 | 0.5 | 6.6 | \$120.29 | \$793.91 /Acre |
| Service Station (only) | 109.56 | 4.3 | 0.5 | 235.6 | \$120.29 | \$28,340.32 /FP/Day (4) |
| Service Station & Market | 105.81 | 4.3 | 0.5 | 227.5 | \$120.29 | \$27,365.98 /FP/Day (4) |
| Service Station/Market/Wash | 99.35 | 4.3 | 0.5 | 213.6 | \$120.29 | \$25,693.94 /FP/Day (4) |

NOTES:

1. ADT = Average Daily Trips

2. KSF = Thousand Square Feet of Gross Floor Area

3. Adjusted for Pass-by and Diverted Trips.

4. FP/Day = per "Fueling Position" per day.

Table 5-4, below (and summarized from Schedule 5.3) identifies the assets of the existing system (at current construction and acquisition costs). The net \$47,256,057 consists of the Master Plan circulation plan major street lanes, signals and bridges at \$42,827,320, Master Plan signals at \$1,746,130 and \$2,302,590 in Master Plan bridges. There is also a negative fund balance in the Circulation System Development Impact Fee Fund balance. When the combined \$47,256,057 is distributed over the existing community, using the identical nexus factor used for distribution of future costs, the existing community has contributed the following, on average, by land use:

Table 5-4
Circulation (streets, bridges and signals) System
Community Financial Commitment/Equity-based Proportionality Test Fees

| Land Use | Allocation of Equity | Total Equity Per Unit or SF |
|----------------------------|----------------------|-----------------------------|
| Detached Dwelling Units | \$32,319,630 | \$4,330/Unit |
| Attached Dwelling Units | \$8,767,246 | \$2,891/Unit |
| Mobile Home Dwelling Units | \$1,519,771 | \$2,265/Unit |
| Commercial Lodging Units | \$1,295,904 | \$2,278/Unit |
| Commercial/Office Uses | \$2,860,723 | \$4.668/S.F. |
| Industrial Uses | \$492,784 | \$2.828/S.F. |

It should be noted that the existing community has contributed, on average, slightly greater, at about 4.0%, than would be required of future development to meet the marginal needs for build-out and all users.

Recommended Circulation (streets, signals and bridges) System Development Impact Fee. The adoption of the impact fees identified in the Marginal Needs-based in Table 5-2 and detailed in Schedule 5.2 at the end of the chapter, is recommended as the development impact fee schedule for the Circulation (streets, signals and bridges) System capital needs and would generate enough capital to construct all of the facilities needed by the new development. The impact fees contained within Schedule 5.2 are just slightly lower than the existing community's financial commitment equity amounts as calculated in Schedule 5.3, thus not violating any proportionality requirements.

CIRCULATION SYSTEM DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

The Marginal Needs-based development impact cost schedule as detailed in Schedule 5.2 is recommended as the Circulation (streets, signals and bridges) System Development Impact Fee schedule. This schedule will generate the revenues necessary to create a circulation system capable of accommodating the number of trip-miles to be generated by new development. Further it is recommended that an option for the staff to apply the *per trip fee* from Schedule 5.2 multiplied by the specific use Table 5-3 or the more extensive listing of traffic generation by land use available in *Trip Generation* as published by the Institute of Transportation Engineers, New York, N.Y. also be adopted.

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CHAPTER ENDNOTES

1. A trip is defined as a series of one or more trip-ends. A trip-end is a single stop in a trip. As an example, a drive from home to work is a trip. Each individual stop along the way for to drop children off at school, get gas, buy a lunch, drop off the laundry, and the arrivals at that workplace is a trip-end. The arrival back home in the evening is a trip-end also. There term “trip” has no effect on the calculation and only means “a drive”.
2. For complete definitions and standards, see the Circulation Element Draft Comprehensive General Plan Desert Hot Springs General Plan EIR , Exhibit III-5, Street Cross Sections, 4/25/00, Terra Nova Planning and Research, Inc. 400 South Farrell Drive, B-205, Palm Springs, CA 92262.
3. A *trip-mile* is explained later in the Chapter.
4. The normal route between a daily work-site and the residence of the motorist.
5. As an example, a motorist travels the same route from work to home daily. On some number of occasions, the motorist stops at a market along the route to pick up some groceries. These stops at the market would be considered pass-by trips in that they do not generate an additional trip along that route.
6. *Trip Generation*, Institute of Traffic Engineers, 525 School Street, SW., Ste. 410, Washington D.C. 20024-2729, Chapter III, Definition of Terms, Pass-by Trips, page I-7.
7. An example of a diverted trip would be a single trip where, along the way from work, a motorist’s evening drive home deviates from the normal route taken home to stop at perhaps a preferred grocery store, drop mail off at a post office and pick up a child from piano lesson before continuing home. Each of these three stops would be considered diverted trips.
8. *Trip Generation*, Institute of Traffic Engineers, 525 School Street, SW., Ste. 410, Washington D.C. 20024-2729, Chapter III, Definitions of Terms, Diverted Linked Trips, I-5.
9. *Traffic Generators*, San Diego Association of Governments, 401 B Street, Suite 800, San Diego, CA 92101, Brief Guide to Traffic Generation Rates compiled in conjunction with the U.S. Department of Housing and Urban Development, U.S. Department of Transportation, the California Department of Transportation and the U.S. Environmental Protection Agency. July 1995.

Schedule 5.1

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 Circulation (Streets, Signals and Bridges) System

| Line # | Description | Estimated Cost | Construction Needs That Repair/Replace Infrastructure Capacity (1) | | Construction Needs That Increases S.O.I. Area Infrastructure Capacity | |
|--------|--|----------------|--|-------------------------|---|-------------------------|
| | | | Percent Need | Apportioned Dollar Cost | Percent Need | Apportioned Dollar Cost |
| ST-01 | 20th Avenue, from Indian Avenue to Palm Drive | \$22,442,333 | 0.00% | \$0 | 100.00% | \$22,442,333 |
| ST-02 | 20th Avenue, from Palm Drive to Mountain View Drive | \$22,442,333 | 0.00% | \$0 | 100.00% | \$22,442,333 |
| ST-03 | Camino Campanero, from Little Morongo Road to Palm Drive | \$19,243,752 | 0.00% | \$0 | 100.00% | \$19,243,752 |
| ST-04 | Camino Campanero, from Palm Drive to Bubbling Wells Road | \$8,364,181 | 0.00% | \$0 | 100.00% | \$8,364,181 |
| ST-05 | Project Removed | \$0 | 0.00% | \$0 | 100.00% | \$0 |
| ST-06 | Desert View, from Cholla Drive to Mountain View Drive | \$3,950,659 | 0.00% | \$0 | 100.00% | \$3,950,659 |
| ST-07 | Dillon Road, from Indian Avenue to SR-62 | \$9,748,920 | 0.00% | \$0 | 100.00% | \$9,748,920 |
| ST-08 | Dillon Road, from Indian Avenue to Palm Drive | \$19,149,817 | 0.00% | \$0 | 100.00% | \$19,149,817 |
| ST-09 | Dillon Road, from Palm Drive to Corkhill Road | \$11,899,921 | 0.00% | \$0 | 100.00% | \$11,899,921 |
| ST-10 | 8th Street, from Cholla Drive to Mesquite Avenue | \$1,562,582 | 0.00% | \$0 | 100.00% | \$1,562,582 |
| ST-11 | Hacienda Avenue, from Indian Avenue to Atlantic Avenue | \$28,991,923 | 0.00% | \$0 | 100.00% | \$28,991,923 |
| ST-12 | Hacienda Avenue, from Atlantic Avenue to Mountain View Drive | \$10,000,632 | 0.00% | \$0 | 100.00% | \$10,000,632 |
| ST-13 | Hacienda Avenue, from Mountain View Drive to Long Canyon Road | \$836,760 | 0.00% | \$0 | 100.00% | \$836,760 |
| ST-14 | Indian Canyon Avenue, from Mission Lakes to Pierson Boulevard | \$17,598,159 | 0.00% | \$0 | 100.00% | \$17,598,159 |
| ST-15 | Indian Canyon Avenue, from Pierson Boulevard to Dillon Road | \$7,158,250 | 0.00% | \$0 | 100.00% | \$7,158,250 |
| ST-16 | Indian Canyon Avenue, from Dillon Road to I-10 | \$1,291,224 | 0.00% | \$0 | 100.00% | \$1,291,224 |
| ST-17 | Indian Canyon Avenue, from North City limits to SR-62 | \$16,692,391 | 0.00% | \$0 | 100.00% | \$16,692,391 |
| ST-18 | Indian Canyon Avenue, from North City limits to Mission Lakes | \$16,050,188 | 0.00% | \$0 | 100.00% | \$16,050,188 |
| ST-19 | Karen Avenue, from Indian Canyon Avenue to Pierson Boulevard | \$32,306,612 | 0.00% | \$0 | 100.00% | \$32,306,612 |
| ST-20 | Karen Avenue, from Pierson Boulevard to Dillon Road | \$9,521,952 | 0.00% | \$0 | 100.00% | \$9,521,952 |
| ST-21 | Little Morongo Road, from Mission Lakes Boulevard to Pierson Boulevard | \$16,852,926 | 0.00% | \$0 | 100.00% | \$16,852,926 |
| ST-22 | Little Morongo Road, from Pierson Boulevard to Two Bunch Palms Trail | \$9,511,747 | 0.00% | \$0 | 100.00% | \$9,511,747 |
| ST-23 | Little Morongo Road, from Two Bunch Palms Trail to Dillon Road | \$20,855,101 | 0.00% | \$0 | 100.00% | \$20,855,101 |
| ST-24 | Little Morongo Road, from Mission Lakes Boulevard to North City Limit | \$783,140 | 0.00% | \$0 | 100.00% | \$783,140 |
| ST-25 | Little Morongo Road, from Dillon Road to 20th Avenue | \$4,555,742 | 0.00% | \$0 | 100.00% | \$4,555,742 |
| ST-26 | Miracle Hill Road, from Pierson Boulevard to Hacienda Avenue | \$569,578 | 0.00% | \$0 | 100.00% | \$569,578 |
| ST-27 | Mission Lakes Boulevard, from Little Morongo to Sonora Drive | \$1,315,823 | 0.00% | \$0 | 100.00% | \$1,315,823 |
| ST-28 | Mission Lakes Boulevard, from Sonora Drive to West Drive | \$414,000 | 0.00% | \$0 | 100.00% | \$414,000 |
| ST-29 | Mission Lakes Boulevard, from West Drive to Palm Drive | \$393,863 | 0.00% | \$0 | 100.00% | \$393,863 |
| ST-30 | Mission Lakes Boulevard, from Indian Canyon Avenue to SR-62 | \$18,368,599 | 0.00% | \$0 | 100.00% | \$18,368,599 |
| ST-31 | Mission Lakes Boulevard, from Palm Drive to Mesquite Drive | \$699,935 | 0.00% | \$0 | 100.00% | \$699,935 |

Schedule 5.1

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 Circulation (Streets, Signals and Bridges) System

| Line # | Description | Estimated Cost | Construction Needs That Repair/Replace Infrastructure Capacity (1) | | Construction Needs That Increases S.O.I. Area Infrastructure Capacity | |
|--------|---|----------------|--|-------------------------|---|-------------------------|
| | | | Percent Need | Apportioned Dollar Cost | Percent Need | Apportioned Dollar Cost |
| ST-32 | Mission Lakes Boulevard, from Indian Canyon Avenue to Little Morongo | \$1,282,071 | 0.00% | \$0 | 100.00% | \$1,282,071 |
| ST-33 | Mountain View Road, from Pierson Boulevard (extension) to Desert View | \$525,178 | 0.00% | \$0 | 100.00% | \$525,178 |
| ST-34 | Mountain View Road, from Desert View to Two Bunch Palms Trail | \$949,748 | 0.00% | \$0 | 100.00% | \$949,748 |
| ST-35 | Mountain View Road, from Two Bunch Palms Trail to Camino Campanero | \$496,641 | 0.00% | \$0 | 100.00% | \$496,641 |
| ST-36 | Palm Drive, from Mission Lakes Boulevard to Eighth Street | \$746,364 | 0.00% | \$0 | 100.00% | \$746,364 |
| ST-37 | Palm Drive, from Eighth Street to Two Bunch Palms Trail | \$75,360 | 0.00% | \$0 | 100.00% | \$75,360 |
| ST-38 | Palm Drive, from Two Bunch Palms Trail to Camino Campanero | \$417,324 | 0.00% | \$0 | 100.00% | \$417,324 |
| ST-39 | Palm Drive, from Camino Campanero to Dillion Road | \$138,721 | 0.00% | \$0 | 100.00% | \$138,721 |
| ST-40 | Palm Drive, from to Dillion Road to I-10 | \$10,188,528 | 0.00% | \$0 | 100.00% | \$10,188,528 |
| ST-41 | Pierson Boulevard, from Little Morongo to Atlantic Avenue | \$13,426,180 | 0.00% | \$0 | 100.00% | \$13,426,180 |
| ST-42 | Pierson Boulevard, from Atlantic Avenue to Loreto Avenue | \$6,000 | 0.00% | \$0 | 100.00% | \$6,000 |
| ST-43 | Pierson Boulevard, from Loreto Avenue to Cholla Drive | \$306,001 | 0.00% | \$0 | 100.00% | \$306,001 |
| ST-44 | Pierson Boulevard, from Cholla Drive to Palm Drive | \$6,000 | 0.00% | \$0 | 100.00% | \$6,000 |
| ST-45 | Pierson Boulevard, from Palm Drive to Foxdale Drive | \$1,198,169 | 0.00% | \$0 | 100.00% | \$1,198,169 |
| ST-46 | Pierson Boulevard, from Foxdale Drive to Miracile Hill Road | \$366,508 | 0.00% | \$0 | 100.00% | \$366,508 |
| ST-47 | Pierson Boulevard, from Worsley Road to Indian Canyon Avenue | \$19,864,468 | 0.00% | \$0 | 100.00% | \$19,864,468 |
| ST-48 | Pierson Boulevard, from SR-62 to Worsley Road | \$652,170 | 0.00% | \$0 | 100.00% | \$652,170 |
| ST-49 | Pierson Boulevard, from SR-62 to West City Limits | \$3,840,683 | 0.00% | \$0 | 100.00% | \$3,840,683 |
| ST-50 | Pierson Boulevard, from Indian Canyon Avenue to Little Morongo Road | \$8,003,088 | 0.00% | \$0 | 100.00% | \$8,003,088 |
| ST-51 | Two Bunch Palms Trail, from Indian Canyon Avenue to Little Morongo Ro | \$16,896,614 | 0.00% | \$0 | 100.00% | \$16,896,614 |
| ST-52 | Two Bunch Palms Trail, from Little Morongo Road to Cabot Road | \$436,123 | 0.00% | \$0 | 100.00% | \$436,123 |
| ST-53 | Two Bunch Palms Trail, from Cabot Road to Cholla Drive | \$14,977,796 | 0.00% | \$0 | 100.00% | \$14,977,796 |
| ST-54 | Two Bunch Palms Trail, from Cholla Drive to West Drive | \$610,968 | 0.00% | \$0 | 100.00% | \$610,968 |
| ST-55 | Two Bunch Palms Trail, from Palm Drive to Verbena Drive | \$1,474,094 | 0.00% | \$0 | 100.00% | \$1,474,094 |
| ST-56 | Two Bunch Palms Trail, from Verbena Drive to Miracile Hill Road | \$193,675 | 0.00% | \$0 | 100.00% | \$193,675 |
| ST-57 | Two Bunch Palms Trail, from Miracile Hill Road to Hacienda Avenue | \$706,214 | 0.00% | \$0 | 100.00% | \$706,214 |
| ST-58 | Varner Road, from Little Morongo Road to Palm Drive | \$4,563,417 | 0.00% | \$0 | 100.00% | \$4,563,417 |
| ST-59 | West Drive, from Mission Lakes Boulevard to Two Bunch Palms Trail | \$2,458,214 | 0.00% | \$0 | 100.00% | \$2,458,214 |
| ST-60 | Worsley Road, North City Limits to Pierson Boulevard | \$10,410,216 | 0.00% | \$0 | 100.00% | \$10,410,216 |
| ST-61 | Transportation Master Plan | \$150,000 | 0.00% | \$0 | 100.00% | \$150,000 |
| ST-62 | Local Transit System - Vehicles | \$1,800,000 | 0.00% | \$0 | 100.00% | \$1,800,000 |

Schedule 5.1

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 Circulation (Streets, Signals and Bridges) System

| Line # | Description | Estimated Cost | Construction Needs That Repair/Replace Infrastructure Capacity (1) | | Construction Needs That Increases S.O.I. Area Infrastructure Capacity | |
|--------|--|----------------|--|-------------------------|---|-------------------------|
| | | | Percent Need | Apportioned Dollar Cost | Percent Need | Apportioned Dollar Cost |
| ST-63 | Local Transit System - Bus Shelters | \$2,880,000 | 0.00% | \$0 | 100.00% | \$2,880,000 |
| ST-64 | Local Transit System - Signage | \$180,000 | 0.00% | \$0 | 100.00% | \$180,000 |
| ST-65 | Local Transit System - Inter-transit System Stations | \$1,500,000 | 0.00% | \$0 | 100.00% | \$1,500,000 |
| | SUB-TOTAL ESTIMATED NEW PROJECT COSTS | \$455,299,576 | 0.00% | \$0 | 100.00% | \$455,299,576 |
| | LESS: Existing Circulation Impact Fee Fund Balance | (\$380,017) | 0.00% | \$0 | 100.00% | (\$380,017) |
| | SUB-TOTAL ADJUSTMENTS | (\$380,017) | 0.00% | \$0 | 100.00% | (\$380,017) |
| | Total - Circulation-related Capital Project Needs | \$454,919,559 | 0.00% | \$0 | 100.00% | \$454,919,559 |
| | | | | | Forward to Schedule 5.2 | |

NOTES:

1. Or represents existing demand or are the responsibility of the existing community or has a separate financing source.

Schedule 5.2

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Marginal Needs-based Development Impact Costs (Fees)
 Circulation (Streets, Signals and Bridges) System

| Proposed Land Use | Undeveloped | | Trip-mile Generation Rate | Additional Daily Trip-miles | Percentage of Additional Trip-miles | Allocation of Expansion Costs | Cost Distribution Per Acre | Average Units or Square Feet/Acre | Development Impact Fee per Unit or Square Foot |
|--------------------------|---------------|------------|---------------------------|-----------------------------|-------------------------------------|-------------------------------|--|-----------------------------------|--|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 16,754 | 58,386 | 34.6 | 2,020,156 | 53.42% | \$243,006,869 | \$14,505 | 3.49 | \$4,162 per Unit |
| Attached Dwelling Units | 826 | 3,840 | 23.1 | 88,704 | 2.35% | \$10,670,307 | \$12,920 | 4.65 | \$2,779 per Unit |
| Mobile Home Units | 194 | 2,052 | 18.1 | 37,141 | 0.98% | \$4,467,733 | \$23,065 | 10.59 | \$2,177 per Unit |
| Commercial Lodging Unit | 185 | 4,592 | 18.2 | 83,574 | 2.21% | \$10,053,213 | \$54,312 | 24.81 | \$2,189 per Unit |
| Commercial/Office SF | 218 | 3,633,122 | 37.3 | 135,515 | 3.58% | \$16,301,255 | \$74,914 | 16,696 | \$4,487 per S.F. |
| Industrial/Manufacturing | 2,878 | 62,687,196 | 22.6 | 1,416,731 | 37.46% | \$170,420,186 | \$59,211 | 21,780 | \$2,719 per S.F. |
| TOTAL | 21,054 | -- | | 3,781,821 | 100.00% | \$454,919,559 | in Total Circulation System: Capital Needs to Finish System | | |

ALTERNATIVE FEE METHODOLOGY **3,781,821** **\$454,919,559** **\$120.29 per Daily Trip-mile**

| Land Use | Daily Total Trip-ends | Percent of Diverted Trip-ends | Diverted Trip-ends % Adjustment | Diverted Trip-ends Percent | Percent of Pass-by Trips (1) | Combined Diverted and Pass-by TE's | Remaining Trip TE's % as Adjustment % | Adjusted T.E. Rate, Adjustment % X Total Trips | Average Trip Length | Trip-ends X 50.0% X Length |
|--------------------------|-----------------------|-------------------------------|---------------------------------|----------------------------|------------------------------|------------------------------------|---------------------------------------|--|---------------------|----------------------------|
| Detached Dwelling Units | 9.57 | 11.0 | 0.50 | 5.5 | 3.0 | 8.5 | 91.50% | 8.76 | 7.9 | 34.6 |
| Attached Dwelling Units | 6.39 | 11.0 | 0.50 | 5.5 | 3.0 | 8.5 | 91.50% | 5.85 | 7.9 | 23.1 |
| Mobile Home Units | 4.99 | 11.0 | 0.50 | 5.5 | 3.0 | 8.5 | 91.50% | 4.57 | 7.9 | 18.1 |
| Commercial Lodging Unit | 6.23 | 38.0 | 0.50 | 19.0 | 4.0 | 23.0 | 77.00% | 4.80 | 7.6 | 18.2 |
| Commercial/Office (2) | 26.72 | 40.0 | 0.50 | 20.0 | 15.0 | 35.0 | 65.00% | 17.37 | 4.3 | 37.3 |
| Industrial/Manufacturing | 5.68 | 19.0 | 0.50 | 9.5 | 2.0 | 11.5 | 88.50% | 5.03 | 9.0 | 22.6 |

(1) Pass-by trips adjusted at 100%.

(2) Total Daily trips in K.S.F.

Schedule 5.3

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Community Financial Commitment or Equity-based Proportionality Test Fees
 Circulation (Streets, Signals and Bridges) System

| Proposed Land Use | Developed | | Trip-mile Generation Rate | Existing Daily Trip-miles | Percentage of Existing Trip-miles | Allocation of Infrastructure "Equity" | Distribution of "Equity" per Acre | Average Units or Square Feet/Acre | Current Financial Commitment per Unit or Square Foot |
|--------------------------|--------------|------------|---------------------------------|---------------------------------|---|---|---|---|--|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 1,578 | 7,465 | 34.6 | 258,277 | 68.39% | \$32,319,630 | \$20,487 | 4.73 | \$4,330 per Unit |
| Attached Dwelling Units | 449 | 3,033 | 23.1 | 70,062 | 18.55% | \$8,767,246 | \$19,513 | 6.75 | \$2,891 per Unit |
| Mobile Home Units | 29 | 671 | 18.1 | 12,145 | 3.22% | \$1,519,771 | \$51,869 | 22.90 | \$2,265 per Unit |
| Commercial Lodging Unit | 6 | 569 | 18.2 | 10,356 | 2.74% | \$1,295,904 | \$215,984 | 94.83 | \$2,278 per Unit |
| Commercial/Office SF | 40 | 612,889 | 37.3 | 22,861 | 6.05% | \$2,860,723 | \$71,162 | 15,246 | \$4,668 per S.F. |
| Industrial/Manufacturing | 8 | 174,240 | 22.6 | 3,938 | 1.04% | \$492,784 | \$61,598 | 21,780 | \$2,828 per S.F. |
| TOTAL | 2,110 | --- | --- | 377,639 | 100.00% | \$47,256,057 | in Total Equity in Current Circulation System Assets | | |
| | | | | | | | \$42,827,320 | in Equity in Master Plan Major Streets. | |
| | | | | | | | \$1,746,130 | in Equity in Master Plan Bridges. | |
| | | | | | | | \$2,302,590 | in Equity in Master Plan Signals. | |
| | | | | | | | \$380,017 | in Circulation System Impact Fee Fund Balance. | |

| | | |
|------------------------------------|----------------|-------------------------------------|
| ALTERNATIVE FEE METHODOLOGY | 377,639 | \$125.14 per Daily Trip-mile |
| | | \$47,256,057 |

Chapter 6

Storm Drainage Collection System

The Existing System. The City's existing storm drainage system network is composed primarily of a few street gutter facilities, an earthen levee and a few pipelines to convey runoff to various smaller lines and creeks located throughout the City ultimately leading to the Whitewater River. However, as the City continues to develop, the ability of the remaining existing open space to collect additional runoff from developing areas, will diminish regardless of the availability of a good system of wash channels.

Property-based Benefit Reasoning. Initially, the use of separate zones was considered for each drainage basin within the City because each area has its own capital needs for storm-water collection. Storm-water runoff from west of SR-62 may not directly impact the homeowner east of the highway; similarly, a small debris detention basin near Mountain View required to handle runoff from the homes in that area may provide little direct benefit to a business in the downtown area of the City. In each case, there can be some distinct property-related areas of benefit for each drainage basin.

User-based Benefit Reasoning, the human element. The owners and users of all developed and undeveloped parcels benefit, directly and indirectly, from all City-wide existing and future storm drainage improvements. As the various systems within the greater community of Desert Hot Springs develop, concurrent with development of private property, the benefits are generally recognized as:

1. Proposed development projects can only be approved by the City when precautions, generally in the form of infrastructure improvements, have been made that assure that developed and undeveloped downstream parcels will not be adversely affected (i.e., inundated, flooded, cut off from access in and out), by storm water from the project being proposed. The avoidance of downstream or down-zone damage from the development of an upstream parcel may not be a major concern to a developer, but the City must concern itself with such issues when approving private development proposals.
2. The private development being assessed an impact fee will receive the same storm-water protection from other development projects upstream or up-zone from its own development.
3. Storm water must be adequately controlled and removed to large scale flood control channels or creeks to assure access by public safety vehicles to all parts of the City,

regardless of which zone a call for service is in. Fire and other rescue calls, as well as law enforcement and public works responses, cannot wait during heavy rainstorms. To the contrary, emergency calls-for-service probably increase during such storm events and the City's public safety and maintenance units must be able to respond, *to all zones*.

4. Desert Hot Springs's citizens and business owners/employees must also be able to travel safely in heavy rain through one zone to another. An adequate and sufficient storm drainage system will provide such protection.

Storm run-off does recognize a boundary between downtown and the industrial park. It will leave one part of the City and pass through a different area to reach its ultimate local destination, the Whitewater River or the local aquifer. Thus, RCS staff recommends the continuation of the City-wide storm drainage collection system development impact fee schedule for the City.

Demand Upon Infrastructure Created by the Development of Underdeveloped or Undeveloped Parcels. The construction of flood control and storm drainage facilities is essential to the preservation of private property, public streets, curbs and other facilities. The county or a regional level of government is generally responsible for *flood control*¹, and cities are generally responsible for *storm drainage*. The building of new homes and businesses on presently undeveloped land will increase the amount of runoff and thus accelerate the need for additional storm drainage facilities to handle increased runoff from these developing areas. As the vacant land is developed and bare dirt or turf is replaced with impervious rooftop, parking lots, driveways, pools, and sidewalks, this figure increases to 0.70 cubic feet/second/acre for Detached Dwelling residential uses, 1.0 cubic feet/second/ acre for attached dwelling housing and about 1.40 cubic feet/second/acre for commercial and industrial acres. Clearly, water runoff increases with development. The cumulative effects of additional runoff must be managed with the appropriate capital facilities. These costs of the new storm drainage (and flood control revenue shortages) will be distributed by the coefficients of drainage, i.e., the percentage of property that will end up with impervious coverage such as asphalt or cement-based concrete drives or parking lots, rooftop, pools and any other hard surface that does not allow any absorption into the soil.

The Purpose of the Fee. The costs of extending the same level of storm drainage protection to the newly developing homes and businesses as is provided to the existing community, (that has largely paid for the existing system) can be calculated, a fee imposed and collected. The fee revenues can then be used to expand the storm drainage facilities necessary to extend that same level of services. The City staff has identified a total of \$114,595,860 in storm drainage projects required to fully complete the City's network of storm water collection pipes and channels. This figure is mitigated by \$161,067 in fund balance in the Storm Drainage Collection System Development Impact Fee Fund for a net total of \$114,434,793 in required projects.

The Use of the Fee. The construction of storm drainage facilities in Desert Hot Springs is essential to the preservation of private property, public streets, curbs and other facilities. The building of new homes and businesses on presently undeveloped land will require the installation of additional storm drains and inlets to handle increased runoff from these developing areas. This Chapter reviews the costs of storm drainage collection system facilities needed to serve future development.

The revenues raised from a properly calculated and supported Storm Drainage Collection System Development Impact Fee would be limited to capital(ized) costs related to that growth. The fees would be used to construct additional or parallel storm drainage lines to increase the drainage capacity of the system. Conversely, the Storm Drainage Collection System Development Impact Fee receipts would not be used to repair, replace or rehabilitate any existing storm drainage collection lines.

The Relationship Between the Need for the Fee and the Type of Development Project. Upon the identification of the costs of storm drainage facilities generated by future development, costs must be further distributed for each of the land uses (i.e., commercial and residential uses) based on their estimated storm runoff. The construction of a detached dwelling reduces the pervious surface of an acre the least percentage per parcel and thus provides the greatest net percolation and thus the least run-off of storm-water. As such, these land uses should not bear the same cost as a commercial or industrial development, which generally have little or no turf or open area (or stated another way, a higher percentage of impervious area) and therefore generate a higher amount of runoff. For this Report, costs were distributed between land uses on established runoff coefficients. A listing of these runoff coefficients is provided in Table 6-1² following.

Table 6-1
Storm Drainage Coefficients of Drainage

| Proposed Land Use Development | Coefficient of Drainage |
|-------------------------------------|-------------------------|
| Detached Dwelling Development | 74.5% |
| Attached Dwelling Development | 81.0% |
| Mobile Home Dwelling Development | 81.0% |
| Commercial Lodging Unit Development | 82.0% |
| Commercial/Office Uses Development | 83.0% |
| Industrial Uses Development | 85.0% |

Since this impact fee is calculate by applying a coefficient of drainage factor to the type of land use zone, differences between what the development code allows and what is actually approved can significantly skew the cost figures. As a result it has been necessary to adjust to the average densities of the General Plan at build-out. Thus the use of the average densities at build-out, as identified on the following Table 6-2, has been employed to eliminate this problem unique to storm drainage.

Table 6-2
Average Land-use Units per Acre at
General Plan/Sphere of Influence Build-out

| Land-use Designation | Number of Acres | Units or Square Feet | Units or S.F. per Acre |
|--------------------------|-----------------|----------------------|------------------------|
| Detached Dwelling Units | 18,331.1 | 65,851 | 3.59 |
| Attached Dwelling Units | 1,275.2 | 6,873 | 5.39 |
| Mobile Home Units | 223.0 | 2,723 | 12.21 |
| Commercial Lodging Units | 191.1 | 5,161 | 27.01 |
| Commercial/Office Uses | 257.8 | 4,246,011 | 16,470 |
| Industrial Uses | 2,886.2 | 62,861,436 | 21,780 |

Table 6-3, on the following page, indicates the impact fee amounts that would need to be imposed to pay for the cost of completing the portion of the system's collection pipes and channels identified by staff to be financed with impact fees. It would not be unreasonable to expect future development to finance some if not most of the identified storm drainage collection system capital needs without violating the proportionality rule.

[This space left vacant to place the following table on a single page].

Table 6-3
Storm Drainage Collection System
Marginal Needs-based Development Impact Costs (Fees)

| Land Use | Allocation of Costs | Total Cost Per Unit or SF |
|----------------------------|---------------------|---------------------------|
| Detached Dwelling Units | \$88,791,059 | \$1,475/Unit |
| Attached Dwelling Units | \$4,759,052 | \$1,069/Unit |
| Mobile Home Dwelling Units | \$1,116,170 | \$472/Unit |
| Commercial Lodging Units | \$1,079,747 | \$216/Unit |
| Commercial/Office Uses | \$1,284,841 | \$0.359/S.F. |
| Industrial Uses | \$17,403,925 | \$0.278/S.F. |

The Relationship Between the Use of the Fee and the Type of Development Paying the Fee. The Storm Drainage Collection System Development Impact Fees that are imposed and collected will be used to mitigate the differing amounts of storm water runoff generated by the various types of development. If the development is a commercial or industrial property generating a significant amount of runoff, the fee collected will be proportionally higher and will be enough to construct the required additions to the storm drainage system downstream from this development.

From time to time the City may require an applicant of a private project to construct an improvement (or portion thereof) that is on the list of required improvements at the end of this Chapter. This is often done to expedite the project for the applicant/developer. The developer should receive a credit for any money expended on this required improvement against their calculated storm drainage impact fee. An ordinance addressing the issue of credits should be prepared and added to the Desert Hot Springs Municipal Code.

The Relationship Between the Amount of the Fee and the Cost of the Portion of the Facility Attributed to the Development Project. Similar to the section above, the relationship is based upon the projected amount of storm water that will need to be collected and safely transported to flood control channels or rivers. The downstream collection lines (lines further down from the proposed project but prior to the outfall into a river or flood control channel) need to be sized to handle all of the storm-water collected upstream. Storm-water that is collected in one location accumulates with feeder lines along the way and thus the downstream system must be built increasingly larger (at increasing higher material and construction costs) the farther it gets away from its source.

Table 6-4, following, distributes the total equity value of the existing system (\$8,062,319) consisting of the actual storm drainage pipe and the earthen levee/channel at \$7,901,252. There is an existing Storm Drainage Collection System Development Impact Fee Fund balance of \$161,067. Please note that the development impact fee schedule, by land use, is in terms of *units* such as residential dwellings or commercial and industrial square feet of building space (including square footage on multiple floors).

Table 6-4
Storm Drainage Collection System
Community Financial Commitment/Equity-based Proportionality Test Fees

| Land Use | Allocation of Equity | Total Equity Per Unit or SF |
|----------------------------|----------------------|-----------------------------|
| Detached Dwelling Units | \$5,892,643 | \$1,040/Unit |
| Attached Dwelling Units | \$1,824,633 | \$753/Unit |
| Mobile Home Dwelling Units | \$118,975 | \$333/Unit |
| Commercial Lodging Units | \$24,667 | \$152/Unit |
| Commercial/Office Uses | \$167,307 | \$0.253/S.F. |
| Industrial Uses | \$34,093 | \$0.196/S.F. |

Of note is the fact that Table 6-4, the investment "equity" of the current community is slightly more, (by a magnitude of about 34%) than that of the previously exhibited Marginal Needs-based fees identified in Table 6-3. As such it would be appropriate and reasonable to require the undeveloped parcels to finance a consistently proportional amount of the storm-water collection system.

Table 6-5, on the following page, indicates that the 1,608.06 impervious acres created by the currently developed community represents about 9.09% of the total full run-off acres (17,694.15) at build-out of the existing City limits. At the same time the currently developed community's investment in the ultimate storm drainage system, at an existing \$8,062,319 is a slightly smaller amount at about 6.58% of the cost of the total system at build-out.

Table 6-5
Comparison of Storm Drainage System Attributes

| Infrastructure Factor | Existing Community | Future Community | Total at Build-out |
|--------------------------|--------------------|------------------|--------------------|
| Run-off Acres | 1,608.06 | 16,086.10 | 17,694.15 |
| Percentage of Total | 9.09% | 90.91% | 100.00% |
| Cost of Total System (1) | \$8,062,319 | \$114,434,793 | \$122,497,112 |
| Percentage of Total | 6.58% | 93.42% | 100.00% |

(1) This cost represents the share of the entire Sphere of Influence area storm drainage system that should be financed by the existing City's limits current and future residents and businesses.

Of note is the fact that Table 6-4, the investment "equity" of the current community is less, (at about 70%) than that of the previously exhibited Marginal Needs-based impact fees identified in Table 6-3 indicating that the City has put in place, a lesser percentage of the entire system required at General Plan build-out than is otherwise necessary from the remaining development. Thus the existing community has contributed, on average, a lesser amount than would be required of future development to meet all of the basic needs for build-out and all users. Tables 6-3 (Marginal Needs-based Impact Fees) and 6-4 (Current Financial Commitment or Equity -based impact fees) identify the minor deficiency. A detached dwelling unit, has contributed, on average about \$1,040 (Table 6-4) towards the construction of the storm drainage system, while with adoption of the Marginal Needs-based impact fees, a detached dwelling would only be asked to contribute a higher amount, \$1,475, towards finishing the system, or about 70% of the existing contribution of the same Detached Dwelling home (Table 6-2).

Table 6-6, on the following page, is a summary of Schedule 6.4 at the end of the Chapter. It distributes the cost of the entire storm drainage system, at build-out, to the fully built-out community as if the system were built at once and charged to a General Plan/Sphere of Influence built-out community. It represents a schedule of Storm Drainage Collection Facilities Development Impact Fees that would, in effect, *even-out* the contribution by all users at master Plan build-out, assuming that the City can acquire the \$6.5 million required to eliminate the existing storm drainage collection system deficiency.

Table 6-6
Storm Drainage Collection System
Fair Share (at General Plan/Sphere) Build-out
Development Impact Fees

| Proposed Land Use | Allocation of Costs | Cost Impact per Unit S.F. or Acre/Space |
|----------------------------|---------------------|---|
| Detached Dwelling Units | \$94,545,521 | \$1,436/Unit |
| Attached Dwelling Units | \$7,150,866 | \$1,040/Unit |
| Mobile Home Dwelling Units | \$1,250,507 | \$459/Unit |
| Commercial Lodging Units | \$1,084,838 | \$210/Unit |
| Commercial/Office Uses | \$1,481,321 | \$0.349/S.F. |
| Industrial Uses | \$16,984,059 | \$0.270/S.F. |

Admittedly, the City should have constructed a greater percentage of the General Plan build-out storm drainage collection system at this point. However, most public agencies are in similar circumstances, that being in possession of a somewhat deficient (or at least a bit delinquent) storm drainage collection systems (i.e. a disproportionate amount of the system construction as opposed to the proportion of the City's private development).³

The most probable reason for this is that storm drainage infrastructure projects are General Fund supported but are generally only required (or benefitted from) for a very limited number of rainy days. However, a given storm drainage project with limited frequency of benefit, must compete for General Fund appropriations with other projects, such as a greatly needed traffic signal which provides daily benefit to the City's residents and businesses. Storm drainage projects generally lack the priority or daily importance necessary to compete for these very limited General Fund appropriations. The result, naturally, would be an increasingly deficient storm drainage collection system. However, the delay in the construction of storm drainage collection system projects while absorbing new development cannot be continue indefinitely. Ultimately, the existing storm drainage collection system would begin to fail to remove rainwater on a routine basis with even lighter rain-storm events (i.e. ten year rainstorm events⁴) and then even more spectacularly with a higher year rain-storm event (i.e. a fifty year rainstorm event).

While it would be unreasonable to expect the developers of undeveloped parcels to completely finance the remainder of the system, the City cannot allow development of currently vacant

privately-owned parcels if development were to create public peril by allowing additional storm water to run-off newly developing properties into other private property or City streets without adequately controlling the storm water and ultimately disposing of it in either rivers or detention basins. Thus the Fair Share at (Sphere of Influence) Build-out Development Impact Fees are recommended for adoption, given its inherent proportionality. Or in the alternative, the City could review each private development proposal separately and require storm drainage improvements as exactions through the development review process. To further accommodate continued development of the City's privately-held vacant parcels, it would not be unreasonable for the City to require new development to finance a proportional amount of the storm drainage collection system. This would allow the City to use other sources to address the deficient portion of the system, thus allowing the City to ultimately complete the entire system.

Recommended Storm Drainage Collection System Development Impact Fee. The adoption of Table 6-6 based upon Schedule 6.4 at the end of the chapter, as the Storm Drainage Collection Facilities Development Impact Fees would generate enough capital to construct most of the storm drainage facilities needed to accommodate the storm water run-off generated by new development. The development impact fees contained within Schedule 6.4 also contain an amount just slightly lower than the equity amounts calculated in Schedule 6.3, thus not violating any proportionality requirements.

STORM DRAINAGE SYSTEM DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

The Schedule 6.4, Fair Share at (General Plan/Sphere) Build-out Development Impact Fees, at the end of this chapter, as the storm drainage collection system development impact fees that would be necessary to generate storm drainage (limited) capital revenues to accommodate the storm water run-off generated by new development by constructing a proportionate share of the identified storm water collection system project list.

Also, adopt Schedule 6.4 for the six land-uses and the *Marginal Needs-based Impact Fees* per acre figure (from the third column from the right side of the Schedule 8.4) for developments that do not involve a building pad, (e.g. additional asphalt parking area).

OTHER NOTES AND ISSUES

1. The City may choose to impose the *per unit* fees, i.e., the dwelling unit fees and the square foot business pad fees or apply the *per acre* figures under the column heading titled *System Cost Distribution per Acre* on Schedule 6.4

CHAPTER ENDNOTES

1. Projects of major importance generally involving the control of large quantities of flood water (over 500 C.F.S.) through numerous cities and unincorporated areas.
2. San Bernardino Hydrology Manual, Williamson and Schmidt, Irvine, CA 1986, Figure C-4..
3. Were we able to calculate and include the dollar amount of flood control taxes collected within the City's limits, but not returned in the form of flood control facilities, the asset figure would be far higher.
4. A ten year rain storm event is the largest rain storm that would be anticipated in a ten year period.

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 Storm Drainage Collection System

| Line # | Description | Estimated Cost | Construction Needs Supported by Other Resources | | Construction Needs Generated by New Development | |
|--------|---|----------------|---|--------------------------|---|--------------------------|
| | | | Percent Need | Appropriated Dollar Cost | Percent Need | Appropriated Dollar Cost |
| SD-01 | Storm Drainage Master Plan | \$415,000 | 0.00% | \$0 | 100.00% | \$415,000 |
| SD-02 | Line A, Two Bunch Palms Trail, Ocotillo to El Rio southerly to Dillon Road | \$4,613,542 | 0.00% | \$0 | 100.00% | \$4,613,542 |
| SD-03 | Line A-1, Pierson/Cactus/Ironwood | \$4,459,480 | 0.00% | \$0 | 100.00% | \$4,459,480 |
| SD-04 | Line A-1a, Via Real/Buena Vista | \$672,420 | 0.00% | \$0 | 100.00% | \$672,420 |
| SD-05 | Line A-2, Palm, Hacienda/Two Bunch Palms Trail | \$768,477 | 0.00% | \$0 | 100.00% | \$768,477 |
| SD-06 | Line A-3, Ocotillo, 3rd/Two Bunch Palms Trail | \$4,369,295 | 0.00% | \$0 | 100.00% | \$4,369,295 |
| SD-07 | Line A-3a, Pierson Boulevard, Palm Drive/Ocotillo Road | \$396,025 | 0.00% | \$0 | 100.00% | \$396,025 |
| SD-08 | Line A-3b, Pierson Boulevard, Mesquite/Ocotillo Road | \$514,150 | 0.00% | \$0 | 100.00% | \$514,150 |
| SD-09 | Line A-3c, Hacienda Avenue, Palm Drive/Ocotillo Road | \$427,805 | 0.00% | \$0 | 100.00% | \$427,805 |
| SD-10 | Line B, Foxdate, Pierson/Line A | \$4,485,775 | 0.00% | \$0 | 100.00% | \$4,485,775 |
| SD-11 | Line B-1, Inaja Street/Hacienda, Mountain View/Line B | \$3,513,317 | 0.00% | \$0 | 100.00% | \$3,513,317 |
| SD-12 | Line B-1a, Reposo, Oro Lomo/Hacienda | \$291,217 | 0.00% | \$0 | 100.00% | \$291,217 |
| SD-13 | Line B-1b, Miracle Hill Road, Miracle Hill Debris Basin/Hacienda | \$1,041,842 | 0.00% | \$0 | 100.00% | \$1,041,842 |
| SD-14 | Line B-1c, Tamar and Parma to Hacienda Avenue | \$474,408 | 0.00% | \$0 | 100.00% | \$474,408 |
| SD-15 | Line B-2, Two Palm Trails, 2,160 linear feet east of Line B/Line B | \$1,289,488 | 0.00% | \$0 | 100.00% | \$1,289,488 |
| SD-16 | Line C, N/O San Gorgonio, 680 Feet east of Hildago/Line A outfall | \$1,562,642 | 0.00% | \$0 | 100.00% | \$1,562,642 |
| SD-17 | Line C-1, Spruce, Redbud, Avenida Serena, Spruce/1,440 S/O Via Domingo | \$2,843,942 | 0.00% | \$0 | 100.00% | \$2,843,942 |
| SD-18 | Line D, Intersecting Hacienda 3,360 E/O Mountain View, southeasterly 2,800 | \$1,871,742 | 0.00% | \$0 | 100.00% | \$1,871,742 |
| SD-19 | Line E, 8th Street, Existing Channel to about 525 linear feet west of Cholla Driv | \$3,103,030 | 0.00% | \$0 | 100.00% | \$3,103,030 |
| SD-20 | Line E-1, Verbena Drive, 2,200 feet N/O existing Line E Channel/Line E chann | \$638,000 | 0.00% | \$0 | 100.00% | \$638,000 |
| SD-21 | Line E-3 Minor Line E Channel Extension, Mission Lakes Boulevard to Line E. | \$450,000 | 0.00% | \$0 | 100.00% | \$450,000 |
| SD-22 | Line E-4, 12th Street, Palm Drive/Existing Line E Channel | \$721,875 | 0.00% | \$0 | 100.00% | \$721,875 |
| SD-23 | Line E-5, 8th Street, Mesquite/Existing Line E | \$2,739,623 | 0.00% | \$0 | 100.00% | \$2,739,623 |
| SD-24 | Pierson Control Levees | \$2,803,150 | 0.00% | \$0 | 100.00% | \$2,803,150 |
| SD-25 | Miracle Hill Levee | \$43,680 | 0.00% | \$0 | 100.00% | \$43,680 |
| SD-26 | Miracle Hill Basin | \$1,359,435 | 0.00% | \$0 | 100.00% | \$1,359,435 |
| SD-27 | Blind Creek (8th Street) | \$4,320,000 | 0.00% | \$0 | 100.00% | \$4,320,000 |
| SD-28 | Big/Little Morongo Creeks | \$18,000,000 | 0.00% | \$0 | 100.00% | \$18,000,000 |
| SD-29 | Line MW-2 | \$1,000,000 | 0.00% | \$0 | 100.00% | \$1,000,000 |
| SD-30 | Line MW-2A | \$876,000 | 0.00% | \$0 | 100.00% | \$876,000 |
| SD-31 | Line MW-3 | \$870,000 | 0.00% | \$0 | 100.00% | \$870,000 |
| SD-32 | Line MW-4 | \$456,000 | 0.00% | \$0 | 100.00% | \$456,000 |
| SD-33 | Line MW-5 | \$300,000 | 0.00% | \$0 | 100.00% | \$300,000 |
| SD-34 | Line MW-6 | \$420,000 | 0.00% | \$0 | 100.00% | \$420,000 |
| SD-35 | Line MW-7 | \$432,000 | 0.00% | \$0 | 100.00% | \$432,000 |
| SD-36 | Line MW-8 | \$336,000 | 0.00% | \$0 | 100.00% | \$336,000 |

Schedule 6.1

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 Storm Drainage Collection System

| Line # | Description | Estimated Cost | Construction Needs Supported by Other Resources | Construction Needs Generated by New Development |
|---|--------------------------------------|----------------|---|---|
| | | | Percent Need | Apportioned Dollar Cost |
| | | | Percent Need | Apportioned Dollar Cost |
| SD-37 | Line MW-9 | \$120,000 | 0.00% | \$0 |
| SD-38 | Line MW-10 | \$576,000 | 0.00% | \$0 |
| SD-39 | Mission Creek Channel | \$15,000,000 | 0.00% | \$0 |
| SD-40 | Line MC-5 | \$900,000 | 0.00% | \$0 |
| SD-41 | Line MC-6 | \$360,000 | 0.00% | \$0 |
| SD-42 | Line MC-7 | \$840,000 | 0.00% | \$0 |
| SD-43 | Line MC-8 | \$1,140,000 | 0.00% | \$0 |
| SD-44 | Line MC-9 | \$360,000 | 0.00% | \$0 |
| SD-45 | Line MC-10 | \$1,200,000 | 0.00% | \$0 |
| SD-46 | Line MC-11 | \$396,000 | 0.00% | \$0 |
| SD-47 | Line MC-12 | \$96,000 | 0.00% | \$0 |
| SD-48 | Line MC-13 | \$984,000 | 0.00% | \$0 |
| SD-49 | Line MC-14 | \$1,680,000 | 0.00% | \$0 |
| SD-50 | Line MCW-Main (Devers Creek Channel) | \$7,200,000 | 0.00% | \$0 |
| SD-51 | Line MCW-1 | \$450,000 | 0.00% | \$0 |
| SD-52 | Line MCW-2 | \$825,000 | 0.00% | \$0 |
| SD-53 | Line MCW-3 | \$525,000 | 0.00% | \$0 |
| SD-54 | Line MCW-4 | \$885,000 | 0.00% | \$0 |
| SD-55 | Line MCW-5 | \$750,000 | 0.00% | \$0 |
| SD-56 | Line MCW-6 | \$1,005,000 | 0.00% | \$0 |
| SD-57 | Line MCW-7 | \$1,305,000 | 0.00% | \$0 |
| SD-58 | Line MCW-8 | \$900,000 | 0.00% | \$0 |
| SD-59 | Line MCW-9 | \$675,000 | 0.00% | \$0 |
| SD-60 | Line MCW-10 | \$375,000 | 0.00% | \$0 |
| SD-61 | Line GWN-4 | \$2,119,500 | 0.00% | \$0 |
| SD-62 | Line GWN-4C | \$825,000 | 0.00% | \$0 |
| SD-63 | Line GWN-4D | \$225,000 | 0.00% | \$0 |
| Sub-Total Storm Drainage System Capital Requirements | | \$114,595,860 | | |
| LESS: Any Storm Drainage Collection System DIF Fund Balance | | (\$161,067) | 0.00% | \$0 |
| Sub-Total Financial Adjustments | | (\$161,067) | 0.00% | \$0 |
| Total Storm Drainage System Capital Requirements | | \$114,434,793 | 0.00% | \$0 |
| | | | 100.00% | \$114,434,793 |
| | | | Forward to Schedule 6. | |

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Marginal Needs-based Development Impact Costs (Fees)
 Storm Drainage Collection System

| Proposed Land Use | Undeveloped | | Land-use Coefficient of Drainage | Additional Created Drainage | Percentage of Created Drainage | Allocation of Expansion Costs | Cost Distribution Per Acre | Average Units or Square Feet/Acre | Development Impact Fee per Unit or Square Foot |
|----------------------------|-----------------|------------|----------------------------------|-----------------------------|--------------------------------|-------------------------------|---|-----------------------------------|--|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 16,753.5 | 58,386 | 74.5% | 12,481.36 | 77.59% | \$88,791,059 | \$5,300 | 3.59 | \$1,475 per Unit |
| Attached Dwelling Units | 825.9 | 3,840 | 81.0% | 668.98 | 4.16% | \$4,759,052 | \$5,762 | 5.39 | \$1,069 per Unit |
| Mobile Home Units | 193.7 | 2,052 | 81.0% | 156.90 | 0.98% | \$1,116,170 | \$5,762 | 12.21 | \$472 per Unit |
| Commercial Lodging Units | 185.1 | 4,592 | 82.0% | 151.78 | 0.94% | \$1,079,747 | \$5,833 | 27.01 | \$216 per Unit |
| Commercial/Office SF | 217.6 | 3,633,122 | 83.0% | 180.61 | 1.12% | \$1,284,841 | \$5,905 | 16,470 | \$0.359 per S.F. |
| Industrial/Manufacturing S | 2,878.2 | 62,687,196 | 85.0% | 2,446.47 | 15.21% | \$17,403,925 | \$6,047 | 21,780 | \$0.278 per S.F. |
| TOTAL | 21,054.0 | --- | --- | 16,086.10 | 100.00% | \$114,434,793 | in Storm Drainage Collection System Capital Requirements | | |

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Community Financial Commitment or Equity-based Proportionality Test Fees
 Storm Drainage Collection System

| Proposed Land Use | Developed | | Land-use Coefficient of Drainage | Existing Created Drainage | Percentage of Created Drainage | Allocation of Infrastructure "Equity" | Distribution of "Equity" per Acre | Average Units or Square Feet/Acre | Current Financial Commitment per Unit or Square Foot |
|----------------------------|----------------|------------|----------------------------------|---------------------------|--------------------------------|---------------------------------------|--|-----------------------------------|--|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 1,577.6 | 7,465 | 74.5% | 1,175.31 | 73.09% | \$5,892,643 | \$3,735 | 3.59 | \$1,040 per Unit |
| Attached Dwelling Units | 449.3 | 3,033 | 81.0% | 363.93 | 22.63% | \$1,824,633 | \$4,061 | 5.39 | \$753 per Unit |
| Mobile Home Units | 29.3 | 671 | 81.0% | 23.73 | 1.48% | \$118,975 | \$4,061 | 12.21 | \$333 per Unit |
| Commercial Lodging Units | 6.0 | 569 | 82.0% | 4.92 | 0.31% | \$24,667 | \$4,111 | 27.01 | \$152 per Unit |
| Commercial/Office SF | 40.2 | 612,889 | 83.0% | 33.37 | 2.08% | \$167,307 | \$4,162 | 16,470 | \$0.253 per S.F. |
| Industrial/Manufacturing S | 8.0 | 174,240 | 85.0% | 6.80 | 0.42% | \$34,093 | \$4,262 | 21,780 | \$0.196 per S.F. |
| TOTAL | 2,110.4 | --- | --- | 1,608.06 | 100.00% | \$8,062,319 | in Current Storm Drainage Collection System Assets | | |
| | | | | | | \$7,901,252 | in Equity in Existing Storm Drainage Collection System. | | |
| | | | | | | \$161,067 | in Storm Drainage Collection System DIF Fund Balance. | | |

Schedule 6.4

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Fair Share at Buildout-based Impact Fees
 Storm Drainage Collection System

| Proposed Land Use | Total "Build-out" | | Land-use Coefficient of Drainage | Total Created Drainage | Percentage of Created Drainage | Allocation of Total System Cost | System Cost Distribution per Acre | Average Units or Square Feet/Acre | Fair Share Impact Fee per Unit or Square Foot |
|----------------------------|-------------------|------------|----------------------------------|------------------------|--------------------------------|---------------------------------|--|-----------------------------------|---|
| | Acres | Units | | | | | | | |
| Detached Dwelling Units | 18,331.1 | 65,851 | 74.5% | 13,656.67 | 77.18% | \$94,545,521 | \$5,158 | 3.59 | \$1,436 per Unit |
| Attached Dwelling Units | 1,275.2 | 6,873 | 81.0% | 1,032.91 | 5.84% | \$7,150,866 | \$5,608 | 5.39 | \$1,040 per Unit |
| Mobile Home Units | 223.0 | 2,723 | 81.0% | 180.63 | 1.02% | \$1,250,507 | \$5,608 | 12.21 | \$459 per Unit |
| Commercial Lodging Units | 191.1 | 5,161 | 82.0% | 156.70 | 0.89% | \$1,084,838 | \$5,677 | 27.01 | \$210 per Unit |
| Commercial/Office SF | 257.8 | 4,246,011 | 83.0% | 213.97 | 1.21% | \$1,481,321 | \$5,746 | 16,470 | \$0.349 per S.F. |
| Industrial/Manufacturing S | 2,886.2 | 62,861,436 | 85.0% | 2,453.27 | 13.86% | \$16,984,059 | \$5,885 | 21,780 | \$0.270 per S.F. |
| TOTAL | 20,020.4 | -- | -- | 17,694.15 | 100.00% | \$122,497,112 | Storm Drainage System Nominal Cost @ GP/SOI Build-out | | |

Chapter 7

General Facilities, Vehicles and Equipment

The Existing System. General Facilities et. al. are generally limited to general office or work buildings and equipment used by City staff to undertake their daily activities on behalf of the local residents and businesses. This infrastructure is very important because the City Hall represents access to local government officials to citizens and business owners alike. The City maintenance yard represents the first line defense against premature aging or failure of the rest of the City's infrastructure consisting of streets, bridges, signals, storm drainage facilities and public buildings and parks.

Existing City General Facilities, Vehicles and Equipment Assets. The City possesses (i.e., own outright) a significant amount of general facilities square footage and other assets. The replacement costs are as follows:

| | |
|--|-------------|
| City Hall buildings and land | \$1,267,925 |
| City Hall Annex, (Carl May building and land) | \$1,111,140 |
| City Maintenance yard and land | \$3,317,026 |
| Public Works maintenance vehicles | \$906,170 |
| General pool vehicles | \$127,190 |
| Computer and miscellaneous equipment | \$117,500 |
| General Facilities et. al. Impact Fee Fund balance | \$201,941 |

The combined replacement cost (or investment by the current residents and businesses) of the structures, land, and equipment is \$7,048,892. The relevance of this figure will be explained later in the Chapter.

Demand Upon Infrastructure Created by the Development of Underdeveloped or Undeveloped Parcels. As the City increases in both population and new businesses, the City Hall will gradually become overcrowded with a growing staff, even if major efforts are made to keep the number of municipal workers to a minimum. Additionally, the council chambers will likely become less adequate for public meeting attendance on a increasing frequency. The existing amount of improved office building space may suffice for some period of time, but it will ultimately prove insufficient for management needs. The same will hold true for the City's maintenance yard, but to a lesser degree due to the amount of municipal services that may be contracted out, including fleet maintenance. Given the distances involved in the S.O.I. build-out City limits, a second maintenance yard (of about seven acres) will likely be necessary to maintain travel efficiencies. The existing maintenance yard will also need facilities improvements.

City “pool” vehicles generally made available for general employees assigned with general code enforcement, intra-city mail delivery, planning and engineering projects or issues that require on-site review and inspection, as well as other travel by employees that do not have assigned City vehicles, will be “checked-out” on an increasing basis requiring some fleet additions. The existing inventory of costly maintenance vehicles will also become overwhelmed and will need expansion to maintain the many miles of streets, storm drainage, parks and public facilities that will be acquired by the City during development.

Lastly, the City’s computer processing capability, storage space and back-up capacity will also be impacted with greater amounts of data necessary to manage a larger city.

The Purpose of the Fee. The costs of extending the same level of service to the newly developing community as is provided to the existing community, that has largely paid for the existing facilities, can be calculated, a fee imposed and collected, and used to expand the facilities necessary to extend that same level of services.

The Use of the Fee. The revenues raised from a properly calculated and supported General Facilities, Vehicles and Equipment Development Impact Fees would be limited to capital(ized) costs related to that growth. The fees would be used to construct *additional* general facilities. Conversely, the General Facilities, Vehicles, and Equipment Development Impact Fee receipts would not be used to repair or rehabilitate at its current use any existing general building.

The improvements necessary to contend with increased demand resulting from additional residents and businesses would include the following:

- Construction of a 50,300 square foot Civic Center with more office space and a City Council Chambers large enough to allow for greater council meeting attendance and participation consistent with greater populations. The 50,300 square foot facility is based upon a 50% increase over the 33,000 square foot facility required for the City limits based study.
- Addition of a second maintenance yard and expansion of the existing maintenance yard capabilities by expanding the number and size of open-faced sheds, a small office/locker area, expansion, construction of an additional closed shed, additional paving, addition of chain link fence or block wall, safety lighting and a security gate.
- An upgrade to the existing computer system capacity, data system off-site back-up systems, communications equipment and electronic technological equipment aimed at keeping the increases in the number of required on-going employees to a minimum.
- An expansion of the small vehicle pool car and large vehicle general maintenance fleet.

The Relationship Between the Need for the Fee and the Type of Development Project. The need is based upon the recognition that additional developed parcels in the City will create the need for more building space and specialty equipment, largely within the arena of overhead space, i.e., administrative management, personnel, record keeping, financial accounting, etc. The costs are distributed on an equal acreage basis as the most direct indices of demand relating to general management services.

The Relationship Between the Use of the Fee and the Type of Development Paying the Fee. General management, City-wide and General Plan issues transcend type of land use and the use of the fee, as well as the need for the fee. Distribution will be based upon an equal benefit in terms of general management of the City. Since this development impact fee is calculated by applying an equal acre demand/benefit factor to the type of land use zone, differences between what the development code allows and what is actually approved can significantly skew the cost figures. As a result it has been necessary to adjust to the average densities of the General Plan at build-out. Thus the use of the average densities at build-out, as identified on the following Table 7-1, has been employed to eliminate this problem unique to storm drainage.

Table 7-1
Average Land-use Units per Acre at
General Plan/Sphere of Influence Build-out

| Land-use Designation | Number of Acres | Units or Square Feet | Units or S.F. per Acre |
|--------------------------|-----------------|----------------------|------------------------|
| Dwelling Units | 19,829.3 | 75,447 | 3.80 |
| Commercial Lodging Units | 191.1 | 5,161 | 27.01 |
| Industrial Uses | 3,144.0 | 67,107,447 | 21,345 |

The Relationship Between the Amount of the Fee and the Cost of the Portion of the Facility Attributed to the Development Project. The fee would be based upon the size of the development. A fee has been determined for individual units, either residential dwelling units or business square feet. A development of twelve detached dwelling units would have to pay a fee twelve times larger than the development of a single detached dwelling unit. No developer will be required to construct any portion of any general facility as a condition of development.

Resulting Development Impact Fee Schedule. Table 7-2 summarizes the Marginal Needs-based General Facilities, Vehicles and Equipment Development Impact Fees. The fees identified below represent the fees necessary to construct or acquire the facilities identified on Schedule 7.1.

Table 7-2
General Facilities, Vehicle and Equipment
Marginal Needs-based General Facilities Impact Fees

| Land Use | Allocation of Costs | Total Cost Per Unit or SF |
|--------------------------|---------------------|---------------------------|
| Residential Dwellings | \$34,904,348 | \$517/Unit |
| Commercial Lodging Units | \$363,515 | \$73/Unit |
| Business Uses | \$6,079,799 | \$0.092/S.F. |

It must be restated that the existing community has established the City Hall with tenant improvements and a City Maintenance Yard with offices. In short, the current community has created adequate staff facilities. As a result, the current community has amassed a modest equity position, the previously identified \$7,048,892, vis-a-vis future needs. Table 7-3, following, identifies the average "equity" position or ownership per unit or square foot.

Table 7-3
General Facilities, Vehicles and Equipment
Community Financial Commitment/Equity-based
Proportionality Test Fees

| Land Use | Allocation of Equity | Total Equity Per Unit or SF |
|-------------------------|----------------------|-----------------------------|
| Residential Uses | \$6,867,860 | \$877/Unit |
| Commercial Lodging Uses | \$20,400 | \$124/Unit |
| Business Uses | \$160,992 | \$0.156/S.F. |

Of importance is the fact that the existing community has contributed more than the amount needed to meet the City's general facilities et. al. General Plan/Sphere of Influence. build-out needs than the future community will generate by providing the marginal needs. However, adoption of Schedule 7.3 (as summarized by Table 7-3) would put the position of the City collecting more

capital revenues than is necessary to construct the facilities or acquire the needed capital items necessary (and identified) to accommodate the development as identified in the Land-use database in Table 2-1 and Appendix B.

Recommended Development Impact Fee Schedule. The adoption of Table 7-2 based upon Schedule 7.2 at the end of the chapter, as the General Facilities, Vehicles and Equipment development impact fees would generate enough capital to construct all of the facilities needed by the new development. The development impact fee schedule contained within Schedule 7.2 also contain an amount lower than the equity amounts calculated in Schedule 7.3, thus not violating any proportionality requirements.

GENERAL FACILITIES, VEHICLES AND EQUIPMENT DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

Due to the fact that the current General Facilities Community Commitment or Equity distribution is greater than the Marginal Needs-based development impact fee schedule, the Marginal Needs-based development impact fee schedule should be adopted for the three broad land uses as adequate and sufficient, (per Schedule 7.2 and Table 7-2) is recommended.

CHAPTER ENDNOTES

There are no Chapter endnotes.

Schedule 7.1

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Allocation of Project Cost Estimates
 General Facilities, Vehicles and Equipment

| Line # | Description | Estimated Cost | Construction Needs Supported by Other Resources | | Construction Needs From New Development in the Entire City | |
|--------|---|----------------|---|-------------------------|--|-------------------------|
| | | | Percent Need | Apportioned Dollar Cost | Percent Need | Apportioned Dollar Cost |
| GF-01 | City Hall Construction | \$27,658,687 | 0.00% | \$0 | 100.00% | \$27,658,687 |
| GF-02 | Expansion/Improvements of City Yard | \$4,602,167 | 0.00% | \$0 | 100.00% | \$4,602,167 |
| GF-03 | Computer or Communications Systems Expansion | \$862,500 | 0.00% | \$0 | 100.00% | \$862,500 |
| GF-04 | General Use Pool Vehicles | \$926,250 | 0.00% | \$0 | 100.00% | \$926,250 |
| GF-05 | Public Works Maintenance Vehicles | \$7,500,000 | 0.00% | \$0 | 100.00% | \$7,500,000 |
| | SUB-TOTAL ESTIMATED NEW PROJECT COSTS | \$41,549,604 | 0.00% | \$0 | 100.00% | \$41,549,604 |
| | LESS: General Facilities Impact Fee Fund Balance | (\$201,941) | 0.00% | \$0 | 100.00% | (\$201,941) |
| | SUB-TOTAL ADJUSTMENTS | (\$201,941) | 0.00% | \$0 | 100.00% | (\$201,941) |
| | Total - General Facilities et. al. Capital Requirements | \$41,347,663 | 0.00% | \$0 | 100.00% | \$41,347,663 |

NOTES:

1.

Schedule 7.2

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Marginal Needs-based Development Impact Costs (Fees)
 General Facilities, Vehicles and Equipment

| Proposed Land Use | Undeveloped | | Equal Acre Benefit Factor | Equal Acre Benefit | Percentage of Benefit | Allocation of Expansion Costs | Cost Distribution Per Acre | Average Units or Square Feet/Acre | Development Impact Fee per Unit or Square Foot |
|-----------------------|-----------------|------------|---------------------------|--------------------|-----------------------|-------------------------------|--|-----------------------------------|--|
| | Acres | Units | | | | | | | |
| Residential Dwellings | 17,773.1 | 64,278 | 1.0 | 17,773.1 | 84.42% | \$34,904,348 | \$1,964 | 3.80 | \$517 per Unit |
| Commercial Lodging | 185.1 | 4,592 | 1.0 | 185.1 | 0.88% | \$363,515 | \$1,964 | 27.01 | \$73 per Unit |
| Business Acres | 3,095.8 | 66,320,318 | 1.0 | 3,095.8 | 14.70% | \$6,079,799 | \$1,964 | 21,345 | \$0.092 per S.F. |
| TOTAL | 21,054.0 | --- | --- | 21,054.0 | 100.00% | \$41,347,663 | Total General Facilities et. al. Capital Requirements | | |

Schedule 7.3

City of Desert Hot Springs (SOI)
 2008-09 Development Impact Fee Calculation and Nexus Report
 Community Financial Commitment or Equity-based Proportionality Test Fees
 General Facilities, Vehicles and Equipment

| Proposed Land Use | Developed | | Equal Acre Benefit Factor | Equal Acre Benefit | Percentage of Benefit | Allocation of Infrastructure "Equity" | Distribution of "Equity" per Acre | Average Units or Square Feet/Acre | Current Financial Commitment per Unit or Square Foot |
|--------------------------|----------------|------------|---------------------------|--------------------|-----------------------|---------------------------------------|---|-----------------------------------|--|
| | Acres | Units | | | | | | | |
| Residential Dwellings | 2,056.2 | 11,169 | 1.0 | 2,056.2 | 97.43% | \$6,867,860 | \$3,340 | 3.81 | \$877 per Unit |
| Commercial Lodging Units | 6.0 | 569 | 1.0 | 6.0 | 0.28% | \$20,040 | \$3,340 | 27.01 | \$124 per Unit |
| Business Acres | 48.2 | 787,129 | 1.0 | 48.2 | 2.28% | \$160,992 | \$3,340 | 21,345 | \$0.156 per S.F. |
| TOTAL | 2,110.4 | --- | --- | 2,110.4 | 100.00% | \$7,048,892 | Total Current General Facilities et. al. Assets | | |
| | | | | | | \$1,267,925 | in Equity of City Hall Facilities. | | |
| | | | | | | \$1,111,140 | in Equity of City Council Facilities (Carl May Building). | | |
| | | | | | | \$3,317,026 | in Equity of City Yard Facilities. | | |
| | | | | | | \$906,170 | in Equity of Public Works Vehicles. | | |
| | | | | | | \$127,190 | in Equity of General Use Pool Vehicles. | | |
| | | | | | | \$117,500 | in Electrical/Computer Equipment and Accounting Software | | |
| | | | | | | \$201,941 | in General Facilities et. al. DIF Balance. | | |

Chapter 8

Public Use (community center) Facilities

This important component of the City's offerings to its citizens was calculated as separate impact fee in the City's earliest development impact fee calculation report for three reasons. First, few parks contain a public use facilities. Secondly, it is difficult to insure that the cost for such a facility is properly included in the average park development cost per acre. Lastly and perhaps most importantly, it has been the experience of RCS staff, that when the cost for public use facilities is included (i.e., *buried within*) as a cost of park development, these facilities simply do not get built because the park development impact fee revenues are consumed by the generally large demand for turfed park acres with sports or passive-use park improvements. There is little doubt that this would be true in Desert Hot Springs as well and probably could be supported by reviewing the youth and adult sports demands on the existing park system.

The Existing System. The City has a few structures currently dedicated as community use facilities. *Public Use* facilities are available to community groups for meetings and other functions as opposed to *General Facilities* which are facilities used by the City staff to undertake their municipal service duties. Table 8-1. Following, shows the City's existing public meeting facilities.

Table 8-1
Inventory of Existing Public Use (community centers) Facilities

| Public Use Facility | Square Feet |
|---|---------------|
| Boys/Girls Club Center | 4,560 |
| Cabot Museum (adjusted downward to practical square feet) | 2,500 |
| Cabot Yerxa | 677 |
| Library Building | 3,608 |
| Mission Springs Park Buildings | 1,376 |
| PAL Building | 2,180 |
| Senior Center | 8,800 |
| Tedesco Park (youth services) Building | 1,313 |
| Square Feet Represented by Impact Fee Fund Balance ¹ | 2,828 |
| Total Public Use (community center) Facility Square Feet | 27,842 |

Most of the City's public use facilities are dedicated to a specific use, such as the shuffleboard center, the senior center, Boys & Girls Club and the Tedesco Park youth services buildings (only the remaining 75% is listed). There are a few available for broader uses.

Based upon an existing State Department of Finance 2008 total population of 26,068, the 27,842 square feet creates an impressive standard of 1.068 square feet per resident. This standard indicates that the City has made a substantial commitment to providing a public use or recreation space for public groups and individuals. This standard is greater than most cities RCS has assisted in the past and may be a function of higher summer temperatures requiring covered/protected recreation areas.

Table 8-2, following, demonstrates the calculation establishing the square foot standard:

Table 8-2
Calculation of Public Use (community center) Facilities
Square Foot Standard

| | |
|-----------------------------------|--------|
| Public Meeting Square Feet | 27,842 |
| Current Population | 26,068 |
| Square Foot Standard per Resident | 1.068 |

Demand Upon Infrastructure Created by the Development of Underdeveloped or Undeveloped Parcels. Simply stated, additional residential dwelling units will increase the population, placing greater demands for use of the existing public use facilities. The construction of a detached dwelling will create, on average, 3.014 potential new potential public use facility users. The addition of a new attached dwelling will create on average 2.612 potential new users and a mobile home, 1.731 potential users.

The Purpose of the Fee. The purpose of the fee is to determine the cost of expanding the public use facilities by some 202,447 square feet to meet the added demands created by the construction of additional residential dwelling units. The 202,447 square feet could be used to construct six 40,000 square foot facilities and that may seem to exorbitant, but consider that the facilities will be needed to meet all of the public use facility demands of nearly 195,000 additional residents, library, senior centers, teen centers, indoor sport facilities, general community space for meetings etc. It should be noted that 202,447 square feet of public use facilities may not fully meet the needs of the build-out community and that more public use facility space may be desired by the community. The reference to the 202,447 square feet indicates that is the amount of the public use facility space that could be financed by the maximum development impact fees. RCS recommends the City undertakes some sort of public-use needs analysis for determining the ultimate size of any facility prior to construction.

The Use of the Fee. The fee, if adopted, would be imposed, collected, and spent on the construction of additional public use facilities use space that benefits Desert Hot Springs residents, not rehabilitation of any existing public use facility.

The Relationship Between the Need for the Fee and the Type of Development Project. Different types of residential dwellings generally have differing numbers of people living in them (occupancy densities). The U.S. 2000 Census data indicates the following occupancy statistics for the City:

| | |
|---------------------------------|--------------------------|
| Detached Dwellings | 3.014 residents per unit |
| Attached Dwellings | 2.612 residents per unit |
| Mobile Home Dwellings | 1.731 residents per unit |

The Relationship Between the Use of the Fee and the Type of Development Paying the Fee. The fee will be used to expand the amount of public use facilities square feet in proportions consistent with the average persons per dwelling. Public use facilities would be expanded in the following amounts below, by type of residential dwelling:

| | |
|-------------------------|--|
| Detached Dwelling . . . | 3.014 residents/unit X 1.068 Square Feet = 3.219 Square Feet |
| Attached Dwelling . . . | 2.612 residents/unit X 1.068 Square Feet = 2.790 Square Feet |
| Mobile Home Dwelling | 1.731 residents/unit X 1.068 Square Feet = 1.849 Square Feet |

The Relationship Between the Amount of the Fee and the Cost of the Portion of the Facility

Attributed to the Development Project Schedule 8.1 identifies the cost of adding one square feet of building space per person at roughly \$550.69 based upon a \$515.63 per square foot construction cost (which included project design/administration, construction of the building and off-site improvements and contingency) and a demand for 1.068 square feet of space per new resident. Land costs are not included as most of the facilities are on land included elsewhere (see Chapter 10).

A detached dwelling with 3.014 persons requires 3.219 square feet of public use meeting space at a cost of \$1,660.00 (3.014 square feet X \$515.63 per square foot, rounded). An attached dwelling requires 2.790 square feet of public use meeting space at a cost of about \$1,438.00 (2.790 square feet X \$515.63 per square foot). A mobile home dwelling requires 1.849 square feet of public use meeting space at a cost of about \$953.00 (1.849 square feet X \$515.63 per square foot).

Recommended Public Use Facilities Development Impact Fee Schedule. Table 8-3, on the following page, indicates the recommended Public Use (community center) Facilities Development Impact Fee.

Table 8-3
Summary of Public Use (community center) Facilities
Existing Standard-based Development Impact Fee

| Residential Land Use | Impact Fee Per Unit |
|----------------------------|---------------------|
| Detached Dwelling Units | \$1,660.00 |
| Attached Dwelling Units | \$1,438.00 |
| Mobile Home Dwelling Units | \$953.00 |

PUBLIC USE DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

Schedule 8.1, on the following page, is recommended as the schedule necessary and sufficient to maintain the City’s existing standard of public use facilities space per resident.

CHAPTER ENDNOTES

1. Based upon an available balance in the Public Use Facility Impact fee Fund of \$1,458,408 and a construction cost of \$515.63 ($\$1,458,408 \div \515.63 per Square Foot construction cost = 2,828 square feet).
-
-

Schedule 8.1

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 Calculation of Standard and Development Impact Fee Calculation
 Public Use (community center) Facilities

| | Building Square Feet | |
|--|----------------------------|------------------------|
| Boys/Girls Club Center | 4,560 | |
| Cabot Museum (1) | 2,500 | |
| Cabot Yerxa | 677 | |
| Library Building | 3,608 | |
| Mission Spring Park Buildings | 1,376 | |
| PAL Building | 2,180 | |
| Senior Center | 8,800 | |
| Tedesco Park Building #1 (2) | 1,313 | |
| Square Foot Represented by Fund Balance (3) | 2,828 | |
| Total Square Feet | 27,842 | |
| Current City Population | 26,068 | |
| Square Foot per Resident Standard | 1.068 | |
| Average Construction Cost per Square Foot (3) & (4) | \$375.00 | |
| Application of 10% for off-site Street Widening, Curb, Gutter & Sidewalk | 110.00% | |
| Sub-total – Construction Costs | \$412.50 | |
| Application of 15% for Project Management and 10% for Contingency | 125.00% | |
| Total – Construction Costs | \$515.63 | |
| Square Foot per Resident Standard | 1.068 | |
| Expansion Cost per New Resident | \$550.69 | |
| Type of Dwelling | Residents per Unit | Proposed Impact Fee |
| Detached Dwellings | 3.014 | \$1,660 |
| Attached Dwellings | 2.612 | \$1,438 |
| Mobile Home Dwellings | 1.731 | \$953 |

Notes:

1. At 50% of total space, due to small size of individual rooms.
2. Excludes portion of building dedicated to Law Enforcement staff use.
3. Based upon an Public Use Facilities Impact Fee Fund Balance of \$1,497,481 by the \$515.63 per square foot construction cost.
4. Includes, grading, design, permits, engineering, inspection and furnishings.
5. Square foot cost is from a similar, recently constructed structure.

Chapter 9

Aquatics Center Facilities

This component of City infrastructure will continue to be separated from the Park Land Acquisition and Park Facilities Development Impact Fee for essentially the same reasons described in the Public Use Facilities in the previous Chapter.

The Existing System. The City owns an Aquatics Facility consisting of a pool with 2,700 square feet of surface and a pump/filter utility building. These facilities are available to individuals and groups represented by the existing 26,068 residents for leisure and general fitness uses. The City also has the equivalent of 758 square feet of pool surface in its existing fund balance within the Aquatics Center Development Impact Fee Fund ($\$417,957 \div \551.36 per square foot of pool surface construction cost). Simply stated, the City has no intent on constructing such a small expansion, so the balance will be saved, invested and combined with future Aquatics Center Facilities Development Impact Fees to construct a meaningful sized pool addition. However, the two combined assets (actual pool and Aquatics Facility Fund balance) equal 3,458 square feet with a resulting standard of 0.133 square feet per resident.

Demand Upon Infrastructure Created by the Development of Underdeveloped or Undeveloped Parcels. Simply stated, additional residential dwelling units will increase of the population placing demands upon the existing Aquatics Center. The construction of detached and attached residential dwellings will create, on average 3.014 and 2.612 potential new potential pool users, respectively. The addition of a mobile home (should any mobile parks or individual uses be applied for and approved) will create 1.731 potential new pool users each. The resulting *defacto* standards are 0.133 square feet of pool surface per City resident.

The Purpose of the Fee. The purpose of the fee is to defray the cost of expanding the aquatics center to meet the added demands created by the construction of additional residential dwelling units. The City owns the aquatic center and thus would be the appropriate agency to conduct any expansion and construction plans.

The Use of the Fee. The fee, if adopted, would be imposed, collected, and spent on the construction of additional aquatics centers that would benefit Desert Hot Springs residents, but would not be spent on rehabilitation of the existing aquatic center. If adopted and imposed, the collected development impact fee revenues would be enough to construct two Olympic-sized pool complexes or four smaller 25 yard by 25 meter pools.

The Relationship Between the Need for the Fee and the Type of Development Project Different types of residential dwellings generally have differing numbers of people dwelling in them. United

States Census 2000 data (see Table 2-3. page 21) was used to determine the occupancy density statistics for the City. They are summarized as following:

| | |
|---------------------------------|--------------------------|
| Detached Dwellings | 3.014 residents per unit |
| Attached Dwellings | 2.612 residents per unit |
| Mobile Home Dwellings | 1.731 residents per unit |

The Relationship Between the Use of the Fee and the Type of Development Paying the Fee. The fee will be used to expand the pool and aquatics center space in proportions consistent with the average persons per dwelling. The aquatic center pool and locker building would be expanded in the amounts on the following page, by type of residential dwelling:

| | |
|--|----------------------------|
| Detached Residential Dwellings | 0.401 S.F. of pool surface |
| Attached Residential Dwellings | 0.347 S.F. of pool surface |
| Mobile Home Dwellings | 0.230 S.F. of pool surface |

The Relationship Between the Amount of the Fee and the Cost of the Portion of the Facility Attributed to the Development Project. Schedule 9.1 indicates the pool and locker building cost calculations. The office/locker/restroom facility square foot construction cost is based upon the cost of a concrete block building. The pool construction costs are also based upon a recent area pool construction cost of a 25 yard by 25 meter (6,094 square foot of surface) pool¹ at \$3,360,000.

The square foot cost of \$73.33 per person for the pool expansion is based upon the \$551.36 cost per square foot of pool surface multiplied by the 0.133 standard of square feet per resident. Thus a detached dwelling would incur aquatics center development impact costs of \$221.00, (3.014 persons X \$73.33 each new resident, rounded). An attached dwelling would generate impact costs of about \$192.00, (2,612 persons X \$73.33 each new resident, rounded). A mobile home in a park-setting would incur an impact cost of \$127.00 (1.731 persons X \$73.33 each new resident, rounded).

Resulting Development Impact Fee Schedule. Table 9-1, on the following page, indicates the proposed Aquatics Facility Development Impact Fee schedule.

[This space left vacant to place the following table on a single page].

Table 9-1
Summary of Aquatics Facilities
Existing Standard-based Development Impact Fee

| Land Use | Impact Fee Per Unit |
|----------------------------|---------------------|
| Detached Dwelling Units | \$221.00 |
| Attached Dwelling Units | \$192.00 |
| Mobile Home Dwelling Units | \$127.00 |

AQUATICS CENTER FACILITIES DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

Schedule 9.1, on the following page, is recommended as the schedule necessary and sufficient to maintain the City’s existing standard of aquatics center facilities space per resident.

CHAPTER ENDNOTES

1. Pool cost figures are consistent with similar costs from a similar agency and from commercial large-scale pool contractors.

Schedule 9.1

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 Calculation of Standard and Development Impact Fee Calculation
 Aquatics Center Facilities

| | | Pool Surface Capacity |
|--|-------------------------------|----------------------------|
| Current Pool Size (Surface Square Feet): | | 2,700 |
| Pool Square Feet Represented by Fund Balance (1) | | 758 |
| Total Pool Square Feet | | 3,458 |
| Current Population (2) | | 26,068 |
| (A) Existing Standards: | | |
| Square Feet of Surface S.F./Resident | | 0.133 |
| (B) Updated Construction Costs | | |
| Pool Cost per Surface Square Foot | | \$551.36 |
| Expansion Cost per Person (A X B) | | |
| Locker Building Cost per Resident | | |
| Pool Cost per Resident | | \$73.33 |
| Cost per land use | Density per Dwelling Unit (1) | Pool Construction Cost/Fee |
| Total Cost/Resident (above) | | \$73.33 |
| Detached Dwellings | 3.014 | \$221 |
| Attached Dwellings | 2.612 | \$192 |
| Mobile Homes (in parks) | 1.731 | \$127 |

1. Based upon an Aquatics Impact Fee Fund Balance of \$405,524 divided by the \$551.36/surface square foot cost.
2. Existing standards calculated based upon 2000 Census total population and dwelling density data is based on 2000 U.S. Census data.
3. Impact Fee assumes that the aquatics center would be located in a park thus no land cost is included.
4. Pool costs are based upon a turn-key basic 25 yard by 25 meter pool with decking, fencing, pump/filter equipment and changing/office/facilities building.

Chapter 10

Park Land and Trail Acquisition and Recreation Facilities Improvements

This Chapter summarizes the City's existing inventory of parks and identifies the ratio of park land per resident allowable under the Quimby Act (§66477 of the Government Code¹) for residential developments involving the subdivision of land and AB1600 (§66000) for the construction of residential developments not involving the subdivision of land. The existing per capita standard is then utilized to calculate the park dedication requirement for future residential development.

EXISTING PARKS AND RECREATION SYSTEM

Open space not-with-standing, intensive parks, trails and recreational facilities constitute one of Desert Hot Springs's greatest needs both with respect to facilities for current residents and future citizens. The provision of a well-planned park system with a variation in the size and nature of facilities offered, is an important amenity to residents of any city, Desert Hot Springs included. A mixture of passive and active uses and facilities and programs which appeal to a broad spectrum of potential park and trail users is considered optimal in most urban cities. The current acres owned by the City and dedicated to park use will serve well to meet the City's current needs. However if the number of park acres remains static at 56.96 acres, they will not continue to meet recreational demands in light of a potential 600% to 700% increase in the population capacity.

Future residential development, by increasing the City's population, will necessarily impact the City's park system by requiring additional baseball fields and adequate space for various athletic activities. Given the magnitude of growth projected in this Report, the challenge facing the City will be to provide new facilities and park land to serve the recreational needs of these new residents. Without some park land acquisition and continued development of currently owned but underutilized park land during the next twenty to thirty years, the City's parks will become overcrowded and overused, with the ultimate result becoming a negative experience for park users.

Existing Parks. Currently, the City owns approximately 54.84 acres of park land and an additional 2.12 of park land (developed) represented by the City's existing Park Land Acquisition and Park Facilities Development Impact Fee Fund Balance for a total of 56.86 owned acres. Mission Springs Park is the largest *developed* park, representing almost 36% of the developed park system acreage and provide the greatest variety of sports and passive uses.

Table 10-1, on the following page, is an inventory of the existing park acreage.

**Table 10-1
Current Park Inventory**

| | Park Size |
|---|--------------|
| Constitution Park | 0.25 |
| Corsini-Eastside Park | 21.02 |
| Hacienda Avenue Park | 2.50 |
| Hot Springs Park | 3.00 |
| Mission Springs Park | 12.00 |
| People's Park | 0.50 |
| Skyborne Park | 5.00 |
| Tedesco Park | 3.97 |
| Wardman Park | 6.60 |
| Park Acres from Impact Fund Fee Balance | 2.12 |
| Total Acres Owned | 56.96 |

City Park Standard. Table 10-2, following, is a comparison of the acreage of parks to Desert Hot Springs's current population and indicates that the City presently possesses a total standard of 2.18 acres of owned park land per 1,000 residents, (56.96 acres ÷ [26,068 residents ÷ 1,000], rounded). This is slightly below the benchmark of 3.0 acres per 1,000 persons contained in Section 66477 of the California Government Code relating to dedication of parks. The immediate addition of approximately 21.4 acres would allow the City to achieve the generally desired 3.0 acres of park land per thousand population.

**Table 10-2
Calculation of Actual City-owned Park
Acres Standard**

| | |
|--------------------------------|--------|
| Total Park Acres Owned | 56.96 |
| Population Stated in Thousands | 26,068 |
| Acres per 1,000 Population | 2.18 |

The Quimby Act, to be discussed later, allows a minimum standard of 3.0 acres per thousand population *even if the City does not reach that standard*. Thus the Quimby minimum of 3.00 acres per 1,000 population is greater than the City’s actual park acres standard of 2.18 acres per 1,000 population and will be used in the remainder of the Chapter for *park acquisition and construction*. The City’s General Plan, as with many in California, calls for 5.0 acres per 1,000. However the Quimby Act only allows a fee based upon greater than 3.0 acres per thousand if the city can demonstrate that they exceed the 3.0 acres or 1,000 population. Also, though not relevant to Desert Hot Springs, the Quimby Act has a cap of 5.0 acres per thousand (Government Code §66447 (a)(2)). Table 10–3, following indicates that the City will need to acquire 568.7 acres of land and develop it as active or passive park in order to achieve the Quimby Act, and the City’s basic target, standard of 3.0 acres per 1,000 residents.

Table 10-3
Calculation of Future Park Acres based
upon Quimby Maximum Allowable Standard

| | |
|--|---------|
| Future Potential Population Addition (Table 2-1) | 189,557 |
| Population Stated in Thousands | 189.557 |
| Allowable Quimby Act Park Standard | 3.00 |
| Parks Acres Required to Maintain Standard | 568.7 |

Planned Improvements. In addition to the continued improvement of the existing 56.96 acres², the City will need to acquire just under 570 park acres and develop these new parks to serve the additional residents anticipated to live in Desert Hot Springs at build-out. City staff has not proposed any specific improvements to existing parks or any new park configurations. The roughly 570 acres could be constructed in any of the following configurations:

Mini or “Pocket” Parks - This the smallest of the parks designations and though generally not planned due to higher maintenance costs, usually are the result of acquiring an unusual parcel of land sometimes with historical significance. Constitution Park fits best into this category.

Local or Neighborhood Parks - These parks are generally 3.5 to five acres and serve local (walk-in distance) users. Tedesco Park, at about four acres, best fits into this category.

Community or Sport Parks - These parks, to be functional, are usually ten acres or larger and are designed to meet the needs of the entire community. These needs include youth and adult sports organizations, clubs or associations and large scale community events such as 4th of July

celebrations or festivals. Mission Park fits as both a sports park and a community park. Wardman Park, although smaller at roughly 6.6 acres, functions within this category.

Linear Parks (trails) - These long and narrow parks are primarily used to connect non-contiguous park and social facilities. They typically are constructed to contain equine, bicycle and/or pedestrian walking paths. They may also have small areas of improvements such as benches and picnic tables, water fountains, kiosks, exercise implements and other minor facilities.

Staff has not specifically identified any preferred combination of the above sized parks that would total the nearly 570 acres of park land required to maintain the existing park standard.

The park and recreation improvements that could be contained within the 570 needed acres and the existing standard (Table 10-1) are both consistent with the City's Park and Recreation Element of the General Plan. The City's 2.18 acres per 1,000 population standard speaks well for the City as a three acre per 1,000 population standard is a common minimum target by municipalities and recreation and park special districts throughout Southern California. When completed, Desert Hot Springs will fall short of 3.0 acres per 1,000 standard by about 21.2 acres, a cost, that spread over 30 years, could easily be absorbed by the General Fund or financed by grants.

CALCULATION OF PARK DEDICATION STANDARD

Unlike the other facilities discussed in this Report, the California Government Code contains specific enabling legislation for the acquisition and development of community and neighborhood parks by a City. This legislation, codified as Section 66477 of the Government Code and known commonly as the "Quimby Act", establishes criteria for charging new development for park facilities based on specific park standards. This Report will recommend the adoption of Quimby-style park fees over an AB 1600-style development impact fee for developments requiring the subdivision of land and an AB 1600 fee for non-subdivided land.

Allowable Park Standard Again as stated earlier, under Section 66477 of the Government Code, the City may charge new residential development based on a standard of 3.0 acres per 1,000 population even if the City does not presently possess a ratio of 3.0 acres per 1,000 for the existing population. The Government Code also enables a city to charge development based on a standard higher than 3.0 acres (to a maximum of 5.0 acres) if the City currently, through park ownership, exceeds the minimum benchmark ratio of 3.0 acres per 1,000 persons.

The law states that "if the amount of existing neighborhood and community park area ... exceeds the [3 acres of park area per 1,000 person] limit ... the legislative body may adopt the calculated amount as a higher standard not to exceed 5 acres per 1,000 persons."³ Park fees may be required by the City provided that the City meets certain conditions including:

- The amount and location of land to be dedicated or the fees to be paid shall bear a reasonable relationship to the use of the park by the future inhabitants of the subdivision.
- The legislative body has adopted a general plan containing a recreational element, and the park and recreational facilities are in accordance with definite principles and standards contained therein.
- The city ... shall develop a schedule specifying how, when, and where it will use the land or fees, or both, to develop park or recreational facilities ... Any fees collected under the ordinance shall be committed within five years after the payment of such fees.

Determination of Park Standard. As previously identified, the City currently has 2.33 acres of owned and developed park land per 1,000 residents. The current demonstrable standard of developed park land owned is slightly less than the 3.0 acres per 1,000 benchmark cited by the Quimby Act. The City could legally require the dedication of the allowable 3.00 acres of owned land and developed park land per 1,000 persons for each development (or a fee in lieu of this amount).

CALCULATION OF IMPACT COSTS

Once a per capita standard for parks is determined, the cost of residential development's impact on the City's park system can then be computed as follows.

Park-land Acquisition Costs. Land costs will vary significantly from one proposed park to another. The park land to be acquired should be suitable for park construction and is conservatively estimated at approximately \$304,920 per acre (or \$7.00/square foot). This is consistent with the cost of land suitable for residential dwelling development. This figure is used in the calculation of the park impact fee. However, the use of this figure could be criticized if a developer can show that the cost of the residential land they are developing is valued less than the \$304,920/acre figure. The fee recommendation at the end of the Chapter will recognize this challenge.

Park Development Costs. Schedule 10.2 identifies the three major types of parks⁴ that the City will likely construct over General Plan build-out⁵ and the costs of the types and numbers of improvements generally included in that type of park⁶. Public use and aquatics facilities were not included in the cost calculation, (see Chapters 8 and 9). Table 10-4, on the following page, summarizes the average costs to develop an acre of park land for the three types of parks (mini parks are not included), based on figures which are consistent with the probable improvements and costs to build similar parks incurred by other communities (see Schedule 10.2). The table also indicates the three major types of parks, typical size of those parks and the numbers of those types of parks that could be constructed within the roughly 570 acres the City could finance through adoption of the Quimby Act that would allow the City to provide a balanced coverage of park needs

consistent with other park providers. The 570 acres will cost some \$113,597,052 to construct for an average construction cost of \$199,293 per acre.

Table 10-4
Average Park Construction Cost per Acre

| Type of Park | Typical Size (In acres) | Number of Parks | Total Park Acres | Cost per Acre | Total Park Construction Cost |
|--------------------|-------------------------|-----------------|------------------|---------------|------------------------------|
| Neighborhood Parks | 2.5 | 24 | 60 | \$134,467 | \$8,068,020 |
| Community Parks | 20.0 | 12 | 240 | \$173,122 | \$41,549,280 |
| Sports Parks | 30.0 | 9 | 270 | \$236,962 | \$63,979,740 |
| Total Cost | | | | | \$113,597,040 |
| Total Acres | | | 570 | | 570 |
| Average Cost/Acre | | | | | \$199,293 |

The \$199,293 per acre is then increased by 15%, to \$229,187 per acre to account for the park architectural design costs and then by 24% to \$284,192 per acre for the project administration, plan check, inspection and materials testing. Lastly, the \$284,192 per acre figure is increased by 20%, to \$341,020 for a typical park project contingency. The final “turn key” construction cost per acre is a combined \$341,030 per acre.

Average Park Acquisition and Development Cost per Capita. The combined park acquisition and development cost is \$645,950 per acre (\$304,920/acre for acquisition and \$341,030 per acre for development). If the City were to charge development for the maximum allowable amount of park acreage as allowed in the Quimby Act and as recommended here, then the City would need to acquire 3.00 acres of new park land for every potential 1,000 new residents to the City. The 3.00 acres of land acquisition and development per 1,000 persons would be \$1,937,850 or about \$1,937.85 per new resident (\$1,937,850/1,000 new residents). Schedule 10.1 calculates the cost to develop 3.00 acres, which again represents the required park land cost for 1,000 persons.

Average Cost per Dwelling Unit. Schedule 10.1 further calculates the cost per dwelling unit based on the per capita park land acquisition *and* development cost of \$1,937.85 (Schedule 10.1) and the average number of residents per unit for each category of housing. Detached dwelling residential housing has the highest number of persons per dwelling unit (@ 3.014 per unit) and consequently carries the highest impact fee, \$5,841 per unit (\$1,937.85 X 3.014 residents per unit, rounded). Attached dwellings have an average of 2.612 residents per unit and would need to be assessed

\$5,061 (2.612 X \$1,97.85, rounded). A mobile home, the least dense residential dwelling type would have a park impact fee of \$3,354 imposed (\$1,937.85 X 1.731 residents per unit, rounded). Schedule 10.1 at the end of the Chapter details a complete schedule of park impact fees for each of the four major classes of residential development (including detached dwellings). Table 10-5, following, summarizes the calculated and recommended fees for each of these three residential categories.

Table 10-5
Summary of Park Development Fees for
Residential Dwelling Construction

| Residential Land Use | Recommended Net Fee Per Unit |
|----------------------------|---------------------------------|
| Detached Dwelling Units | \$5,841 |
| Attached Dwelling Units | \$5,061 |
| Mobile Home Dwelling Units | \$3,354 |

The impact fees for detached dwelling residential development involving the subdivision of land, as identified in Table 10-5, should be adopted under the auspices of the Quimby Act. The impact fees for residential dwellings not requiring the sub-division of a parcel, will need to be adopted as an AB1600-supported impact fee.⁷

Park Land Acquisition and Park Facilities Development Impact Fee Calculation Example. Developers have been allowed to donate sites in the past and it is in the City's best interests to continue this practice. The size of the park needed to serve the proposed residential development, made slightly problematical due to the differential in parks acres owned and developed (3.00 acres/1,000 population) is calculated by multiplying the number of single and Attached residences to be developed by the average number of people living in the units. The example, demonstrated in Table 10-6, on the following page, calculates the developed park size required for a 500 detached dwelling unit development:

[This space required to place the entire Table 10-6 on one page]

Table 10-6
Example of Park Construction in lieu of Fee

| Park Development Requirement | Acquisition Cost | Development Cost | Total Cost |
|--|------------------|------------------|-------------|
| Proposed # of Detached Dwelling Homes | 500 | 500 | |
| Average # of Persons per Dwelling | 3.014 | 3.014 | |
| Anticipated Additional Population | 1,507 | 1,507 | |
| Basis of Standard (persons) | 1,000 | 1,000 | |
| Added Population divided by 1,000 | 1.507 | 1.507 | |
| Acres Required per 1,000 Population Standard | 3.00 | 3.00 | |
| Required Acres of Acquisition/Development | 4.52 | 4.52 | |
| Cost per Acre for Acquisition or Development | 304920 | 341030 | |
| Total Park Impact Fee | \$1,378,238 | \$1,541,456 | \$2,919,694 |
| Acquisition/Development Cost per Acre (\$304,920 + \$341,030/acre) | | | \$645,950 |
| Park Acres Required for a Proposed 500 Detached Dwelling Development | | | 4.52 |

Per the example above, the City and a developer could reach agreement on the park obligation in a number of ways. The following are a few examples. Note that each example requires the total \$2,919,694, required of the 500 detached dwelling development in any combination of land, improvements, or fee payment.

Option 1. The developer could make a \$2,919,694 Park Land Acquisition and Recreation Facilities Development Impact Fee payment and the City could use it (and combine with other parks fees) to construct the park elsewhere in the City. However, most large scale developers would probably prefer that the park be very near, if not within, the proposed subdivision.

Option 2. The developer could construct and donate a developed park smaller in size and make a payment for any remaining acres required of the developer. This option is generally only used when the proposed residential development is in excess of 950 homes.

Option 3. The developer could construct a 4.52 acre park and dedicate it to the City. A developed park this size would represent \$2,919,694 total acquisition and development impact fee. This would not likely be an option for the smaller developments resulting in parks less than 2.5 acres in size. A small park of this size generates significant annual maintenance costs with limited daily benefit so they are not generally desired.

Option 4. The City could combine other impact fees to the developer's 4.52 acre in-lieu fee or actual park contribution to create a larger park, assuming the developer agrees to make the larger park parcel available.

Option 5. The developer could donate 9.58 acres of undeveloped land, (\$2,919,694 total park land acquisition and park facilities development impact fee requirement divided by \$304,920/acre cost) and then the City could use other impact fees to develop it.

The key to understanding the flexibility of the options above is that each one represents the same amount in terms of a contribution to the City's park system with the result that the same amount has been contributed for each dwelling.

OTHER NOTES AND ISSUES

1. Land Acquisition Cost Adjustment Challenge. As mentioned previously, the use of \$7.00 per square foot (\$304,920) as the park land cost is based upon the assumption that park acreage would likely be close in proximity and thus similar in cost to residential land value of the project the park is intended to serve. However, if the developer or contractor of a home can provide evidence (acceptable to the City), in the form of a recent appraisal of the property they will be developing that the current land value is worth less than the \$304,920/acre (or \$7.00/square foot), the impact fee could be adjusted downward accordingly by placing the actual cost of land acquisition into Schedule 10.1. Again, if the City wishes to adopt such an adjustment, the terms under which the challenge may be made and proved should be included in the Impact Fee Ordinance. However, since it has been some time since the City constructed, in a single operation, a park. Thus, when that is done and better cost figures come to light, this fee should be updated.

2. Land Appraisal of Existing Parks. The City may wish to consider using some of the existing \$304,920 in existing Park Development Impact Fees to undertake and appraisal of all existing parks as though they were being acquired now and using that figure (per acre) for recalculating this impact fee.

3. Park Land/Trails and Recreational Facilities Master Plan. Given the significant amounts of vacant residentially-zoned land, the City should consider contracting for and undertaking a Park Land/Trails and Recreational Facilities Master Plan or create a park and Recreation Element for the General Plan to insure that the City have a clear and concise direction regarding future park and recreation facility needs.

PARK LAND et. al. DEVELOPMENT QUIMBY AND DEVELOPMENT IMPACT FEE RECOMMENDATION SUMMARY:

Schedule 10.1, on the following page, is recommended as the schedule necessary and sufficient to maintain the City’s existing standard of owned and developed park space per resident.

CHAPTER ENDNOTES

1. Adoption of a Quimby Act fee requires a Park “plan”.
2. The Quimby Act does allow use of revenues raised by the adoption of a Quimby Act Park Impact Fee to be used for rehabilitation of existing parks.
3. California Government Code, Title 7, Division 2, Section 66477 (b).
4. Totaling the roughly 570 acres of park land acquisition and development that could be expected to be financed by imposing the proposed impact fees over General Plan build-out.
6. Mini parks are not included in the mix as they are very costly to construct on a per acre cost and generally are expensive maintenance factors. Mini parks are rarely planned for but generally occur as a result of a land donation or as the recognition of a historical site.
6. Public use facilities are not included in the cost calculations and they have been removed and placed separately in Chapter 9.
7. This is necessary because the Quimby Act is referenced in the Subdivision Codes. Thus it may be necessary for the City to have two separate park impact funds to insure that no AB1600 park impact fee revenues are used for rehabilitation purposes.

Schedule 10.1

Park Site Inventory, Standard Calculation, and
 Quimby Fee for Land Acquisition
 and Facilities Development

| | Park Acres Owned | Park Acres Constructed | | |
|--|------------------------|---------------------------|-----------------------|---------------------|
| Constitution Park | 0.25 | 0.25 | | |
| Corsini–Eastside Park | 21.02 | 2.00 | | |
| Hacienda Avenue Park | 2.50 | 0.00 | | |
| Hot Springs Park | 3.00 | 3.00 | | |
| Mission Springs Park | 12.00 | 12.00 | | |
| People’s Park | 0.50 | 0.50 | | |
| Skyborne Park | 5.00 | 5.00 | | |
| Tedesco Park | 3.97 | 3.31 | | |
| Wardman Park | 6.60 | 6.60 | | |
| Park Represented by Fund Balance | 2.12 | 2.12 | | |
| Total Acres (Owned/Developed) | 56.96 | 34.78 | | |
| Current Population | 26,068 | 26,068 | | |
| Population/1,000 | 26.07 | 26.07 | | |
| Current Standard | 2.18 | 1.33 | | |
| Acres/1,000 Pop. Std. (allowed) | 3.00 | 3.00 | | |
| Cost per Acre | \$304,920 | \$341,030 | | |
| Cost X Standard | \$914,760 | \$1,023,090 | | |
| Population Served by Standard | 1,000.0 | 1,000.0 | | |
| Cost per Resident | \$914.76 | \$1,023.09 | \$1,937.85 | |
| | Occupants/ Dwelling | Land Acquisition | Park Construction | Total Park Costs |
| Detached Dwellings | 3.014 | \$2,757 | \$3,084 | \$5,841 |
| Attached Dwellings | 2.612 | \$2,389 | \$2,672 | \$5,061 |
| Mobile Homes (in Parks) | 1.731 | \$1,583 | \$1,771 | \$3,354 |
| Type of Land Use | Dwellings Expected | Persons/ Dwelling | Potential Citizens | |
| Detached Dwellings | 58,386 | 3.014 | 175,975 | |
| Attached Dwellings | 3,840 | 2.612 | 10,030 | |
| Mobile Home Dwellings | 2,052 | 1.731 | 3,552 | |
| Total | 64,278 | 2.949 | 189,557 | |
| Population Divided by 1,000 | | | 189.557 | |
| Existing Park Standard | | | 3.0 | |
| Required Acres to Serve Community | | | 568.8 | |

Schedule 10.2

City of Desert Hot Springs (SOI)
 2008–09 Development Impact Fee Calculation and Nexus Report
 Park Land Acquisition and Park Facilities Development
 Calculation of Average Park Facilities Constuction Cost

| Type or Nature of Park | Average Size | Number of Parks | Total Acres Required | Average Cost per Acre (1) | Total Cost |
|--|--------------|-----------------|----------------------|---------------------------|---------------|
| Neighborhood Park | 2.5 | 24 | 60 | \$134,467 | \$8,068,020 |
| Community Park | 20.0 | 12 | 240 | \$173,122 | \$41,549,280 |
| Sports Park | 30.0 | 9 | 270 | \$236,962 | \$63,979,740 |
| Total Cost to Construct Parks | | | | | \$113,597,040 |
| Number of Acres | | | 570 | | 570 |
| Average Acre Cost for Park Construction | | | | | \$199,293 |
| Park Architectural Plan Design | | | | | 115% |
| Net-Cost | | | | | \$229,187 |
| Project Administration, Plan Check, Inspection, etc. | | | | | 124% |
| Net-Cost | | | | | \$284,192 |
| Construction Contingency | | | | | 120% |
| Net-Cost | | | | | \$341,030 |

Schedule 10.3

City of Desert Hot Springs (SOI)

2008–09 Development Impact Fee Calculation and Nexus Report

Park Facilities Cost Estimates, by Type of Park

| | Unit Cost, Installed | | 5 Acre Neighborhood | | 20 Acre Community Park | |
|-----------------------------------|----------------------|-------------|---------------------|-----------|------------------------|-----------|
| Pub Imps, Road/curb, gutter, etc. | \$121 | Linear Foot | 1,040 | \$125,840 | 2,704 | \$327,184 |
| Lg Pk Grading/Irrigation/Turf | \$20,000 | Acre | 0 | \$0 | 15 | \$300,000 |
| Sm Pk Grading/Irrigation/Turf | \$25,000 | Acre | 5 | \$125,000 | 0 | \$0 |
| Plant Material: | | | | | | |
| Trees–5, 24 gallon box/acre | \$90 | Each | 60 | \$5,400 | 225 | \$20,250 |
| Trees–15, 15 gallon/acre | \$175 | Each | 30 | \$5,250 | 75 | \$13,125 |
| Shrubs–10, five gallon | \$20 | Each | 40 | \$800 | 150 | \$3,000 |
| Shrubs–30, one gallon | \$8 | Each | 120 | \$960 | 450 | \$3,600 |
| Play apparatus | | | | | | |
| Curbing, 450' per large | \$25.00 | Linear Foot | 0 | \$0 | 450 | \$11,250 |
| Curbing, 225' per small | \$25.00 | Linear Foot | 225 | \$5,625 | 225 | \$5,625 |
| Play equipment – large | \$75,000 | Lot | 0 | \$0 | 1 | \$75,000 |
| Play equipment – medium | \$60,000 | Lot | 1 | \$60,000 | 0 | \$0 |
| Play equipment – small | \$45,000 | Lot | 0 | \$0 | 2 | \$90,000 |
| Sand/Other Surfacing | \$3,500 | Lot | 1 | \$3,500 | 3 | \$10,500 |
| Buildings: | | | | | | |
| Restroom – Small | \$80,000 | Each | 1 | \$80,000 | 1 | \$80,000 |
| Restroom – Large | \$110,000 | Each | 0 | \$0 | 1 | \$110,000 |
| Equipment storage facility | \$60,000 | Each | 0 | \$0 | 0 | \$0 |
| Combined Restroom/Concession | \$180,000 | Each | 0 | \$0 | 1 | \$180,000 |
| Parking Lot | | | | | | |
| 4" A.C. W/6" Rock base | \$5.00 | Square foot | 12,000 | \$60,000 | 40,000 | \$200,000 |
| V-gutter | \$8.00 | Linear Foot | 300 | \$2,400 | 800 | \$6,400 |
| Drain Inlet | \$600 | Each | 1 | \$600 | 2 | \$1,200 |
| Drain Inlet connector | \$200 | Each | 1 | \$200 | 2 | \$400 |
| Storm drain line | \$12.00 | Linear Foot | 300 | \$3,600 | 200 | \$2,400 |
| Drive approach | \$1,800 | Each | 1 | \$1,800 | 4 | \$7,200 |
| Perimeter curbing | \$10.00 | Linear Foot | 490 | \$4,900 | 800 | \$8,000 |
| Striping | \$0.30 | Linear Foot | 400 | \$120 | 1,300 | \$390 |
| Lighting | \$1,800 | Each | 2 | \$3,600 | 18 | \$32,400 |
| Lot signage | \$200 | Lot | 1 | \$200 | 3 | \$600 |
| Entrance | \$3,000 | Lot | 1 | \$3,000 | 3 | \$9,000 |
| Curb and Gutter | \$9.25 | Linear Foot | 3,780 | \$34,965 | 3,232 | \$29,896 |
| Storm Drainage Facilities | | | | | | |
| Inlets | \$800 | Each | 2 | \$1,600 | 4 | \$3,200 |
| Connections | \$1,300 | Each | 2 | \$2,600 | 4 | \$5,200 |
| Lateral (to arterial) | \$50.00 | Linear Foot | 45 | \$2,250 | 80 | \$4,000 |
| Sewer Facilities | | | | | | |
| Connection to arterial | \$2,500 | Lot | 1 | \$2,500 | 1 | \$2,500 |
| Line in street | \$65.00 | Linear Foot | 29 | \$1,885 | 80 | \$5,200 |
| Line in park | \$15.00 | Linear Foot | 125 | \$1,875 | 1,500 | \$22,500 |
| Fire Hydrant | \$3,000 | Each | 1 | \$3,000 | 6 | \$18,000 |
| Street Lights | | | | | | |
| Standards | \$1,500 | Each | 3 | \$4,500 | 20 | \$30,000 |

Schedule 10.3

City of Desert Hot Springs (SOI)

2008–09 Development Impact Fee Calculation and Nexus Report

Park Facilities Cost Estimates, by Type of Park

| | Unit Cost, Installed | 5 Acre Neighborhood | | 20 Acre Community Park | |
|--------------------------------------|--------------------------|---------------------|-----------|------------------------|-------------|
| Duct work/wiring | \$950 Each | 3 | \$2,850 | 12 | \$11,400 |
| Water Facilities | | | | | |
| 3" Metered service | \$2,500 Each | 1 | \$2,500 | 1 | \$2,500 |
| Backflow device | \$2,500 Each | 1 | \$2,500 | 1 | \$2,500 |
| Line in street | \$12.00 Linear Foot | 1,320 | \$15,840 | 120 | \$1,440 |
| Water fountains | \$700.00 Each | 1 | \$700 | 8 | \$5,600 |
| Fountain lines in park | \$12.00 Linear Foot | 200 | \$2,400 | 1,000 | \$12,000 |
| Benches/Tables | | | | | |
| Tables, cement pads | \$1,500 Each | 4 | \$6,000 | 60 | \$90,000 |
| Individual Grills | \$500 Each | 2 | \$1,000 | 30 | \$15,000 |
| Benches, cement pads | \$550 Each | 4 | \$2,200 | 30 | \$16,500 |
| Bleachers | | | | | |
| Large Covered Picnic Area (lot) | \$3,500 Each | 0 | \$0 | 0 | \$0 |
| Individual Covered Picnic Pad | \$75,000 Each | 0 | \$0 | 2 | \$150,000 |
| User electrical service park | \$15,000 Each | 1 | \$15,000 | 10 | \$150,000 |
| Electrical service per area | \$10,000 Each | 0 | \$0 | 1 | \$10,000 |
| Game Courts | \$1,250 Each | 1 | \$1,250 | 6 | \$7,500 |
| Basketball courts | \$0 | | \$0 | | \$0 |
| Basketball Court Lighting | \$40,000 Each | 1.0 | \$40,000 | 1 | \$40,000 |
| Fenced tennis courts | \$35,000 Each | 0 | \$0 | 0 | \$0 |
| Tennis Court Lighting | \$60,000 Each | 0 | \$0 | 2 | \$120,000 |
| Baseball Field – competitive | \$35,000 Each | 0 | \$0 | 0 | \$0 |
| Ballfield Lighting | \$50,000 Each | 0 | \$0 | 0 | \$0 |
| Baseball Field – recreational | \$250,000 Per two fields | 0 | \$0 | 0 | \$0 |
| Pedestrian Walkway | \$15,000 Each | 1 | \$15,000 | 6 | \$90,000 |
| 5' wide | \$13.50 Linear Foot | 500 | \$6,750 | 2,000 | \$27,000 |
| 6' wide | \$17.50 Linear Foot | 100 | \$1,750 | 500 | \$8,750 |
| 9' wide | \$22.50 Linear Foot | 100 | \$2,250 | 500 | \$11,250 |
| Miscellaneous Flatwork | \$3.75 Linear Foot | 500 | \$1,875 | 8,500 | \$31,875 |
| Small Park Signage | \$2,750 Lot | 1 | \$2,750 | 0 | \$0 |
| Large Park Signage | \$15,000 Lot | 0 | \$0 | 1 | \$15,000 |
| Bike Rack/Pad | \$1,750 Each | 1 | \$1,750 | 6 | \$10,500 |
| Natural Element Improvement (Lake, e | \$500,000 Each | 0 | \$0 | 0 | \$0 |
| Small concrete stage | \$25,000 Each | 0 | \$0 | 0 | \$0 |
| Small Ampitheater stage only, graded | \$50,000 Each | 0 | \$0 | 0 | \$0 |
| Large Ampitheater with bowl | \$150,000 Each | 0 | \$0 | 1 | \$150,000 |
| Total Cost | | | 672,335 | | \$2,596,835 |
| Total Acres | | | 5 | | 15 |
| Average Cost per Acre | | | \$134,467 | | \$173,122 |

Schedule 10.3

City of Desert Hot Springs (SOI)
 2008–09 Development Impact Fee Calculation and Nexus Report
 Park Facilities Cost Estimates, by Type of Park

| | Unit Cost, Installed | | 20 Acre Sports Park | |
|-----------------------------------|----------------------|-------------|---------------------|-----------|
| Pub Imps, Road/curb, gutter, etc. | \$121 | Linear Foot | 2,704 | \$327,184 |
| Lg Pk Grading/Irrigation/Turf | \$20,000 | Acre | 20 | \$400,000 |
| Sm Pk Grading/Irrigation/Turf | \$25,000 | Acre | 0 | \$0 |
| Plant Material: | | | | |
| Trees–5, 24 gallon box/acre | \$90 | Each | 150 | \$13,500 |
| Trees–15, 15 gallon/acre | \$175 | Each | 50 | \$8,750 |
| Shrubs–10, five gallon | \$20 | Each | 100 | \$2,000 |
| Shrubs–30, one gallon | \$8 | Each | 300 | \$2,400 |
| Play apparatus | | | | |
| Curbing, 450' per large | \$25.00 | Linear Foot | 450 | \$11,250 |
| Curbing, 225' per small | \$25.00 | Linear Foot | 225 | \$5,625 |
| Play equipment – large | \$75,000 | Lot | 0 | \$0 |
| Play equipment – medium | \$60,000 | Lot | 1 | \$60,000 |
| Play equipment – small | \$45,000 | Lot | 2 | \$90,000 |
| Sand/Other Surfacing | \$3,500 | Lot | 3 | \$10,500 |
| Buildings: | | | | |
| Restroom – Small | \$80,000 | Each | 1 | \$80,000 |
| Restroom – Large | \$110,000 | Each | 1 | \$110,000 |
| Equipment storage facility | \$60,000 | Each | 1 | \$60,000 |
| Combined Restroom/Concession | \$180,000 | Each | 2 | \$360,000 |
| Parking Lot | | | | |
| 4" A.C. W/6" Rock base | \$5.00 | Square foot | 40,000 | \$200,000 |
| V-gutter | \$8.00 | Linear Foot | 800 | \$6,400 |
| Drain Inlet | \$600 | Each | 2 | \$1,200 |
| Drain Inlet connector | \$200 | Each | 2 | \$400 |
| Storm drain line | \$12.00 | Linear Foot | 200 | \$2,400 |
| Drive approach | \$1,800 | Each | 4 | \$7,200 |
| Perimeter curbing | \$10.00 | Linear Foot | 800 | \$8,000 |
| Striping | \$0.30 | Linear Foot | 1,300 | \$390 |
| Lighting | \$1,800 | Each | 18 | \$32,400 |
| Lot signage | \$200 | Lot | 3 | \$600 |
| Entrance | \$3,000 | Lot | 3 | \$9,000 |
| Curb and Gutter | \$9.25 | Linear Foot | 1,664 | \$15,392 |
| Storm Drainage Facilities | | | | |
| Inlets | \$800 | Each | 4 | \$3,200 |
| Connections | \$1,300 | Each | 4 | \$5,200 |
| Lateral (to arterial) | \$50.00 | Linear Foot | 80 | \$4,000 |
| Sewer Facilities | | | | |
| Connection to arterial | \$2,500 | Lot | 1 | \$2,500 |
| Line in street | \$65.00 | Linear Foot | 80 | \$5,200 |
| Line in park | \$15.00 | Linear Foot | 1,500 | \$22,500 |
| Fire Hydrant | \$3,000 | Each | 1 | \$3,000 |
| Street Lights | | | | |
| Standards | \$1,500 | Each | 20 | \$30,000 |

Schedule 10.3

City of Desert Hot Springs (SOI)

2008-09 Development Impact Fee Calculation and Nexus Report

Park Facilities Cost Estimates, by Type of Park

| | Unit Cost, Installed | 20 Acre Sports Park | |
|--------------------------------------|--------------------------|---------------------|-------------|
| Duct work/wiring | \$950 Each | 5 | \$4,750 |
| Water Facilities | | | |
| 3" Metered service | \$2,500 Each | 1 | \$2,500 |
| Backflow device | \$2,500 Each | 1 | \$2,500 |
| Line in street | \$12.00 Linear Foot | 120 | \$1,440 |
| Water fountains | \$700.00 Each | 8 | \$5,600 |
| Fountain lines in park | \$12.00 Linear Foot | 1,000 | \$12,000 |
| Benches/Tables | | | |
| Tables, cement pads | \$1,500 Each | 30 | \$45,000 |
| Individual Grills | \$500 Each | 10 | \$5,000 |
| Benches, cement pads | \$550 Each | 15 | \$8,250 |
| Bleachers | \$3,500 Each | 8 | \$28,000 |
| Large Covered Picnic Area (lot) | \$75,000 Each | 0 | \$0 |
| Individual Covered Picnic Pad | \$15,000 Each | 4 | \$60,000 |
| User electrical service park | \$10,000 Each | 1 | \$10,000 |
| Electrical service per area | \$1,250 Each | 4 | \$5,000 |
| Game Courts | | | |
| Basketball courts | \$40,000 Each | 3 | \$120,000 |
| Basketball Court Lighting | \$35,000 Each | 8 | \$280,000 |
| Fenced tennis courts | \$60,000 Each | 8 | \$480,000 |
| Tennis Court Lighting | \$35,000 Each | 8 | \$280,000 |
| Baseball Field – competitive | \$50,000 Each | 8 | \$400,000 |
| Ballfield Lighting | \$250,000 Per two fields | 4 | \$1,000,000 |
| Baseball Field – recreational | \$15,000 Each | 0 | \$0 |
| Pedestrian Walkway | | | |
| 5' wide | \$13.50 Linear Foot | 1,000 | \$13,500 |
| 6' wide | \$17.50 Linear Foot | 250 | \$4,375 |
| 9' wide | \$22.50 Linear Foot | 250 | \$5,625 |
| Miscellaneous Flatwork | \$3.75 Linear Foot | 4,000 | \$15,000 |
| Small Park Signage | \$2,750 Lot | 0 | \$0 |
| Large Park Signage | \$15,000 Lot | 1 | \$15,000 |
| Bike Rack/Pad | \$1,750 Each | 6 | \$10,500 |
| Natural Element Improvement (Lake, e | \$500,000 Each | 0 | \$0 |
| Small concrete stage | \$25,000 Each | 1 | \$25,000 |
| Small Ampitheater stage only, graded | \$50,000 Each | 0 | \$0 |
| Large Ampitheater with bowl | \$150,000 Each | 0 | \$0 |
| Total Cost | | | \$4,739,231 |
| Total Acres | | | 20.00 |
| Average Cost per Acre | | | \$236,962 |

Appendix A

Summary of Recommendations

SUMMARY OF RECOMMENDATIONS
(Sphere of Influence Area-based DIFs)

Chapter 3 - Law Enforcement Vehicles, Facilities and Equipment

- Adopt Schedule 3.3, page 37, *Equity-based Development Impact Fees*.

Chapter 4 - Fire Facilities and Response Vehicles

- Adopt Schedule 4.2, page 49, *Marginal Needs-based Development Impact Fees*.

Chapter 5 - Circulation (street, signal and bridge) System

- Adopt Schedule 5.2, page 65, *Marginal Needs-based Development Impact Fees*, and the *ALTERNATIVE COST METHODOLOGY*, per single trip from Schedule 5.2 to apply the ITE Trip Calculation, 7th Edition for Commercial/Industrial Uses for unusual private projects or Table 5-3.

Chapter 6 - Storm Drainage Collection System

- Adopt Schedule 6.4, p.81, *Fair Share at General Plan/Sphere of Influence Buildout-based Development Impact Fees*, with alternative use of the use Distribution of “Equity” per Acre column for non-pad based construction (e.g. a parking lot expansion).

Chapter 7 - General Facilities, Vehicles and Equipment

- Adopt Schedule 7.2, page 88, *Marginal Needs-based Development Impact Fees*.

Chapters 8, Public Use (community centers) and 9, Aquatic Center Facilities

- Create a *Public Use Facilities Development Impact Fee Fund*.

Chapter 8 - Public Use Facilities ● Adopt Schedule 8.1 page 94.

Chapter 9 - Aquatics Center Facilities ● Adopt Schedule 9.1, page 98.

Chapter 10 - Park Land and Trails Acquisition and Park Facilities Development

- Create Quimby Act Park Land and Trails Acquisition and Park Facilities Development Impact Fee Fund.
- Adopt Schedule 10.1, page 109, for residential uses requiring the sub-division of land for Quimby Act application. See Note #1.
- Create AB1600 Park Land and Trails Acquisition and Park Facilities Development Impact Fee Fund.
- Adopt Schedule 10.1, page 109, for residential uses not requiring the sub-division of land for AB1600 application. See Note #1.

NOTES:

(1). Separate Park Land Acquisition and Development Funds are necessary because the Quimby Act allows use of receipts for rehabilitation of existing facilities whereas the AB1600 requirements prevent such expenditures.

Appendix B

Expanded Land-use Database

Appendix B

City of Desert Hot Springs (SOI)
 2008–09 Development Impact Fee Calculation and Nexus Report
 Land Use Database – Summary of All Sections

| Total – Entire City and Sphere of Influence | Existing Development | | Anticipated Development | | Total G.P. Development | |
|--|----------------------|------------------|-------------------------|-------------------|------------------------|-------------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 2,905.9 | 8,608 | 16,753.5 | 58,386 | 19,659.4 | 66,994 |
| Attached Dwelling Units | 458.7 | 3,732 | 825.9 | 3,840 | 1,284.6 | 7,572 |
| Mobile Home Units | 496.3 | 2,836 | 193.7 | 2,052 | 690.0 | 4,888 |
| Commercial Lodging Units | 12.9 | 600 | 185.1 | 4,592 | 198.0 | 5,192 |
| Commercial/Office SF | 49.2 | 750,103 | 217.6 | 3,633,122 | 266.8 | 4,383,225 |
| Industrial/Manufacturing SF | 13.0 | 283,140 | 2,878.2 | 62,687,196 | 2,891.2 | 62,970,336 |
| Total | 3,936.0 | | 21,054.0 | | 24,990.0 | |
| <i>Summary:</i> | | | | | | |
| <i>Residential Dwellings</i> | <i>3,860.9</i> | <i>15,176</i> | <i>17,773.1</i> | <i>64,278</i> | <i>21,634.0</i> | <i>79,454</i> |
| <i>Commercial Units</i> | <i>12.9</i> | <i>600</i> | <i>185.1</i> | <i>4,592</i> | <i>198.0</i> | <i>5,192</i> |
| <i>Business Uses in S.F.</i> | <i>62.2</i> | <i>1,033,243</i> | <i>3,095.8</i> | <i>66,320,318</i> | <i>3,158.0</i> | <i>67,353,561</i> |

| Total–Existing City Limits (B2 and B3) | Existing Development | | Anticipated Development | | Total G.P. Development | |
|---|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 1,577.6 | 7,465 | 6,442.5 | 24,319 | 8,020.1 | 31,784 |
| Attached Dwelling Units | 449.3 | 3,033 | 251.7 | 2,141 | 701.0 | 5,174 |
| Mobile Home Units | 29.3 | 671 | 2.3 | 138 | 31.6 | 809 |
| Commercial Lodging Units | 6.0 | 569 | 12.6 | 280 | 18.6 | 849 |
| Commercial/Office SF | 40.2 | 612,889 | 88.3 | 1,661,814 | 128.5 | 2,274,703 |
| Industrial/Manufacturing SF | 8.0 | 174,240 | 927.6 | 20,203,128 | 935.6 | 20,377,368 |
| Total | 2,110.4 | | 7,725.0 | | 9,835.4 | |

| Total–Outside City Limits (B4, B5, B6 and B7) | Existing Development | | Anticipated Development | | Total G.P. Development | |
|--|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 1,328.3 | 1,143 | 10,311.0 | 34,067 | 11,639.3 | 35,210 |
| Attached Dwelling Units | 9.4 | 699 | 574.2 | 1,699 | 583.6 | 2,398 |
| Mobile Home Units | 467.0 | 2,165 | 191.4 | 1,914 | 658.4 | 4,079 |
| Commercial Lodging Units | 6.9 | 31 | 172.5 | 4,312 | 179.4 | 4,343 |
| Commercial/Office SF | 9.0 | 137,214 | 129.3 | 1,971,308 | 138.3 | 2,108,522 |
| Industrial/Manufacturing SF | 5.0 | 108,900 | 1,950.6 | 42,484,068 | 1,955.6 | 42,592,968 |
| Total | 1,825.6 | | 13,329.0 | | 15,154.6 | |

Appendix B

City of Desert Hot Springs (SOI)
 2008–09 Development Impact Fee Calculation and Nexus Report
 Land Use Database – Summary of All Sections

Table B-2

| Area #1, Urban "in-fill" Areas, within City Limits | Existing Development | | Anticipated Development | | Total G.P. Development | |
|---|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 1,516.1 | 7,195 | 802.9 | 2,810 | 2,319.0 | 10,005 |
| Attached Dwelling Units | 449.3 | 3,033 | 191.1 | 1,529 | 640.4 | 4,562 |
| Mobile Home Units | 29.3 | 671 | 1.0 | 20 | 30.3 | 691 |
| Commercial Lodging Units | 6.0 | 569 | 7.0 | 175 | 13.0 | 744 |
| Commercial/Office SF | 40.2 | 612,889 | 40.0 | 609,840 | 80.2 | 1,222,729 |
| Industrial/Manufacturing SF | 8.0 | 174,240 | 0.0 | 0 | 8.0 | 174,240 |
| Sub-Total | 2,048.9 | | 1,042.0 | | 3,090.9 | |

Table B-3

| Area #2, Specific Plan Areas within City Limits | Existing Development | | Anticipated Development | | Total G.P. Development | |
|--|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 61.5 | 270 | 5,639.6 | 21,509 | 5,701.1 | 21,779 |
| Attached Dwelling Units | 0.0 | 0 | 60.6 | 612 | 60.6 | 612 |
| Mobile Home Units | 0.0 | 0 | 1.3 | 118 | 1.3 | 118 |
| Commercial Lodging Units | 0.0 | 0 | 5.6 | 105 | 5.6 | 105 |
| Commercial/Office SF | 0.0 | 0 | 48.3 | 1,051,974 | 48.3 | 1,051,974 |
| Industrial/Manufacturing SF | 0.0 | 0 | 927.6 | 20,203,128 | 927.6 | 20,203,128 |
| Sub-Total | 61.5 | | 6,683.0 | | 6,744.5 | |

TABLE B-4

| Area #3, Pierson Corridor Area Outside City Limits | Existing Development | | Anticipated Development | | Total G.P. Development | |
|---|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 157.9 | 102 | 1,005.5 | 3,519 | 1,163.4 | 3,621 |
| Attached Dwelling Units | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Mobile Home Units | 3.0 | 165 | 0.0 | 0 | 3.0 | 165 |
| Commercial Lodging Units | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Commercial/Office SF | 0.0 | 0 | 77.0 | 1,173,942 | 77.0 | 1,173,942 |
| Industrial/Manufacturing SF | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Sub-Total | 160.9 | | 1,082.5 | | 1,243.4 | |

Appendix B

City of Desert Hot Springs (SOI)
 2008–09 Development Impact Fee Calculation and Nexus Report
 Land Use Database – Summary of All Sections

TABLE B-5

| Area #4, Northside Annexation, Outside City Limits | Existing Development | | Anticipated Development | | Total G.P. Development | |
|--|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 0.0 | 0 | 682.0 | 366 | 682.0 | 366 |
| Attached Dwelling Units | 0.0 | 0 | 574.2 | 1,699 | 574.2 | 1,699 |
| Mobile Home Units | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Commercial Lodging Units | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Commercial/Office SF | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Industrial/Manufacturing SF | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Sub-Total | 0.0 | | 1,256.2 | | 1,256.2 | |

TABLE B-6

| Area #5, Acosta Parcels Outside City Limits | Existing Development | | Anticipated Development | | Total G.P. Development | |
|---|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 568.0 | 14 | 525.3 | 1,838 | 1,093.3 | 1,852 |
| Attached Dwelling Units | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Mobile Home Units | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Commercial Lodging Units | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Commercial/Office SF | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Industrial/Manufacturing SF | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Sub-Total | 568.0 | | 525.3 | | 1,093.3 | |

TABLE B-7

| Area #6 Remainder of Sphere | Existing Development | | Anticipated Development | | Total G.P. Development | |
|--------------------------------|----------------------|------------|-------------------------|------------|------------------------|------------|
| | Acres | # of Units | Acres | # of Units | Acres | # of Units |
| Detached Dwelling Units | 602.4 | 1,027 | 8,098.2 | 28,344 | 8,700.6 | 29,371 |
| Attached Dwelling Units | 9.4 | 699 | 0.0 | 0 | 9.4 | 699 |
| Mobile Home Units | 464.0 | 2,000 | 191.4 | 1,914 | 655.4 | 3,914 |
| Commercial Lodging Units | 6.9 | 31 | 172.5 | 4,312 | 179.4 | 4,343 |
| Commercial/Office SF | 9.0 | 137,214 | 52.3 | 797,366 | 61.3 | 934,580 |
| Industrial/Manufacturing SF | 5.0 | 108,900 | 1,950.6 | 42,484,068 | 1,955.6 | 42,592,968 |
| Sub-Total | 1,096.7 | | 10,465.0 | | 11,561.7 | |

End of Report