CITY OF GRASS VALLEY

Development Impact Fee Study DRAFT Final Report

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Table of Contents

Executive Summary	S-1
Organization of the Report	S-1
Development Projections	S-1
Impact Fee Analysis	S-2
Impact Fee Summary	S-4
Chapter 1. Introduction	1-1
Purpose	1-1
Legal Framework for Developer Fees	1-1
Recent Legislation	1-6
Impact Fee Calculation Methodology	1-8
Facilities Addressed in this Study	1-9
Chapter 2. Development Data	2-1
Study Area and Time Frame	2-1
Development Types	2-1
Residential Development and Population	2-3
Units of Development	2-3
Demand Variables	2-3
Demand Factors	2-7
Existing and Future Development	2-9
Growth Potential	2-12
Chapter 3. Park Land and Park Improvements	3-1
Methodology	3-1
Service Area	3-1
Demand Variable	3-1
Existing Facilities and Existing Level of Service	3-1
Cost Per Capita	3-3
Impact Fees per Unit	3-5
Projected Revenue	3-7
Updating the Fees	3-8
Nexus Summary	3-8

Chapter 4. Fire Protection Facilities	4-1
Service Area	4-1
Demand Variable	4-1
Methodology	4-2
Level of Service	4-2
Facilities, Apparatus and Equipment	4-2
Cost per Call for Service	4-3
Impact Fees per Unit	4-4
Projected Revenue	4-5
Updating the Fees	4-5
Nexus Summary	4-6
Chapter 5. Police Facilities	5-1
Service Area	5-1
Demand Variable	5-1
Methodology	5-1
Level of Service	5-2
Facilities, Vehicles and Equipment	5-2
Cost per Call for Service	5-3
Impact Fees per Unit	5-4
Projected Revenue	5-5
Updating the Fees	5-5
Nexus Summary	5-6
Chapter 6. General Government Facilities	6-1
Service Area	6-1
Demand Variable	6-1
Methodology	6-1
Level of Service	6-1
Facilities, Vehicles and Equipment	6-2
Cost per Capita	6-4
Impact Fees per Unit	6-5
Projected Revenue	6-6
Updating the Fees	6-7
Nexus Summary	6-7

Chapter 7. Storm Drainage Improvements	7-1
Service Area	7-1
Methodology	7-1
Level of Service	7-1
Demand Variable	7-1
Drainage System Improvements	7-2
Acres of Impervious Surface Area by Development Type	7-2
Cost per Acre of Impervious Surface Area	7-3
Impact Fees Per Unit	7-4
Projected Revenue	7-4
Updating the Fees	7-4
Nexus Summary	7-5
Chapter 8. Administrative Fee	8-1
Chapter 9. Implementation	9-1
Adoption	9-1
Administration	9-2
Requirements Imposed by AB 602	9-6
Training and Public Information	9-7
Recovery of Administrative Costs	9-7

Appendices

Storm Drain Improvement Project Cost Detail	Appendix A
Fee Comparison	Appendix B

Executive Summary

The City of Grass Valley has retained NBS Government Finance Group to prepare this study to analyze the impacts of new development on several types of City capital facilities and to calculate impact fees based on that analysis. The methods used in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000 *et seq.*) and the Quimby Act (Government Code Section 66477) where applicable.

Organization of the Report

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

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

Chapters 3 through 7 analyze the impacts of development on specific types of facilities and calculate impact fees for those facilities. The facilities addressed in this report are listed by chapter below:

- Chapter 3. Park Land, Park and Recreation Improvements and Trails
- Chapter 4. Fire Protection Facilities
- Chapter 5. Police Facilities
- Chapter 6. General Government Facilities
- Chapter 7. Storm Drainage System Improvements

Chapter 8 analyses the basis for an administrative charge that the City may wish to add to the impact fees calculated in this report and Chapter 9 contains recommendations for adopting and implementing impact fees, including suggested findings to satisfy the requirements of the Mitigation Fee Act.

Development Projections

Chapter 2 of this report presents estimates of existing development in Grass Valley and a forecast of future development out to 2040. Future development shown in Chapter 2 indicates that the City's population could increase by about 36% to almost 18,500 by 2040. Other measures of development such as employment and police and fire calls for service are projected to increase in the range of 18% to 28%.

The methods used to calculate impact fees in this report do not depend on assumptions about the rate or timing of future development. The future development projected in Chapter 2 may occur sooner or later than 2040 without affecting the validity of the impact fee calculations.

Chapter 2 also establishes values for factors such as population per unit, service population per unit, and police and fire calls per unit that are used in the impact fee calculations.



It is important to note that because of provisions of AB 602 that were incorporated into California law effective in 2022, impact fees for residential development in this study are based on unit size categories rather than unit type (e.g., single-family or multi-family units).

Impact Fee Analysis

The impact fee analysis for each type of facility addressed in this report is presented in a separate chapter. In each case, the relationship, or nexus, between development and the need for a particular type of facility is defined in a way that allows the impact of additional development on facility needs to be quantified.

The impact fees are based on capital costs for facilities and other capital assets needed to mitigate the impacts of additional development. Impact fees may not be used for maintenance or operating costs. Impact fees calculated in this report are shown on page S-5 of this Executive Summary.

The following paragraphs briefly discuss the methods used to calculate impact fees for the facilities addressed in this study.

Parks and Recreation Facilities. Chapter 3 of this report calculates impact fees for park land acquisition, park and recreation improvements and trails. The cost of park maintenance vehicles and equipment is included in the cost of park and recreation improvements. The following paragraphs discuss the three types of impact fees calculated in Chapter 3.

<u>Park Land Impact Fees</u>. The City has a Quimby Act ordinance that governs park land dedication and fees in lieu of dedication for residential development involving a subdivision or parcel map. This study calculates a separate park land impact fee that can be applied to residential development that does not involve a subdivision and therefore is not subject to Quimby Act inlieu fees. These fees are based on the relationship between the City's current population and existing park acreage.

<u>Park and Recreation Improvement Impact Fees.</u> The park and recreation impact fees in Chapter 3 are based on the relationship between the City's existing population and the replacement cost of existing park and recreation improvements. Park maintenance vehicles and equipment are also included. Costs for facilities funded by Measure E are excluded from the impact fee analysis.

<u>Trail Impact Fees.</u> Impact fees for trails are based on the relationship between the City's existing population and the replacement cost of existing trails.

For all of the fees calculated in Chapter 3, the existing level of service is established as a cost per capita which is then converted into fees per unit of residential development based on the estimated average population per unit for each category of residential development defined in this report. Because parks and recreation facilities are intended to serve residents of the City, these fees apply only to residential development.



Fire Protection Facilities. Chapter 4 calculates impact fees for fire protection facilities, including apparatus and vehicles, based on the existing level of service in the City. The existing level of service is defined as the relationship between the replacement cost of existing Fire Department capital assets and the number of calls for service per year received by the Fire Department. That relationship is stated as a cost per call for service per year.

As part of this study, NBS analyzed the distribution of Fire Department calls for service for a full year to determine the average number of calls per unit per year generated by different types of development. The impact fee per unit for each type of development is calculated by multiplying the cost per call by the number of calls per unit per year for that type of development. Fire protection impact fees are intended to apply to all types of new development in the City.

Police Facilities. Chapter 5 calculates impact fees for Police Department facilities and vehicles based on the existing level of service in the City. The existing level of service is defined as the relationship between the replacement cost of existing Police Department facilities, vehicles and equipment and the number of calls for service per year received by the Department. That relationship is stated as a cost per call for service per year.

As part of this study, NBS analyzed the distribution of Police Department calls for service for a full year to determine the average number of calls per unit per year generated by different types of development. The impact fee per unit for each type of development is calculated by multiplying the cost per call and the number of calls per unit per year for that type of development. Police impact fees are intended to apply to all types of new development in the City.

General Government Facilities. Chapter 6 calculates impact fees for Grass Valley's general government facilities including City Hall, the corporation Yard, as well as a small number of general government vehicles. The impact of development on the need for those facilities is represented by service population, which is a weighted composite of resident population and employees of businesses in the City. See Chapter 2 for a more detailed discussion of service population. Impact fees for general government assets are based on the existing level of service which is defined as the relationship between the City's existing service population the replacement cost of existing assets. That relationship is stated as a cost per capita of service population.

Chapter 6 also calculates impact fees for animal control facilities. Those fees assume that the need for animal control services is driven by residential development. The existing level of service for animal control facilities is defined as the relationship between the City's existing population and the replacement cost of existing animal control facilities. That relationship is stated as a cost per capita of population.

The impact fees per unit for general government and animal control facilities for each category of development are calculated by multiplying the cost per capita by the population or service population per unit for that type of development.



Impact fees for general government facilities are intended to apply all types of new development in the City. Impact fees for animal control facilities are intended to apply only to residential development.

Storm Drainage Impact Fees. In Chapter 7, this report updates storm drainage impact fees based on a list of improvement needs from a March 1986 Storm Drainage Master Plan. Costs for those improvements have been escalated to 2022 levels by the Grass Valley City Engineer. No cost is shown in Chapter 7 for some improvements that have been completed. Costs for storm drainage improvements are allocated to various types of development based on the added impervious surface area per acre for each type of development. Added impervious surfaces such as roofs and paving increase the amount of runoff into the drainage system. Impact fees for storm drainage improvements are calculated as per-acre fees rather than per-unit fees as is the case for other impact fees in this study.

In addition, the land use categories used to calculate storm drainage impact fees are not consistent with the categories of development used for other impact fees in this study, so the storm drainage impact fees are shown in a separate schedule from other impact fees in the next section.

Impact Fee Summary

Table S.1 on the next page summarizes the impact fees calculated in this report. Because they are based on acreage rather than units, storm drainage impact fees are shown separately in Table S.5. Blank areas in Table S.1 indicate that some impact fees are calculated only for residential development. Table S.1 does not show impact fees that would apply to public facilities and K-12 public schools, because the City is unable or unlikely to impose those fees.

Table S.1 also does not show impact fees for park land acquisition calculated in this study because they would apply to a relatively small percentage of new residential developments. Residential development involving a subdivision or parcel map would be subject to the requirements of the City's Quimby Act ordinance instead. (See Municipal Code Chapter 17.86 for park land dedication and in-lieu fee requirements for subdivisions).

Also note that, as discussed previously, residential development categories shown in Table S.1 are defined in terms of unit size rather than the unit type because of changes to State law adopted in AB 602 and effective in 2022.



Table S.1: Summa	ary of Proposed	l Citywide Impact	Fees
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Development	Unit	Park				General	
Туре	Type ¹	Imprvmts	Trails	Fire	Police	Gov't ²	Total
Residential: <800 Sq. Ft.	DU	2,700.99	265.67	295.23	404.33	1,047.89	\$ 4,714.10
Residential: 800-1,200 Sq. Ft.	DU	2,843.15	279.65	469.68	505.41	1,103.04	\$ 5,200.93
Residential: >1,200-2,100 Sq. Ft.	DU	2,985.31	293.63	603.88	606.49	1,158.19	\$ 5,647.50
Residential: >2,100 Sq. Ft.	DU	3,127.46	307.62	738.08	673.88	1,213.34	\$ 6,060.38
Commercial	KSF			372.31	1,419.94	529.17	\$ 2,321.42
Hotel/Lodging	Room			600.94	465.13	121.37	\$ 1,187.44
Office	KSF			102.39	219.69	470.91	\$ 792.99
Medical Office	KSF			663.49	1,412.88	451.49	\$ 2,527.87
Hospital Facilities	Bed			2,213.05	1,514.74	3,514.83	\$ 7,242.62
Light Industrial	KSF			44.20	120.72	208.75	\$ 373.67
Manufacturing	KSF			102.87	59.87	300.99	\$ 463.74
Warehouse	KSF			41.70	104.45	92.24	\$ 238.39
College/University	Students			1.53	3.08	48.55	\$ 53.16

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel guest room; Bed = patient bed

² General government impact fees include animal control impact fees

Table S.2 shows the proposed impact fees from Table S.1 with the addition of a 0.6% administrative fee to cover the cost of periodic impact fee update studies. That percentage is calculated as the average annual cost of preparing an impact fee update study every five years (\$10,000) divided by the projected annual revenue from impact fees (\$1,663,931). That annual revenue estimate is based on 1/18th of the total impact fee revenue of \$29,951,000 projected from 2023 to 2040 based on the proposed impact fees shown in Table S.1 and the amount of future development shown in Chapter 2. See Chapter 8 for more detail.

Development	Unit	Park	Park			General	
Туре	Type ¹	Imprvmts	Trails	Fire	Police	Gov't ²	Total
Residential: <800 Sq. Ft.	DU	2,717.47	267.29	297.03	406.79	1,054.28	\$ 4,742.86
Residential: 800-1,200 Sq. Ft.	DU	2,860.49	281.36	472.55	508.49	1,109.77	\$ 5,232.66
Residential: >1,200-2,100 Sq. Ft.	DU	3,003.52	295.42	607.56	610.19	1,165.26	\$ 5,681.95
Residential: >2,100 Sq. Ft.	DU	3,146.54	309.49	742.58	677.99	1,220.75	\$ 6,097.34
Commercial	KSF			374.58	1,428.60	532.39	\$ 2,335.58
Hotel/Lodging	Room			604.61	467.97	122.11	\$ 1,194.69
Office	KSF			103.02	221.03	473.78	\$ 797.83
Medical Office	KSF			667.54	1,421.50	454.24	\$ 2,543.29
Hospital Facilities	Bed			2,226.55	1,523.98	3,536.27	\$ 7,286.80
Light Industrial	KSF			44.47	121.46	210.03	\$ 375.95
Manufacturing	KSF			103.50	60.24	302.83	\$ 466.56
Warehouse	KSF			41.95	105.09	92.80	\$ 239.84
College/University	Students			1.54	3.10	48.84	\$ 53.49

Table S.2: Summary of Proposed Citywide Impact Fees Including 0.6% Administration Fee

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel guest room; Bed = patient bed

² General government impact fees include animal control impact fees



City of Grass Valley Development Impact Fee Study November 9, 2022 Table S.3 shows the City's existing impact fees. The City's existing residential impact fees are defined in terms of unit type (e.g., single-family or multi-family) while the proposed impact fees are defined in terms of unit size categories. To make a comparison between the two sets of fees possible, Table S.3 equates the two smaller unit size categories with multi-family units and the two larger unit size categories with single-family units.

Another area where the comparison requires some adjustment is for hospital facilities. The proposed impact fees for hospital facilities are based on the number of beds while the City's existing impact fees for hospitals are per 1,000 square feet (KSF). The relationship between beds and square footage in a typical community hospital is roughly 2,000 square feet per bed, so in Table S.3 we have doubled the fees per KSF to convert them into per-bed fees for comparison.

Development	Unit	Park				General	
Туре	Type ¹	Imprvmts	Trails	Fire	Police	Gov't.	Total
Residential: <800 Sq. Ft.	DU	2,423.49	0.00	715.87	289.13	393.87	\$ 3,822.36
Residential: 800-1,200 Sq. Ft.	DU	2,423.49	0.00	715.87	289.13	393.87	\$ 3,822.36
Residential: >1,200-2,100 Sq. Ft.	DU	2,945.92	0.00	870.19	346.82	478.57	\$ 4,641.50
Residential: >2,100 Sq. Ft.	DU	2,945.92	0.00	870.19	346.82	478.57	\$ 4,641.50
Commercial	KSF			772.29	635.05	256.96	\$ 1,664.30
Hotel/Lodging	Room			164.75	126.88	54.93	\$ 346.56
Office	KSF			1,005.77	288.14	334.98	\$ 1,628.89
Medical Office	KSF			939.51	472.71	312.51	\$ 1,724.73
Hospital Facilities	Bed			782.82	229.87	260.82	\$ 1,273.51
Light Industrial	KSF			534.73	91.36	18.55	\$ 644.64
Manufacturing	KSF			391.61	49.95	138.13	\$ 579.69
Warehouse	KSF			295.40	64.89	98.75	\$ 459.04
College/University	N/A				No Existing	g Fee	

Table S.3: Summary of Existing Impact Fees

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel guest room; Bed = patient bed

Table S.4 shows the difference between the existing impact fees in Table S.3 and the proposed impact fees including the administrative fee from Table S.2. Numbers in parentheses indicate that the proposed fees are lower than the existing fees.



Table S.4: Difference Between Existing and Proposed Citywide Impact Fees

Development	Unit	Park	Park			General	
Туре	Type ¹	Imprvmts	Trails	Fire	Police	Gov't.	Total
Residential: <800 Sq. Ft.	DU	293.98	267.29	(418.84)	117.66	660.41	\$ 920.50
Residential: 800-1,200 Sq. Ft.	DU	437.00	281.36	(243.32)	219.36	715.90	\$ 1,410.30
Residential: >1,200-2,100 Sq. Ft.	DU	57.60	295.42	(262.63)	263.37	686.69	\$ 1,040.45
Residential: >2,100 Sq. Ft.	DU	200.62	309.49	(127.61)	331.17	742.18	\$ 1,455.84
Commercial	KSF			(397.71)	793.55	275.43	\$ 671.28
Hotel/Lodging	Room			439.86	341.09	67.18	\$ 848.13
Office	KSF			(902.75)	(67.11)	138.80	\$ (831.06)
Medical Office	KSF			(271.97)	948.79	141.73	\$ 818.56
Hospital Facilities	Bed			1,443.73	1,294.11	3,275.45	\$ 6,013.29
Light Industrial	KSF			(490.26)	30.10	191.48	\$ (268.69)
Manufacturing	KSF			(288.11)	10.29	164.70	\$ (113.13)
Warehouse	KSF			(253.45)	40.20	(5.95)	\$ (219.20)

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel guest room; Bed = patient bed

Table S.5 shows the proposed storm drainage impact fees. Unlike the other impact fees calculated in this study, the storm drainage fees are calculated per-acre rather than per-unit. The land use categories for those fees also differ from the development types used for other impact fees in this study because of the data available to calculate those fees.

Development	Impact Fee		Im	pact Fee +
Туре		per Acre	Ac	dmin Fee ¹
Residential: <1,200 Sq. Ft.	\$	2,583.25	\$	2,598.75
Residential: >1,200 Sq. Ft.	\$	1,722.17	\$	1,732.50
Commercial/Office	\$	3,444.34	\$	3,465.00
Hotel/Lodging				
Office				
Medical Office				
Hospital Facilities				
Industrial	\$	3,444.34	\$	3,465.00
Light industrial				
Manufacturing				
Warehouse				
Public/Quasi-Public	\$	1,894.39	\$	1,905.75
K-12 Public Schools				
College/University				

Table S.5: Proposed Storm Drainage Impact Fees

¹ Impact fees including the 0.6% administrative fee



Chapter 1. Introduction

Purpose

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

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

Legal Framework for Developer Fees

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

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

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

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

In light of that uncertainty, any agency enacting or imposing impact fees would be wise to demonstrate a nexus and ensure proportionality in the calculation of those fees.

Defining the "Nexus." While courts have not been entirely consistent in defining the nexus required to justify exactions and impact fees, that term can be thought of as having the three



City of Grass Valley Development Impact Fee Study November 9, 2022 elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard*. The elements of the nexus discussed below mirror the three "reasonable relationship" findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

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

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

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

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

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

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIIIA. However, that objection is valid only



if the fees charged to a project exceed the cost of providing facilities needed to serve the project. In that case, the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act.

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

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

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

The Mitigation Fee Act does not use the term "mitigation fee" except in its official title. Nor does it use the more common term "impact fee." The Act simply uses the word "fee," which is defined as "a monetary exaction, other than a tax or special assessment...that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project"

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

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

<u>Required Findings</u>. Section 66001 (a) requires that an agency establishing, increasing or imposing impact fees, must make findings to:

- 1. Identify the purpose of the fee
- 2. Identify the use of the fee; and
- 3. Determine that there is a reasonable relationship between the use of the fee and the development type on which it is imposed



4. Determine that there is a reasonable relationship between the need for the facility and the type of development on which the fee is imposed

In addition, Section 66001 (b) requires that in any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Some legal experts are of the opinion that the requirements of Section 66001 (a) apply when impact fees are based on a legislatively adopted fee schedule, while the requirements of Section 66001 (b) apply when impact fees are based on an administratively imposed (ad hoc) assessment.¹

The requirements outlined above are discussed in more detail below.

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

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

<u>Identifying the Use of the Fees.</u> According to Section 66001(a)(2), if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. Section 66002 (b) requires that such capital improvement plans must be updated annually.

However, a new provision in Section 66016.5, which was added by AB 602 in 2021, requires that large jurisdictions adopt a capital improvement plan as part of an impact fee study. That requirement applies to impact fee studies adopted after January 1, 2022. "Large jurisdiction" means a county of 250,000 or more or any city within that county. The statute does not provide any detail about what must be included in the capital improvement plan or how it should relate to the impact fee study. And, that new requirement is inconsistent with the original language of Section 66001(a)(2), so it is unclear whether the annual update requirement in Section 66002(b) applies.

¹ See "The Mitigation Fee Act's Five-Year Findings Requirement: Beware Costly Pitfalls" by Glen Hansen, Senior Council, Abbott and Kindermann and Rick Jarvis, Managing Partner, Jarvis, Fay and Gibson, presented at the 2022 League of California Cities City Attorneys Spring Conference



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

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

Although some legal experts contend that the third of these only pertains to "ad hoc" fees that are not part of a legislatively adopted fee schedule, we believe that all three are part of a complete "nexus" or "reasonable relationship" framework as discussed earlier. These three reasonable relationship requirements address the nexus and proportionality requirements often cited in court decisions as the standard for defensible impact fees. The term "dual rational nexus" is often used to characterize the standard used by courts in evaluating the legitimacy of impact fees. The "duality" of the nexus refers to (1) an <u>impact</u> or need created by a development project subject to impact fees, and (2) a <u>benefit</u> to the project from the expenditure of the fees.

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

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

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

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

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

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



City of Grass Valley Development Impact Fee Study November 9, 2022

Recent Legislation

Several new laws enacted by the State of California in 2019 to facilitate development of affordable housing will affect the implementation of in-lieu fees and impact fees calculated in this study. Below are brief overviews of some key bills passed in 2019.

SB 330 – The Housing Crisis Act of 2019. Amendments to existing law contained in SB 330 prohibit the imposition of new approval requirements on a housing development project once a preliminary application has been submitted. That provision applies to increases in impact fees and in-lieu fees, except when the resolution or ordinance establishing the fee authorizes automatic, inflationary adjustments to the fee or exaction.

AB 1483 – Housing Data: Collection and Reporting. AB 1483 requires that a city, county or special districts must post on its website a current schedule of its fees and exactions, as well as associated nexus studies and annual reports. Updates must be posted within 30 days.

SB 13 – Accessory Dwelling Units. SB 13 prohibits the imposition of impact fees on accessory dwelling units (ADUs) smaller than 750 square feet and provides that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the primary dwelling unit. The proportionality requirement means that impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis during the approval process.

Existing law requires a water or sewer connection fee or capacity charge for an accessory dwelling unit requiring a new or separate utility connection to be based on either the accessory dwelling unit's size or the number of its plumbing fixtures. SB 13 revises the basis for calculating the connection fee or capacity charge to either the accessory dwelling unit's square feet or the number of its drainage fixture units.

AB 602 – Amendments to the Planning and Land Use Law and the Mitigation Fee Act. AB 602, which was passed and signed in 2021, adds section 65940.1 to the Planning and Land Use Law requiring cities, counties and special districts that have internet websites to post schedules of fees, exactions and affordability requirements, annual fee reports, and an archive of nexus studies on that website, and to update that information within 30 days after any changes.

AB 602 also adds Section 66016.5 to the Mitigation Fee Act imposing several new requirements for impact fees that go into effect on January 1, 2022, including:

- A nexus study must identify the existing level of service for each facility, identify the proposed new level of service (if any), and explain why the new level of service is appropriate.
- If a nexus study supports an increase in an existing fee the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
- Large jurisdictions (counties over 250,000 and cities within those counties) must adopt a capital improvement plan as part of the nexus study.



- All impact fee nexus studies shall be adopted at a public hearing with at least 30 days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin and impact fee nexus study of the date of the hearing.
- Nexus studies shall be updated at least every eight years, from the period beginning on January 1, 2022.
- A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units in the development. A nexus study is not required to comply with this requirement if the local agency makes certain findings specified in the law. A local agency that imposes a fee proportionately to the square footage of units in the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.
- Authorizes any member of the public, including an applicant for a development project, to submit evidence that impact fees proposed by an agency fail to comply with the Mitigation Fee Act, and requires the legislative body of the agency to consider such evidence and adjust the proposed fee if deemed necessary.

SB 9, the California Housing Opportunity and More Efficiency ("HOME") Act. SB 9 facilitates the subdivision of existing residential lots and allows for ministerial approval (without discretionary review or hearings) of no more than two dwelling units, including duplexes, on parcels zoned for single-family dwellings if the property satisfies certain requirements. To qualify under SB 9 the property must be located within either an urbanized area or urban cluster, as designated by the United States Census Bureau, or for unincorporated areas, within the boundaries of an urbanized area or urban cluster.

The law allows for qualifying lot splits to be approved ministerially upon meeting certain requirements. Each parcel may not be smaller than forty (40%) percent of the original parcel size and each parcel must be at least one thousand two hundred (1,200) square feet in size unless permitted by local ordinance. The parcel must be limited to residential use.

The law does not allow demolition or alteration of certain types of dwellings, including: (a) housing that is subject to a recorded covenant, ordinance, or law that restricts rents to affordable levels; (b) housing subject to rent control; (c) housing that has been tenant-occupied in the last three years; or (d) housing located in a historic district. In addition, the proposed development may not demolish more than 25% of the exterior structural walls of an existing unit, unless expressly permitted by a local ordinance.

A local agency may impose objective zoning standards, subdivision standards, and design standards unless they would preclude either of the two units from being at least 800 square feet in floor area.

No setback may be required for an existing structure, or a structure constructed in the same location and dimensions as an existing structure. Otherwise, a local agency may require a setback of up to four feet from the side and rear lot lines. Off-street parking of up to one space per unit may be required by the local agency, unless the project is located within a half-mile walking distance of a high-quality transit corridor or a major transit stop, or if there is a car share vehicle within one block of the parcel. If a local agency makes a written finding that a project would create a specific, adverse impact upon public health and



City of Grass Valley Development Impact Fee Study November 9, 2022 safety or the environment without a feasible way to mitigate such impact, the agency still may deny the project.

It is impossible to predict how much SB 9 will affect the number of future residential units constructed in the City. Unlike recent laws dealing with accessory dwelling units, SB 9 does not address the imposition of impact fees on the new dwelling units it allows, and it appears at this point that such units would be subject to the same impact fees as other new residential development.

Impact Fee Calculation Methodology

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

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

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

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

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

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

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



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

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

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

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

Facilities Addressed in this Study

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

- Park Land and Park Improvements
- Fire Protection Facilities
- Police Facilities
- General Government Facilities
- Storm Drainage System Improvements

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



Chapter 2. Development Data

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

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

Land use and development data in this chapter are based on information from the U.S. Census Bureau and the American Community Survey (ACS), the California Department of Finance (DOF) Demographic Research Unit, the City of Grass Valley Community Development Department and other sources as noted in this chapter.

Study Area and Time Frame

The study area for this study is the Planning Area defined in Grass Valley's 2020 General Plan. The timeframe for this study extends from the present time to 2040. Although the future development projected in this chapter is expected to occur by 2040, the actual timing of development cannot be predicted with certainty. The impact fee calculations in this report do not depend on when that development occurs.

Development Types

The development types for which impact fees are calculated in this study are listed below. Traditionally, impact fees for residential development are based on unit types such as singlefamily, multi-family and mobile home units.

However, AB 602, enacted in 2021, added Section 66016.5 to the Government Code. That section requires that, "[a] nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development." It further states that "[a] local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development."

Consequently, the residential development categories used in this study are based on unit size rather than the type of unit. The list of development categories used in this study is shown below.

Residential: < 800 Sq. Ft.
Residential: 800 – 1,200 Sq. Ft.
Residential: >1,200 – 2,100 Sq. Ft.
Residential: > 2,100 Sq. Ft.
Commercial

Hotel/Lodging Office Medical Office Hospital Facilities* Light Industrial Manufacturing Warehouse Public Facilities K-12 Public Schools College/University

* The Hospital Facilities category includes nursing homes and rehabilitation facilities.

Residential. The residential development categories used in this study are based on unit size and do not distinguish by unit type (e.g., single-family or multi-family).



City of Grass Valley Development Impact Fee Study August 10, 2022 **Commercial.** The Commercial category includes retail commercial and commercial services as described in the Commercial land use designation in the Land Use Element of the General Plan. Hotel and lodging uses are excluded from this category and are addressed in a separate category below.

Hotel/Lodging. This category encompasses hotels, motels, hostels, bed and breakfast establishments and similar lodging uses.

Office. The Office category includes development designed for general office uses.

Medical Office. The Medical Office category includes development designed for medical and dental offices, clinics, laboratories, and similar uses.

Hospital Facilities. This category includes hospitals, nursing homes, rehabilitation facilities and similar facilities intended primarily to provide in-patient services.

Light Industrial. This category includes development designed to accommodate a range of light industrial and service commercial uses, but not specifically intended for either large-scale manufacturing or warehousing.

Manufacturing. This category includes development designed for large-scale manufacturing operations.

Warehouse. This category includes development designed primarily for warehousing and storage, including self-storage facilities.

Public Facilities. This category includes government buildings and other public or quasi-public facilities including parks but excluding public schools and colleges which are addressed in separate categories, below. In many cases, the City may lack authority to charge impact fees to development in this category, or in the case of City facilities, it would be impractical to do so.

K-12 Schools. This category includes public schools from kindergarten through high school. The City has limited authority to charge impact fees to K-12 schools, except for water and sewer capacity charges. Private elementary and secondary schools would be treated as commercial uses or fees could be customized based on the impacts of a specific project as discussed in the section on other development types, below.

College/University. This category includes public and private colleges and universities.

Other Development Types. Certain types of development, such as churches and private schools, do not fit neatly into any of the categories listed above. Those developments are not legally exempt from impact fees, but no fee is calculated in this study for such uses. Fees for such developments can be calculated on an individual basis by considering factors such as service population or police and fire calls that will be generated by a proposed project and applying those factors to the cost per capita or cost per call shown in each impact fee chapter in this report.



Residential Development and Population

The chart below shows the California Department of Finance (DOF) official January 1 population estimates for the City of Grass Valley for the years from 2012 through 2022, except for the 2020 population which is based on the 2020 Census count.

This chart shows a slight decline in population from 2012 to 2019 and then a sudden jump in 2020. That appears to reflect underestimates by the Department of Finance for several years prior to 2020. After 2020, the estimated population falls back somewhat from the Census number.

The overall picture is one of slow growth over the last 10 years. On average the growth rate from 2012 to 2022 amounts to about 0.6% per year. According to the data depicted



in this chart, Grass Valley has grown by 786 residents since 2012.

Units of Development

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

Dwelling Units. Residential development is measured in terms of dwelling units (DUs).

Building Area. Many types of non-residential development in this study are measured in terms of building area in thousands of square feet, denoted as KSF.

Rooms. Development in the Hotel/Lodging category is measured in terms of rooms, meaning the number of guest rooms or suites.

Beds. Development in the hospital facilities category is measured by the number or patient beds.

Students. For both the K-12 Public Schools and the College/University categories, development is measured in terms of the number of students.

Demand Variables

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Certain measurable attributes of development such as population or police and fire department calls for service are used in those formulas to reflect the impact of different types and amounts of development on the demand for specific public services and the facilities that support those services.



Those attributes are referred to in this study as "demand variables." Demand variables are selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

For example, the service standard for parks in a community is typically defined as a ratio of park acreage to population. As population grows, more parks are needed to maintain the desired standard. Logically, then, population is an appropriate yardstick or demand variable for measuring the impacts of development on the need for additional parks.

Each demand variable has a specific value for each type of development. Those values may be referred to as "demand factors." For example, each of the residential unit size categories used in this study is associated with a specific population per unit

Specific demand variables used in this study are discussed below. The values of demand factors used in this report are shown in Table 2.1 on page 2-9.

Population. Resident population is used as a demand variable to calculate impact fees for facilities like parks that are intended to serve residents of the City. Resident population is tied to residential development, so this variable reflects no demand from non-residential development.

Service Population. Population alone does not represent all of the impacts of development on the City's administrative and general facilities such as City Hall and corporation yard facilities. A variable called service population is commonly used in this study to represent the impact of development on facilities that are impacted by both residential and non-residential development and do not have another useful demand variable.

Service population is a composite variable that includes both residents of the City and employees of businesses in Grass Valley. Resident population is included to represent the impacts of residential development and employees of business in the City are included to represent the impacts of non-residential uses, such as commercial, office and industrial development.

Because the impact of one new resident is not necessarily the same as the impact of one new employee, various components of the service population are weighted to reflect their relative impacts on demand for certain types of facilities.

Service population is intended to approximate the number of people creating a demand for service on an average day. It is difficult to estimate that number precisely for several reasons. Some residents work in the City, some residents commute to work outside the City, and some residents don't work at paid jobs. In addition, non-residents may be present in the City for work, shopping, recreation, or any number of other reasons.

In this study, residents are assigned a weight of 1.0. Our estimate of the average number of hours per week that residents spend in the City is based in part on an analysis of Census Bureau data on how many residents work in the city, how many commute to work outside the City. We assume the average resident spends eight hours a week outside the City for activities like shopping and recreation.



Census Bureau American Community Survey (ACS) data for 2020 (the most recent available year) show that 86.6% of Grass Valley residents between ages 16 and 64 are employed. ACS data also indicate that about 35.8% of employed residents work outside the City.

Assuming that out-commuters spend 47.5 hours a week (9.5 hours per day) outside the City for work and commuting, and that all residents spend an average of eight hours a week outside the City for shopping and recreation leads us to the conclusion that out-commuters spend an average of 112.5 (168 - 47.5 - 8 = 112.5) hours per week in the City. Assuming other residents spend 160 (168 - 8 = 160) hours per week in the City, the weighted average for all residents is 153.1 hours per week in the City. Dividing that number by 168 hours per week gives us a weight of 0.911 for all residents (population) of the City.

Service population weights for employees associated with different types of development are based on estimates of the number of hours per week businesses of a certain type are in operation. This study assumes that retail and service commercial businesses operate 12 hours a day, 7 days a week (84 hours). For professional offices, industrial uses and public facilities, that number is estimated to be 45 hours (9 hours a day, 5 days a week). The weights assigned to employees of businesses associated with various types of non-residential development are based on the hours per week of operation divided by 168 total hours per week. The hours per week for each development as well as the weighting factor for each type of development are shown in Exhibit 2A on the next page. It should be noted that since all students in the K-12 Schools category are assumed to be residents of the City, the non-residential service population weight for that category is zero.

Those weights are intended to allow a balanced allocation of costs among non-residential development types. However, because of Grass Valley's importance as a commercial and healthcare center in the regional economy, those base weights would understate the overall impact of non-residential development on the City's daytime population, so a factor of 1.32 is applied to all non-residential service population weights except K-12 Schools, which brings the existing service population to 20,233, equal to the City's daytime population as estimated in the City's 2022 Strategic Plan Update.

Finally, for simplicity, all of the service population base weights are normalized by dividing them by residential base weight of 0.911 so that the normalized population weight equals 1.0 (0.911 / 0.911 = 1.0) and weights for each of the non-residential components are increased proportionately. The service population weights used in this study are shown in Exhibit 2A. Service population per unit factors based on the normalized service population weights and the number of employees per unit are shown in Table 2.1.



Development	Avg Hrs	Total Hrs	Base Svc Pop	Scaling	Scaled Svc	Normalized
Туре	per Wk	per Week	Weight ¹	Factor ²	Pop Weight ³	Svc Pop Wt 4
Residential	153.1	168.0	0.911	1.00	0.911	1.000
Commercial	84.0	168.0	0.500	1.32	0.660	0.724
Hotel/Lodging	84.0	168.0	0.500	1.32	0.660	0.724
Office	45.0	168.0	0.268	1.32	0.354	0.388
Medical Office	36.0	168.0	0.214	1.32	0.282	0.310
Hospital Facilities	168.0	168.0	1.000	1.32	1.320	1.449
Light Industrial	45.0	168.0	0.268	1.32	0.354	0.388
Manufacturing	45.0	168.0	0.268	1.32	0.354	0.388
Warehouse	45.0	168.0	0.268	1.32	0.354	0.388
Public Facilities	45.0	168.0	0.268	1.32	0.354	0.388
K-12 Public Schools	0.0	168.0	0.000	1.00	0.000	0.000
College/University	12.0	168.0	0.071	1.32	0.094	0.103

Exhibit 2A: Service Population Weights

¹ Base service population weight = average hours per week / total hours per week; K-12 Public

School students are assumed to be residents so they are given a service population weight of zero

² Scaling factor is used to bring non-residential service population into alignment with nonresidential demand for City serivces.

³ Scaled service population weight = base service population weight X scaling factor

⁴ Service population weight normalized to residential service population weight = scaled service population weight / residential service population weight

Police and Fire Calls for Service. The impact of development on the City's police and fire facilities is measured by the number of calls for service per unit per year by development type. Those calls-for-service-per-unit factors are calculated using a random sample of calls for service for a one-year period to determine the distribution of calls by development type. Then the number of calls per year for each type of development is divided by the number of existing units for that type of development to arrive at calls per unit per year. In this study, data for fire calls for service were for the period October 2, 2020, to October 2, 2021. Data for police calls for service factors were for calendar year 2019. We avoided using data for 2020 as much as possible because we have found in other studies that 2020 was not a typical year because of the COVID-19 pandemic. The police and fire calls-for-service factors for each type of development defined in this study are shown in Table 2.1.

Note on Impact Fees for Accessory Dwelling Units (ADUs). Recent amendments to Section 65852.2 of the Government Code provide that impact fees may not be imposed on ADUs smaller than 750 square feet. It also establishes the following requirement for impact fees imposed on ADUs of 750 square feet or more:

"Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit."



City of Grass Valley Development Impact Fee Study August 10, 2022 Although it is not spelled out in Section 65852.2, we think it is obvious that when calculating ADU impact fees in cases where the primary unit is a single-family detached unit, the starting point for the proportionality calculation is the fee that applies to the single-family unit. The law also allows for ADUs on lots or parcels where the primary unit is a multi-family unit. In that situation, it seems logical that the ADU impact fee should be proportional to the impact fee that applies to the multi-family unit, but we think ADUs within multi-family developments are likely to be rare and we don't address them further.

The formula for calculating proportional ADU impact fees would be:

Primary unit impact fee X (ADU square feet / Primary unit square feet)

One thing that becomes obvious in that formula is that, for an ADU of a particular size, a larger primary unit results in lower impact fees for the ADU. For example, if the ADU is 1,000 square feet and the primary unit is 2,000 square feet, the proportional impact fee for the ADU would be 50% of the impact fee that would apply to the primary unit. But if the primary unit is 1,200 square feet, the impact fee for the same-sized ADU would be 83.33% of the primary unit fee.

It seems likely that discrepancy is an unintended consequence of language in Section 65852.2 that was not thoroughly considered before adoption. It is also worth noting that for impact fee studies adopted after July 1, 2022, AB 602 requires that impact fees for all types of residential units must be proportionate to the square footage of a unit. Impact fees based on square footage will tend to reduce the inequity created by the proportionality language of Section 65852.2 because the fees that apply to a smaller primary unit would be less than the fees that apply to a larger primary unit. However, it may be a number of years before most cities in California adopt residential impact fees based on square footage. The City could attempt to minimize the inequities created by the ADU impact fee proportionality requirement in Section 65852.2 by adopting a policy setting a lower limit on the primary unit square footage used to calculate impact fees for ADUs.

Demand Factors

Exhibit 2B shows how population-per-unit factors were estimated for residential unit size categories used in this study. The Census Bureau and Department of Finance collect data on population per unit by unit type (e.g., single-family or multi-family) rather than by unit size. Consequently, we must estimate the population per unit for unit size categories.

Exhibit 2B shows the population per unit factors for the unit size categories used in this study. Those factors were estimated by NBS using data on the distribution of units by number of bedrooms from the American Community Survey (ACS). The estimated population is adjusted so that the total population and average population per unit approximately equal the total population and average population per unit from known data. The population and number of units in this data set are slightly different from the 2022 numbers shown in Table 2.2, but those differences are not significant for this purpose.



City of Grass Valley Development Impact Fee Study August 10, 2022

Exhibit 2B:	Population	per Unit by	Unit Size
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Unit Size	No. of	No. of	% of	Pop at 2.01	Est Pop	Adjusted
in Sq Ft ¹	Bedrms	Units [∠]	Units	per Unit ³	per Unit ⁴	Pop ⁵
<800	0 or 1	1,543	23.1%	3,101	1.90	2,932
800-1,200	2	3,179	47.5%	6,390	2.00	6,358
>1,200-2,100	3	1,688	25.2%	3,393	2.10	3,545
>2,100	4+	276	4.1%	555	2.20	607
Total/Average		6,686	100.0%	13,439	2.01	13,442

¹ Estimated square-feet-per-unit ranges based on number of bedrooms

² Distribution of units by number of bedrooms from American Community Survey Table B25041, 2020 5-Year Estimates

³ Population for all units in each square-footage range if all units were occupied by the overall average of 2.01 persons per unit

⁴ Estimated population per unit by NBS

⁵ Adjusted population = number of units X estimated population per unit

In Table 2.1 on the next page shows the demand factors used for each type of development defined in this study, including, the population-per-unit factors from Exhibit 2B. Those factors include population per unit for residential development and employees per unit for various types of non-residential development, as well as service population per unit and police and fire calls per unit per year for all types of development defined in this study.



Development	Unit	Pop/Students	Empl per	Svc Pop	Fire Calls	Police Calls
Type ¹	Type ²	per Unit ³	Unit ⁴	per Unit ⁵	per Unit ⁶	per Unit ⁷
Residential: <800 Sq. Ft.	DU	1.90		1.90	0.220	1.200
Residential: 800-1,200 Sq. Ft.	DU	2.00		2.00	0.220	1.200
Residential: >1,200-2,100 Sq. Ft.	DU	2.10		2.10	0.530	1.900
Residential: >2,100 Sq. Ft.	DU	2.20		2.20	0.530	1.900
Commercial	KSF		1.50	1.09	0.277	4.214
Hotel/Lodging	Room		0.35	0.25	0.448	1.380
Office	KSF		2.50	0.97	0.076	0.652
Medical Office	KSF		3.00	0.93	0.494	4.193
Hospital Facilities	Bed		5.00	7.24	1.649	4.496
Light Industrial	KSF		1.10	0.43	0.033	0.358
Manufacturing	KSF		1.60	0.62	0.077	0.178
Warehouse	KSF		0.50	0.19	0.031	0.310
Public Facilities	KSF		2.50	0.97	1.250	11.686
K-12 Public Schools	Students	1.00		0.00	0.009	0.058
College/University	Students	1.00		0.10	0.001	0.009

Table 2.1: Demand Factors

¹ The square-feet-per-unit ranges shown in this table for residential development include all types

of residential development including single-family, multi-family and mobile homes

- ² DU = dwelling unit; KSF = 1,000 gross sq ft of building area; Room = guest room or suite
- ³ Estimated average population per unit based on analysis of data from U. S. Census Bureau American Community Survey; see discussion in text
- ⁴ Employees per unit estimated by NBS using data from multiple sources including ESRI, the NCTC/ Grass Valley Travel Demand Forecasting Model and the Institute of Transportation Engineers (ITE)
- ⁵ Service population per unit = population, students or employees per unit X service population weight from Table 2.0; see discussion of service population weighting in text
- ⁶ Fire Department calls for service per unit per year based on analysis of a random sample of all 2019 calls for service; see discussion in text
- ⁷ Police Department calls for service per unit per year based on analysis of a random sample of all 2019 calls for service; see discussion in text

Existing and Future Development

Tables 2.2 through 2.4 on the following pages present data on existing and future development in Grass Valley. Data from those tables will be used throughout this report. Table 2.2 shows existing development as of January 2022.

It is important to note that in Tables 2.2 through 2.4, all residential development is grouped into a single category. The reason is that because of recent changes in state law, this study is required to calculate impact fees for unit-size categories rather than for unit types and we do not have data that would allow us to break out existing and future development into unit-size categories. However, impact fees throughout this report will be calculated for each category of residential development.



City of Grass Valley Development Impact Fee Study August 10, 2022

Development	Unit	No. of	Popu-	Emplo-	Service	Fire Calls	Police Calls
Туре	Type ¹	Units ²	lation ³	yees ⁴	Pop ⁵	per Year ⁶	per Year ⁷
All Residential	DU	6,795	13,617		13,617	3,458	11,072
Commercial	KSF	2,469		3,704	2,691	685	10,405
Hotel/Lodging	Room	297		104	74	133	410
Office	KSF	865		2,163	839	66	564
Medical Office	KSF	269		807	250	133	1,128
Hospital Facilities	Bed	228		1,140	1,651	376	1,025
Light Industrial	KSF	1,002		1,102	431	33	359
Manufacturing	KSF	287		459	178	22	51
Warehouse	KSF	354		177	67	11	110
Public Facilities	KSF	88		220	85	110	1,028
K-12 Public Schools	Students	2,635			0	23	154
College/University	Students	3,500			350	4	32
Totals			13,617	9,876	20,233	5,054	26,338

Table 2.2: Existing Development January 1, 2022 - Grass Valley

¹ DU = dwelling unit; KSF = 1,000 gross sq ft of building area; Room = guest room or suite;

Bed = patient bed

² Number of existing residential units based on the January 2022 CA Department of Finance E-5 report; existing non-residential units based on 2018 data from the NCTC/Grass Valley Travel Demand Forecasting Model

³ Existing household population from 2020 Census

⁴ Existing employees = existing units X employees per unit from Table 2.1

⁵ Existing service population = existing units X service population per unit from Table 2.1

⁶ Fire Department calls for service per unit per year based on analysis of a random sample of all 2019 calls for service; see discussion in text

⁷ Police Department calls for service per unit per year based on analysis of a random sample of all 2019 calls for service; discussion in text

Table 2.3 presents a forecast of future development in the City. The numbers in this table represent the difference between existing development in Table 2.2 and buildout development in Table 2.4.



Development	Unit	No. of	Popu-	Emplo-	Service	Fire Calls	Police Calls
Туре	Type ¹	Units ²	lation ³	yees ⁴	Pop ⁵	per Year ⁶	per Year ⁷
All Residential	DU	2,432	4,874		4,874	1,238	3,963
Commercial	KSF	401		601	437	111	1,690
Hotel/Lodging	Room	0		0	0	0	0
Office	KSF	364		910	353	28	237
Medical Office	KSF	0		0	0	0	0
Hospital Facilities	Bed	0		0	0	0	0
Light Industrial	KSF	82		90	35	3	29
Manufacturing	KSF	75		120	46	6	13
Warehouse	KSF	11		6	2	0	3
Public Facilities	KSF	14		35	14	18	164
K-12 Public Schools	Students	349			0	3	20
College/University	Students	419			42	0	4
Totals			4,874	1,762	5,803	1,406	6,124

Table 2.3: Future Development to 2040 - Grass Valley

Note: the numbers in Table 2.3 represent the difference between 2040 development in Table 2.4 and existing development in Table 2.2

Table 2.4 shows development in the City projected to 2040. Except for public facilities, 2040 units are based on projections in the NCTC/Grass Valley Travel Demand Forecast Model. Projections for future development in the Public Facilities category were adjusted by NBS based on a recent analysis of existing public facilities in Grass Valley.



Development	Unit	No. of	Рори-	Emplo-	Service	Fire Calls	Police Calls
Туре	Type ¹	Units ²	lation ³	yees ⁴	Pop ⁵	per Year ⁶	per Year ⁷
All Residential	DU	9,227	18,491		18,491	4,696	15,035
Commercial	KSF	2,870		4,305	3,128	796	12,095
Hotel/Lodging	Room	297		104	74	133	410
Office	KSF	1,229		3,073	1,192	94	801
Medical Office	KSF	269		807	250	133	1,128
Hospital Facilities	Bed	228		1,140	1,651	376	1,025
Light Industrial	KSF	1,084		1,192	466	36	388
Manufacturing	KSF	362		579	224	28	64
Warehouse	KSF	365		183	69	11	113
Public Facilities	KSF	102		255	99	128	1,192
K-12 Public Schools	Students	2,984			0	26	174
College/University	Students	3,919			392	4	36
Totals			18,491	11,638	26,036	6,460	32,462

Table 2.4: Total 2040 Development - Grass Valley

¹ DU = dwelling unit; KSF = 1,000 gross sq ft of building area; Room = guest room or suite;

Bed = patient bed

² 2040 units from the NCTC/Grass Valley Travel Demand Forecasting Model

³ 2040 population = residential units X 2.06 average 2022 population per unit

⁴ 2040 employees = units X employees per unit from Table 2.1

⁵ 2040 residential service population = 2040 population; 2040 non-residential service population = units X service population per unit from Table 2.1

 6 2040 fire calls for service = 2040 units X calls per unit per year from Table 2.1

 7 2040 police calls for service = 2040 units X calls per unit per year from Table 2.1

Growth Potential

The numbers in Table 2.4 represent an increase of 36% in population and 18% in employment between 2022 and 2040. Police and Fire Department calls are projected to increase 28%.

The fees calculated in subsequent chapters of this report are intended to pay for the capital facilities needed to serve the additional demand created by future development forecasted in this chapter. Most of the fees calculated in this report are based on the cost to maintain the existing level of service for various types of facilities, so that the amount of future development does not affect the impact fee calculations. For those facilities, future development is used only to project revenue from the impact fees.

To the extent the future development is used to calculate impact fees in this study, those calculations depend on the amount of future development, but not on when that development occurs.



Chapter 3. Park Land and Park Improvements

This chapter calculates impact fees for park land acquisition, park improvements, maintenance equipment, and trails.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. All of the impact fees calculated in this chapter are based on the City's existing level of service (LOS) as defined in the section titled Existing Facilities and Existing Level of Service, below. Impact fees calculated in that manner are designed to maintain the existing level of service as the City grows.

Service Area

The impact fees calculated in this chapter are intended to apply to all new residential development in the City, including portions of the City's Sphere of Influence (SOI) that may be annexed in the future.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in impact fee calculation formulas to represent the impact of development. The demand variable used to calculate impact fees for parks and other facilities in this chapter is population.

Population is used here because the need for parks and related facilities is almost universally defined in terms of population. The Grass Valley Parks and Recreation Master Plan follows that practice.

Impact fees calculated in this chapter for different categories of residential development will vary depending on the estimated average population per unit for each category. Table 2.1 in Chapter 2 shows the population-per-unit factors for each category of residential development defined in this study.

Because added population is associated with residential development, the impact fees calculated in this chapter apply only to residential development.

Existing Facilities and Existing Level of Service

Existing Parks. In this chapter, calculation of impact fees for park land acquisition and park improvements are based on the City's existing ratio of improved park acres to population. Table 3.1 lists the City's existing parks and shows both City-owned acres and improved acres of parks. The improved acres shown in Table 3.1 also includes some acreage that is owned by the Grass Valley Unified School District and was improved by the City.



Table 3.1: Existing Parks

Park	Park	City-Owned	Improved
Name	Туре	Park Acres	Park Acres
Condon Park	Community	81.00	18.00
Memorial Park	Community	7.40	7.40
Devere Mautino Park	Community	12.90	6.45
Minnie Park	Neighborhood	2.00	2.00
Morgan Ranch	Neighborhood	4.00	0.00
Dow Alexander Park	Pocket	0.30	0.30
Elizabeth Daniels Park	Urban	0.15	0.15
Grass Valley USD Joint Use Agreemen	nt	0.00	4.00
Total		107.75	38.30

Source: City of Grass Valley General Plan Recreation Element and Parks and Recreation Master Plan with additional information provided by City staff

Table 3.2 calculates the City's existing level of service in terms of developed acres of Cityimproved park land per capita and per 1,000 population.

Table 3.2: Existing Level of Service - Park Acres per Capita

Total Improved	Existing	Existing Acres	Existing Acres
Park Acres ¹	Population ²	per Capita ³	per 1,000 ⁴
38.30	13,617	0.00281	2.81

¹ See Table 3.1

² See Table 2.2

³ Acres per capita = existing acres / existing population

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

Existing Park Maintenance Equipment. Table 3.3 lists the City's existing park maintenance equipment and the replacement cost for each item. The cost of park maintenance equipment will be incorporated into the impact fees for park improvements. Replacement cost is used here to reflect the cost of acquiring the additional equipment that will be needed to maintain additional parks needed to serve new development.



	Model	Rep	olacement
Description	Year ¹		Cost ²
Post Hole Digger	1998	\$	1,200
Aerator, John Deere 260S Aer-Way, x	1991	\$	2,000
Generator, 8000 Watt Genarac w/ wheel kit	1991	\$	2,000
Ford F250 4x2 P/U	2003	\$	18,000
Ford F350 4x4 P/U	2012	\$	40,000
Ford F350 4x4 P/U	2021	\$	50,000
Tomco Equipment Trailer	1999	\$	2,000
John Deere 4 x 2 Gator	2008	\$	5,000
John Deer Tractor M301A, #108475	1974	\$	7,500
Kubota RTV Utility Vehicle	2006	\$	12,000
Grasshopper 932/3472 Lawnmower	2010	\$	15,000
Grasshopper Mower	2001	\$	12,000
Hurricane Blower	2020	\$	12,000
Toro Reel Mower	2010	\$	12,000
Tractor 3400 4x4, Hustler Mower	2002	\$	17,000
J.D. Backhoe, compact Tractor & canopy	1990	\$	18,000
Total		\$	225,700

Table 3.3: Existing Park Maintenance Equipment

Source: Grass Valley City Engineer

Existing Trails. Table 3.4 lists the City's existing trails with their length in linear feet (LF) and their estimated replacement cost.

Tueil Neme	Length	Length Unit Repl (LF) Cost ¹		Total Repl	
	(LF)				Cost ²
Wolf Creek	5,280	\$	200.00	\$	1,056,000
Litton Trail	2,640	\$	200.00	\$	528,000
Peabody Creek Trail	1,600	\$	200.00	\$	320,000
Total				\$	1,904,000

Table 3.4: Existing Trails

Source: Grass Valley City Engineer

Cost Per Capita

Cost per Capita – Park Land. Below, we calculate a cost per capita for park land acquisition through impact fees. However, Grass Valley has an existing Quimby Act ordinance that establishes requirements for park land dedication or fees in lieu of dedication for residential subdivisions. Consequently, the park land impact fees calculated in this chapter are intended to apply only to residential development that does not involve a subdivision and is not subject to the Quimby Act. Table 3.5 calculates the cost per capita for park land acquisition based on the



City of Grass Valley Development Impact Fee Study September 14, 2022 existing ratio of park acres per capita from Table 3.2 and the estimated cost per acre to park land in Grass Valley.

Acres per	Cost	Cost per
Capita ¹	per Acre ²	Capita ³
0.00281	\$50,000	\$140.50
	+/	+

Table 3.5: Cost per Capita - Park Land Acquisition

¹ See Table 3.2

² Land cost per acre estimated by Grass Valley City Engineer

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

Cost per Capita – Park Improvements. Table 3.6 calculates a cost per capita for park improvements based on the existing ratio of park acres per capita from Table 3.2 and the estimated average cost per acre for park improvements. The types of improvements covered by the estimated cost per acre shown in Table 3.6 are listed below. It should be noted that not every park will have all of these types of improvements.

- Turf, landscaping and irrigation
- Baseball, softball and soccer fields
- Tennis, pickleball, basketball and bocce courts
- Playgrounds and tot lots
- Picnic pavilions
- Rest room buildings
- Parking

It is also important to note that the park improvement impact fees calculated in this chapter do not include the cost of some major recreational facilities that were funded by Measure E and/or Community Development Block Grants. Those facilities include the new swimming pool complex at Memorial Park and the skate park and the LOVE Building at Condon Park.

Table 3.6: Cost per Capita - Park Improvements

Acres per	Cost	Cost per
Capita ¹	per Acre ²	Capita ³
0.00281	\$500,000	\$1,405.00

¹ See Table 3.2

² Cost per acre estimated by the Grass Valley City Engineer

³ Cost per Capita = acres per capita X cost per acre


Cost per Capita – Park Maintenance Equipment. Table 3.7 calculates the cost per capita for park maintenance equipment based on the total replacement cost of existing equipment from Table 3.3 and the City's existing population.

Existing Vehicles &	Existing	Cost per
Equipmt Repl Cost ¹	Population ²	Capita ³
225,700	13,617	\$16.57

Table 3.7: Cost per Capita - Park Maintenance Equipment

¹ See Table 3.3

² See Table 2.2

³ Cost per Capita = existing facilities replacement cost / existing

population

Cost per Capita – Trails. Table 3.8 calculates the cost per capita for trails based on the total replacement cost of existing trails from Table 3.4 and the City's existing population.

Table 3.8: Cost per Capita - Trails

Existing Facilities	Existing	Cost per
Replacement Cost ¹	Population ²	Capita ³
1,904,000	13,617	\$139.83

¹ See Table 3.4
² See Table 2.2
³ Cost per Capita = existing facilities replacement cost / existing population

Impact Fees per Unit

Impact Fees per Unit - Park Land Acquisition. Table 3.9 calculates impact fees per unit by residential development type for park land acquisition. Those fees are based on the per-capita cost from Table 3.5 and population per dwelling unit factors from Table 2.1. These fees would apply only to residential development not involving a subdivision.



Development		Cost per	Population	Im	pact Fee
Туре	Units ¹	Capita ²	per Unit ³	ре	er Unit ⁴
Residential: <800 Sq. Ft.	DU	\$140.50	1.90	\$	266.95
Residential: 800-1,200 Sq. Ft.	DU	\$140.50	2.00	\$	281.00
Residential: >1,200-2,100 Sq. Ft.	DU	\$140.50	2.10	\$	295.05
Residential: >2,100 Sq. Ft.	DU	\$140.50	2.20	\$	309.10

Table 3.9: Impact Fees per Unit - Park Land Acquisiiton

¹ DU = dwelling units
 ² See Table 3.5
 ³ Population per DU; see Table 2.1

⁴ Impact fee per unit = cost per capita X population per unit

Impact Fees per Unit - Park Improvements (Including Park Maintenance Equipment). Table 3.10 calculates impact fees per unit by residential development type for park improvements. These fees also incorporate the cost of park maintenance equipment. They are calculated using the combined per-capita costs for park improvements and park maintenance equipment from Tables 3.6 and 3.7 and the population per unit factors from Table 2.1.

Table 3.10: Impact Fees per Unit - Park Improvements

Development		Cost per	Population	Impact Fee
Туре	Units ¹	Capita ²	per Unit ³	per Unit ⁴
Residential: <800 Sq. Ft.	DU	\$1,421.57	1.90	\$ 2,700.99
Residential: 800-1,200 Sq. Ft.	DU	\$1,421.57	2.00	\$ 2,843.15
Residential: >1,200-2,100 Sq. Ft.	DU	\$1,421.57	2.10	\$ 2,985.31
Residential: >2,100 Sq. Ft.	DU	\$1,421.57	2.20	\$ 3,127.46

¹ DU = dwelling units

² Includes both park improvements and park maintenance vehicles

and equipment; see Tables 3.6 and 3.7

³ Population per DU; see Table 2.1

⁴ Impact fee per unit = cost per capita X population per unit

Impact Fees per Unit – Trails. Table 3.11 calculates impact fees per unit by residential development type for trails. Those fees are based on the per-capita cost from Table 3.8 and population per dwelling unit factors from Table 2.1.



Development		Cost per	Population	Im	pact Fee
Туре	Units ¹	Capita ²	per DU ³	pe	er Unit ⁴
Residential: <800 Sq. Ft.	DU	\$139.83	1.90	\$	265.67
Residential: 800-1,200 Sq. Ft.	DU	\$139.83	2.00	\$	279.65
Residential: >1,200-2,100 Sq. Ft.	DU	\$139.83	2.10	\$	293.63
Residential: >2,100 Sq. Ft.	DU	\$139.83	2.20	\$	307.62

Table 3.11: Impact Fees per Unit - Trails

¹ DU = dwelling units

² See Table 3.8

³ Population per DU; see Table 2.1

⁴ Impact fee per unit = cost per capita X population per unit

Projected Revenue

The impact fees per unit in the previous four tables are based on residential unit size in square feet. Although projections of future residential development are available based on unit type (e.g., single-family and multi-family), no projections are available based on unit size, so it is not possible to project revenue from these impact fees based on the number of units.

However, we do have projections of added population from Chapter 2, so potential revenue can be projected using added population and the cost per capita for park improvements, major recreation facilities and trails. No projection of potential revenue is provided for park land acquisition impact fees because it is unknown how much future residential development will be in subdivisions, which are subject to Quimby Act park land in-lieu fees rather than the park land impact fees calculated in this chapter.

Projected Revenue – Park Improvements (Including Maintenance Equipment). Table 3.12 calculates projected revenue for the park improvement impact fees, using the added population from Table 2.3 and the cost per capita from Table 3.10.

Added	Cost	Projected
Population ¹	per Capita ²	Revenue ³
4,874	\$1,421.57	\$6,928,755.91

Table 3.12: Projected Revenue - Park Improvement Impact Fees

¹ See Table 2.3

² See Table 3.10

³ Projected revenue = added population X cost per capita

Projected Revenue – Trails. Table 3.13 calculates projected revenue for the trails impact fees, using the added population from Table 2.3 and the cost per capita from Table 3.11.



Table	3.13:	Projected	Revenue -	Trails
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Added	Cost	Projected
Population ¹	per Capita ²	Revenue ³
4,874	\$139.83	\$681,508.11

¹ See Table 2.3

² See Table 3.11

³ Projected revenue = added population X cost per capita

Updating the Fees

The impact fees calculated in this chapter are based the current estimated cost of park land, park improvements and trails. We recommend that the fees be reviewed annually and adjusted as needed using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI). See the Implementation Chapter for more on indexing of fees.

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new residential development on the need for parks, recreation facilities and trails in Grass Valley.

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



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

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

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

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



Chapter 4. Fire Protection Facilities

This chapter calculates impact fees for facilities, apparatus and equipment needed to provide fire protection and emergency response services to new development in Grass Valley. Where the general term "facilities" is used elsewhere in this chapter, it is intended to include all types of capital assets needed by the Grass Valley Fire Department to carry out its mission.

The fire departments of Grass Valley and Nevada City merged in 2020, so that the Grass Valley Fire Department now also serves Nevada City under a contract between the two cities. The Department operates two fire stations in Grass Valley and one in Nevada City. The Grass Valley Fire Department also responds to emergency calls in the western portion of unincorporated Nevada County under an agreement with the Nevada County Consolidated Fire District.

The impact fees calculated in this chapter are based on the cost of City-owned fire facilities, apparatus and equipment located in Grass Valley and intended to serve the City of Grass Valley.

Service Area

The service area for impact fees calculated in this chapter is the City of Grass Valley. Those fees are intended to apply to all future development in the City, including portions of the Sphere of Influence (SOI) annexed in the future.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development on a certain type of capital facilities. The demand variable used to calculate impact fees for fire facilities in this report is calls for service per year.

As part of this study, NBS analyzed a random sample of 570 of just over 5,000 calls for service received by the Grass Valley Fire Department in the City of Grass Valley from October 2, 2020, to October 2, 2021. That analysis was used to establish the number of calls for service per year originating from the various types of development defined in this study, which allowed us to determine the average number of calls per unit per year generated by each type of development. Table 2.1 in Chapter 2 shows the calls-per-unit-per-year factors derived from that analysis. Those factors are used to calculate impact fees per unit later in this chapter.

It is worth noting that calls-per-unit rates for residential development could not be established by unit size, but were categorized by type of unit (e.g., single-family, multi-family or mobile home). The fire calls-per-unit factors shown in Table 2.1 and used in this analysis apply the multifamily rates to the two smaller unit-size categories and the single-family rate to the two larger unit-size categories.



Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development.

Level of Service

In this case, the standard used to calculate impact fees is the existing level of service, defined as the replacement cost of existing fire protection facilities, apparatus and equipment divided by the total calls for service for the one-year 2020-2021 period to get a cost per call per year.

In 2021, AB 602 added Section 66016.5 to the Mitigation Fee Act. Among other things, after January 1, 2022, that section requires that if the level of service used in an impact fee study exceeds the existing level of service, the higher level of service must be justified. Using the existing level of service as the basis for the impact fees calculated in this chapter is consistent with the requirements of AB 602.

Facilities, Apparatus and Equipment

Table 4.1 lists the estimated replacement cost of Fire Stations #1 and #2. Fire Station #2 is on a site owned by Sierra College and leased to the City. The Grass Valley Fire Department also operates Fire Station #5 in Nevada City, but that station is not shown in Table 4.1 because it primarily serves Nevada City.

Table 4.1: Existing Fire Stations

	Constr	Building	Bldg Repl	Site	Est Land	FF&E Repl	Impact Fee
Facility	Date	Sq Ft 1	Cost ²	Acres ³	Value ⁴	Cost ⁵	Cost Basis ⁶
Fire Station #1	1985	4,923	\$2,619,036	0.28	\$32,200	\$481,748	\$ 3,132,984
Fire Station #2	1999	4,500	2,395,424	Not Cit	y-Owned	\$231,611	\$ 2,627,035
Total							\$ 5,760,019

¹Existing station square feet from the City's insured property schedule

² Building replacement cost based on recent construction costs

³ Site acreage provided by the Grass Valley Fire Department

⁴ Land value based on \$115,000 per acre

⁵ Replacement cost of furniture, fixtures and equipment (FF&E) from the City's insured property schedule

⁶ Impact fee cost basis = the sum of building replacement cost, estimated land value and the replacement cost of furniture, fixtures and equipment

Table 4.2 lists the City's existing firefighting apparatus and other vehicles. Costs for all vehicles and equipment reflect the estimated current dollar replacement costs as provided by City staff. Equipment costs are included in the replacement cost figures. Costs for vehicles funded by



Measure E representing more than \$2.6 million are excluded from the impact fee cost basis in Table 4.2.

Model			Re	eplacement	lı	mpact Fee
Year	Description	Assignment		Cost ¹	С	ost Basis ²
2005	GMC Yukon	Fire Prevention 2	\$	25,000	\$	25,000
2015	Ford F250 4WD Pickup	Fire Utility U5	\$	57,000	\$	0
2015	Ford F250 Pickup	Fire Utility U2	\$	57,000	\$	0
2016	Ford F250 4WD Pickup	Battalion Chief	\$	77,000	\$	0
2017	Ford F250 4WD Pickup	Fire Chief 1300	\$	77,000	\$	0
2017	Ford F250 4WD Pickup	Fire Utility U1	\$	77,000	\$	0
2019	Dodge RAM 2500	Fire Prevention 3	\$	65,000	\$	0
2019	Dodge RAM 5500	Squad 2	\$	200,000	\$	0
2009	Spartan/Smeal Ladder Engine	Truck 2	\$	850,000	\$	850,000
2003	KME Engine	Engine 201	\$	265,000	\$	0
2015	KME Engine	Engine 202	\$	565,000	\$	0
2017	KME Engine	Engine 1	\$	615,000	\$	0
2019	KME Engine	Engine 2	\$	630,000	\$	0
2021	Repair Unit	Repair 1330	\$	100,000	\$	100,000
2015	Explorer PPV	Utility	\$	35,000	\$	35,000
Total			\$	3,695,000	\$	1,010,000

Table 4.2: Existing Fire Department Apparatus and Vehicles

Table 4.3 summarizes the costs from the preceding tables and adds the existing cash balance of the Fire Impact Fee Fund.

Table 4.3: Total Impact Fee Cost Basis

	Total
Component	Cost Basis ¹
Existing Fire Stations	\$ 5,760,019
Existing Fire Apparatus and Vehicles	\$ 1,010,000
Fire Impact Fee Fund Balance	\$ 12,224
Total Cost	\$ 6,782,243

¹ See Tables 4.1, and 4.2; DIF fund balance as of 6/30/22

Cost per Call for Service

Table 4.4 calculates the cost per call for service for City fire facilities, apparatus and vehicles using the total cost basis from Table 4.3 and the existing number of calls for service per year.



Table 4.4: Cost per Call for Service

Total Cost Basis ¹	Existing Calls for Service ²	Cost per Call for Service ³
\$6,782,243	5,054	\$1,341.96

¹ Total cost basis; see Table 4.3

² Existing Fire calls for service per year ; see Table 2.2

³ Cost per call for service = total facility cost / existing calls for service per year

Impact Fees per Unit

Table 4.5 shows the calculation of fire facilities impact fees per unit of development, by development type. Those fees are calculated using the cost per call for service from Table 4.4 and the calls-per-unit-per-year factors from Table 2.1.

Table 4.5 Impact Fee per Unit

Development		Cost per	CFS	Im	pact Fee
Туре	Units ¹	CFS ²	per Unit ³	ре	er Unit ⁴
Residential: <800 Sq. Ft.	DU	\$1,341.96	0.220	\$	295.23
Residential: 800-1,200 Sq. Ft.	DU	\$1,341.96	0.350	\$	469.68
Residential: >1,200-2,100 Sq. Ft.	DU	\$1,341.96	0.450	\$	603.88
Residential: >2,100 Sq. Ft.	DU	\$1,341.96	0.550	\$	738.08
Commercial	KSF	\$1,341.96	0.277	\$	372.31
Hotel/Lodging	Room	\$1,341.96	0.448	\$	600.94
Office	KSF	\$1,341.96	0.076	\$	102.39
Medical Office	KSF	\$1,341.96	0.494	\$	663.49
Hospital Facilities	Bed	\$1,341.96	1.649	\$2	,213.05
Light Industrial	KSF	\$1,341.96	0.033	\$	44.20
Manufacturing	KSF	\$1,341.96	0.077	\$	102.87
Warehouse	KSF	\$1,341.96	0.031	\$	41.70
Public Facilities	KSF	\$1,341.96	1.250	\$1	,677.44
K-12 Public Schools	Students	\$1,341.96	0.009	\$	11.71
College/University	Students	\$1,341.96	0.001	\$	1.53

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

guest room or suite; Bed = patient bed

² Cost per call for service per year; see Table 4.4

³ Calls for service per unit per year; see Table 2.1

⁴ Impact fee per unit = cost per call for service X calls for service per unit



Projected Revenue

In Table 4.6, potential revenue from the fire facilities impact fees can be estimated by applying the cost per call for service from Table 4.4 to the added calls for service to 2040 shown in Table 2.3 in Chapter 2. This projection assumes that future development occurs as shown in Chapter 2.

Development		Cost	Added		Projected
Туре	Units ¹	per CFS ²	CFS ³	F	Revenue ⁴
All residential	DU	\$1,341.96	1,238	\$	1,660,876
Commercial	KSF	\$1,341.96	111	\$	149,297
Hotel/Lodging	Room	\$1,341.96	0	\$	0
Office	KSF	\$1,341.96	28	\$	37,271
Medical Office	KSF	\$1,341.96	0	\$	0
Hospital Facilities	Bed	\$1,341.96	0	\$	0
Light Industrial	KSF	\$1,341.96	3	\$	3,624
Manufacturing	KSF	\$1,341.96	6	\$	7,715
Warehouse	KSF	\$1,341.96	0	\$	459
Public Facilities	KSF	\$1,341.96	18	\$	23,484
K-12 Public Schools	Students	\$1,341.96	3	\$	4,088
College/University	Students	\$1,341.96	0	\$	643
Total				\$	1,859,884

Table 4.6 Projected Revenue

¹ DU=dwelling unit; KSF=1,000 gross squre feet of building area

²Cost per call for service per year; see Table 4.4

³Added calls for service per year to 2040; see Table 2.3

⁴ Projected revenue = cost per call for service per year X added calls

for service to 2040

Although Table 4.5 calculates impact fees for K-12 Schools and Public Facilities, the City either may not have authority, or would be unlikely to charge impact fees, to itself or other government agencies. Consequently, no projected revenue is shown for K-12 Schools or Public Facilities in Table 4.6. Revenue from those

fees would amount to only about 1.3% of the total revenue projected in Table 4.6.

Updating the Fees

The impact fees calculated in this chapter are based current estimated replacement costs for fire facilities as shown in this chapter. We recommend that the fees be reviewed and adjusted annually using local cost data or an index such as the Engineering News Record Building Cost Index (BCI). See the Implementation Chapter for more on indexing of fees.



Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for fire facilities, apparatus and vehicles provided by the City of Grass Valley.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional fire facilities, apparatus and vehicles to mitigate the impact of new development on the need for fire protection services in the City. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional fire facilities, apparatus and vehicles and to serve the added demand for fire protection and emergency services associated with new development in Grass Valley.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the demand for fire protection and other emergency services provided by the City. Without additional facilities, apparatus and vehicles, the increase in demand associated with new development would negatively impact the ability of the Grass Valley Fire Department to provide services efficiently and effectively to all development in the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the fire facilities impact fees charged to a development project will depend on the increase in calls for service associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the



estimated calls for service per unit per year for that type of development in the City's service area. Thus, the fee charged to a development project reflects the impact of that project on the overall need for facilities, apparatus and vehicles used by the Grass Valley Fire Department to serve development in the City.



Chapter 5. Police Facilities

This chapter calculates impact fees for facilities and vehicles needed to provide police services to new development in Grass Valley.

Service Area

The service area for impact fees calculated in this chapter is the City of Grass Valley. Impact fees calculated in this chapter are intended to apply to all future development in the City, including portions of the Sphere of Influence (SOI) annexed in the future.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development on a certain type of capital facilities. The demand variable used to calculate impact fees for police facilities, vehicles and equipment in this report is Police Department calls for service per year.

As part of this study, NBS analyzed a random sample of 650 of almost 27,000 calls for service received by the Grass Valley Police Department from calendar year 2019. We did not use 2020 data because we have found that the Covid pandemic skewed demand for law enforcement services during that year. Because the small number of calls for service generated by industrial development may not have been represented adequately in the random sample, additional analysis was done for industrial development using all 2019 calls for service.

Analysis of the random sample was used to establish the number of calls for service per year originating from the various types of development defined in this study and allowed us to determine the average number of calls per unit per year generated by each type of development. Table 2.1 in Chapter 2 shows the calls-per-unit-per-year factors derived from that analysis. Those factors are used to calculate impact fees per unit later in this chapter.

It is important to note that calls-per-unit rates for residential development could not be established for the unit size categories used in this study. Those calls were categorized by type of unit (e.g., single-family, multi-family or mobile home). The Police calls-per-unit factors shown in Table 2.1 and used in this analysis apply the multi-family rates to the two smaller unit-size categories and the single-family rate to the two larger unit-size categories.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The level of service used in this analysis is discussed in the next section.



Level of Service

In this case, the standard used to calculate impact fees is the existing level of service, defined as the replacement cost of existing Police Department facilities, vehicles and equipment divided by the total calls for service for the one-year 2019 period to get an average cost per call.

In 2021, AB 602 added Section 66016.5 to the Mitigation Fee Act. Among other things, after January 1, 2022, that section requires that if the level of service used in an impact fee study exceeds the existing level of service, the higher level of service must be justified. Using the existing level of service as the basis for the impact fees calculated in this chapter is consistent with the requirements of AB 602.

Facilities, Vehicles and Equipment

Table 5.1 lists the estimated replacement cost of the City's existing Police Department facilities. Animal control facilities are addressed separately in Chapter 6.

	Constr	Building	Bldg Repl	Site	Est Land	FF&E Repl	Imp	act Fee
Facility	Date	Sq Ft 1	Cost ²	Acres ³	Value ⁴	Cost ⁵	Cost	: Basis ⁶
Police Station	1996	9,000	\$ 5,175,000	0.85	\$391,000	\$240,877	\$ 5,	806,877
Police Range Storage (2)	1985	600	\$ 161,219			\$ 64,232	\$	225,451
Police Range Covers (2)	1985	800	\$ 318,214			\$0	\$	318,214
Total							\$ 6,	350,542

Table 5.1: Existing Police Department Facilities

¹ Existing buildings square feet from the City's insured property schedule

² Building replacement cost based on recent construction costs

³ Site acreage provided by the Grass Valley Police Department

⁴ Land value based on \$460,000 per acre

⁵ Replacement cost of furniture, fixtures and equipment (FF&E) from the City's insured property schedule

⁶ Impact fee cost basis = the sum of building replacement cost, estimated land value and the replacement cost of furniture, fixtures and equipment

Table 5.2 lists the City's existing Police vehicles and equipment including community and facility cameras. Costs for vehicles and equipment reflect the estimated current dollar replacement costs as provided by City staff. The police department maintains facility security cameras (interior and exterior) of all City buildings as well as community camera platforms. The purpose of facility cameras is to provide security for city facilities and to provide forensic evidence of crimes. The community cameras are primarily designed for crime prevention, detection, and/or resource deployment. Community cameras are primarily focused on areas of high traffic such as the downtown core, parks, and retail locations. The Police Department's experience is that community cameras have proven highly useful in crime detection and investigations.



	Unit	Unit	Total
Description	Count	Cost ¹	Cost ²
Marked Patrol Vehicles	8	\$ 63,235	\$ 505,880
K9 Patrol Vehicles	3	\$ 69,235	\$ 207,705
Unmarked Investigations/Admin Vehicles	9	\$ 58,235	\$ 524,115
Special Duty Vehicles	4	\$ 58,235	\$ 232,940
Sworn Officer Personal Equipment ³	34	\$ 16,489	\$ 560,626
Community and Facility Cameras	185	Lump Sum	\$ 457,500
Total			\$2,488,766

Table 5.2: Existing Police Department Vehicles and Equipment

¹ Patrol vehicles are 2021-2022 Chevy Tahoes with an estimated base cost of \$44,000 plus additional equipment cost

² Total cost = unit count X unit cost

³ Includes uniforms, badge, radio, body camera, firearm and other equipment required for each sworn officer

Table 5.3 summarizes the costs from the preceding tables and adds the current cash balance in the City's Police Impact Fee Fund.

Table 5.3: Total Impact Fee Cost Basis

	Total
Component	Cost Basis ¹
Existing Buildings	\$ 6,350,542
Existing Vehicles and Equipment	\$ 2,488,766
Police Impact Fee Fund Balance	\$ 35,084
Total Cost	\$ 8,874,392

¹ See Tables 5.1, and 5.2; DIF fund balance as of 6/30/22

Cost per Call for Service

Table 5.4 calculates the cost per call for service for Police Department facilities, vehicles and equipment using the total cost basis from Table 5.3 and the existing number of calls for service per year.



Table 5.4: Cost per Call for Service

Total Cost Basis ¹	Existing Calls for Service ²	Cost per Call for Service ³
\$8,874,392	26,338	\$336.94

¹ Total cost basis; see Table 5.3

² Existing Police calls for service per year ; see Table 2.2

 3 Cost per call for service = total cost basis / existing calls

for service per year

Impact Fees per Unit

Table 5.5 shows the calculation of impact fees for Police Department facilities per unit of development, by development type. Those fees are calculated using the average cost per call for service from Table 5.4 and the calls-per-unit-per-year factors from Table 2.1.

Table 5.5 Impact Fee per Unit

Development		Cost per	CFS	Impact Fee
Туре	Units ¹	CFS ²	per Unit ³	per Unit ⁴
Residential: <800 Sq. Ft.	DU	\$336.94	1.200	\$ 404.33
Residential: 800-1,200 Sq. Ft.	DU	\$336.94	1.500	\$ 505.41
Residential: >1,200-2,100 Sq. Ft.	DU	\$336.94	1.800	\$ 606.49
Residential: >2,100 Sq. Ft.	DU	\$336.94	2.000	\$ 673.88
Commercial	KSF	\$336.94	4.214	\$1,419.94
Hotel/Lodging	Room	\$336.94	1.380	\$ 465.13
Office	KSF	\$336.94	0.652	\$ 219.69
Medical Office	KSF	\$336.94	4.193	\$ 1,412.88
Hospital Facilities	Bed	\$336.94	4.496	\$1,514.74
Light Industrial	KSF	\$336.94	0.358	\$ 120.72
Manufacturing	KSF	\$336.94	0.178	\$ 59.87
Warehouse	KSF	\$336.94	0.310	\$ 104.45
Public Facilities	KSF	\$336.94	11.686	\$ 3,937.46
K-12 Public Schools	Students	\$336.94	0.058	\$ 19.69
College/University	Students	\$336.94	0.009	\$ 3.08

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

guest room or suite; Bed = patient bed

² Cost per call for service per year; see Table 5.4

³ Calls for service per unit per year; see Table 2.1

⁴ Impact fee per unit = cost per call for service X calls for service per unit



Projected Revenue

In Table 5.6, potential revenue from the police facilities impact fees can be estimated by applying the cost per call for service from Table 5.4 to the added calls for service to 2040 shown in Table 2.3 in Chapter 2. This projection assumes that future development occurs as shown in Chapter 2.

Development		Cost	Added		Projected
Туре	Units ¹	per CFS ²	CFS ³	I	Revenue ⁴
All residential	DU	\$336.94	3,963	\$	1,335,211
Commercial	KSF	\$336.94	111	\$	37,486
Hotel/Lodging	Room	\$336.94	0	\$	0
Office	KSF	\$336.94	28	\$	9,358
Medical Office	KSF	\$336.94	0	\$	0
Hospital Facilities	Bed	\$336.94	0	\$	0
Light Industrial	KSF	\$336.94	3	\$	910
Manufacturing	KSF	\$336.94	6	\$	1,937
Warehouse	KSF	\$336.94	0	\$	115
College/University	Students	\$336.94	0	\$	161
Total				\$	1,385,178

Table 5.6 Projected Revenue

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

Room = guest room or suite; Bed = patient bed

²Cost per call for service per year; see Table 5.4

³Added calls for service per year to 2040; see Table 2.3

⁴ Projected revenue = cost per call for service per year X added calls for service to 2040

Although Table 5.5 calculates impact fees for K-12 Schools and Public Facilities, the City either may not have authority, or would be unlikely to charge impact fees to itself or other government agencies. Consequently, no projected revenue is shown for K-12 Schools or Public Facilities in Table 5.6. Revenue from those fees would amount to only about 0.5% of the total revenue projected in Table 5.6.

Updating the Fees

The impact fees calculated in this chapter are based the current estimated replacement costs for Police Department facilities, vehicles and equipment as shown in this chapter. We recommend that the fees be reviewed and adjusted annually using local cost data or an index such as the Engineering News Record Building Cost Index (BCI). See the Implementation Chapter for more on indexing of fees.



Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for Police Department facilities, vehicles and equipment provided by the City of Grass Valley.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional Police Department facilities, vehicles and equipment to mitigate the impact of new development on the need for police services in the City. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional Police Department facilities and vehicles needed to serve the added demand for police services associated with new development in Grass Valley.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the demand for services provided by the Grass Valley Police Department. Without additional facilities, vehicles and equipment the increase in demand associated with new development would negatively impact the ability of the Grass Valley Police Department to provide services efficiently and effectively and to maintain the existing level of service for all development in the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the police facilities impact fees charged to a development project will depend on the increase in calls for service associated with that project. The fees per unit of development calculated in this chapter for each type of development are



based on the estimated calls for service per unit per year for that type of development. Thus, the fee charged to a development project reflects the impact of that project on the need for facilities, vehicles and to serve additional development in the City.



Chapter 6. General Government Facilities

This chapter calculates impact fees for facilities and vehicles needed to provide general government services to new development in Grass Valley. The impact fees calculated in this chapter are based on the cost of the City's existing general government facilities and vehicles. This chapter also calculates a separate impact fee for the City's animal control facilities and vehicles. Where the term "facilities" is used alone in this chapter, it is intended to include facilities, vehicles and related capital assets.

Service Area

The service area for impact fees calculated in this chapter is the City of Grass Valley. Impact fees calculated in this chapter are intended to apply to all future development in the City, including portions of the Sphere of Influence (SOI) annexed in the future.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development on a certain type of capital facilities. The demand variable used to calculate impact fees for general government facilities and vehicles in this report is service population, which is a weighted composite variable made up of population and employees of business in the City. See Chapter 2 for a detailed discussion of service population. The demand variable used to calculate impact fees for animal control facilities is population.

Different demand variables are used for the two types of facilities addressed in this chapter because the need for general government facilities is impacted by both residential and non-residential development, while the need for animal control facilities is impacted almost entirely by residential development.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The level of service used in this analysis is discussed in the next section.

Level of Service

In this case, the standard used to calculate impact fees is the existing level of service, defined as the replacement cost of existing general government facilities and vehicles divided by the existing service population, or in the case of animal control, by the existing population of the City.

In 2021, AB 602 added Section 66016.5 to the Mitigation Fee Act. Among other things, after January 1, 2022, that section requires that if the level of service used in an impact fee study



exceeds the existing level of service, the higher level of service must be justified. Using the existing level of service as the basis for the impact fees calculated in this chapter is consistent with the requirements of AB 602.

Facilities, Vehicles and Equipment

Table 6.1 lists the estimated replacement cost of the City's existing general government and animal control facilities.

	Constr	Building	Bldg Repl	Site	Est Land	FF&E Repl	lı	mpact Fee
Facility	Date	Sq Ft ¹	Cost ²	Acres ³	Value ⁴	Cost ⁵	С	ost Basis ⁶
City Hall	1980	17,310	\$3,728,000	1.01	\$464,600	\$2,161,704	\$	6,354,304
Corporation Yard								
Shop/Office	1970	2,800	335,065			\$ 481,748	\$	816,813
Equipment Storage Bldg	1975	2,040	126,837			\$ 242,138	\$	368,975
Equipment Storage Bldg	1970	3,400	133,377			\$ 240,877	\$	374,254
Equipment Storage Bldg	1980	2,100	67,332			\$ 160,581	\$	227,913
Paint Shop/Storage	1975	800	206,257			\$ 160,581	\$	366,838
Storage Building	1990	500	35,566			\$ 32,116	\$	67,682
Subtotal							\$	8,576,779
Animal Control Building	1975	2,345	\$ 302,157			\$ 533,712	\$	835,869
Total							\$	9,412,648

 Table 6.1: Existing General Government and Animal Control Facilities

¹Existing buildings square feet from the City's insured property schedule

² Building replacement cost from the City's insured property schedule

³ Site acreage estimated by NBS

⁴City Hall land value based on \$460,000 per acre

⁵ Replacement cost of furniture, fixtures and equipment (FF&E) based on personal property figure from the City's insured property schedule

Table 6.2 lists the City's existing general government and animal control vehicles. Costs for vehicles reflect the estimated current dollar replacement costs as provided by City staff.



	Model				Rej	placement
Department	Year	Make	Model	Description		Cost ¹
Fleet	2020	Ram	5500	4X4, Crane, Compressor, Welder	\$	85,000
Pool	2009	Ford	Escape	Hybrid, 4X4	\$	38,536
Pool	2009	Ford	Escape	Hybrid, 4X4	\$	38,536
Pool	2020	Toyota	Rav4	Hybrid, 4X4	\$	38,536
Streets	2021	Ford	F-250	XL 4X4 Gas	\$	46,355
Streets	2021	Ford	F-250	XL 4X4 Gas	\$	46,355
Streets	2003	Ford	F-250	XL 4X4 Gas	\$	42,220
Streets	2011	Bobcat	S650	Skid Steer	\$	65,000
Streets	2012	Ford	F-350	XL, 4X4, Gas	\$	46,355
Streets	2012	Ford	F-550	XL, 4X4, Diesel, Dump, Plow	\$	46,355
Streets	2017	Ford	F-350	XL, 4X4, Plow	\$	46,355
Streets	2017	Ford	F-250	XL, 4X4, Plow	\$	46,355
Streets	2017	Ford	F-250	XL, 4X4, Plow	\$	46,355
Streets	2018	Freightliner		Street Sweeper	\$	220,000
Streets	2020	John Deere	410L	4X4,	\$	145,000
Facilities	2021	Ram	2500	4X4, Liftgate	\$	39,500
Streets	2021	International	CV515	4X4, Dump, Plow	\$	65,000
Streets	2021	International	CV515	4X4, Dump, Plow	\$	65,000
Subtotal Gene	ral Gove	rnment			\$:	1,166,813
Animal Control	2002	Ford	Ranger	4X4 Gas	\$	25,980
Animal Control	2016	Chevy	2500	4X4, Animal Control Body	\$	37,500
Subtotal Anima	al Contro	bl			\$	63,480
Total					\$:	1,230,293

Table 6.2: Existing General Government and Animal Control Vehicles

¹ Replacement cost provided by the City of Grass Valley City Engineer

Table 6.3 summarizes the costs from the preceding tables and adds the current cash balance in the City's Admin/General Facilities Impact Fee Fund.



Table 6.3: Impact Fee Cost Basis

	In	npact Fee
Component	Сс	ost Basis ¹
Existing General Government Buildings	\$	8,576,779
Existing General Government Vehicles	\$	1,166,813
Admin/General Facilities Impact Fee Fund Balance ²	\$	79,005
Subtotal General Government	\$	9,822,597
Existing Animal Control Facilities	\$	835,869
Existing Animal Control Vehicles.	\$	63,480
Subtotal Animal Control	\$	899,349

¹ See Tables 6.1, and 6.2

² Impact fee fund balance as of 6/30/22

Cost per Capita

General Government. Table 6.4 calculates the cost per capita for general government facilities and vehicles using the general government facilities cost basis from Table 6.3 and the City's existing service population from Table 2.2.

Table 6.4: Cost per Capita - General Government Facilities

General Gov't	Existing Service	Cost per
Cost Basis ¹	Population ²	Capita ³
\$9,822,597	20,233	\$485.47

¹ General government cost basis; see Table 6.3

² Existing service population ; see Table 2.2

³ Cost per capita of service population = total cost basis / existing service population

Animal Control. Table 6.5 calculates the cost per capita for animal control facilities and vehicles using the animal control facilities cost basis from Table 6.3 and the City's existing population from Table 2.2.

Table 6.5: Cost	per Capita	- Animal (Control	Facilities
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Animal Control	Existing	Cost per
Cost Basis ¹	Population ²	Capita ³
\$899,349	13,617	\$66.05

¹ Animal control cost basis; see Table 6.3

² Existing population ; see Table 2.2

³ Cost per capita = cost basis / existing population



Impact Fees per Unit

General Government. Table 6.6 shows the calculation of impact fees for per unit of development, by development type, for general government facilities and vehicles. Those fees are calculated using the cost per capita of service population from Table 6.4 and the service population per unit from Table 2.1.

Development		Cost per	Svc Pop	Im	pact Fee
Туре	Units ¹	Capita ²	per Unit ³	ре	er Unit ⁴
Residential: <800 Sq. Ft.	DU	\$485.47	1.900	\$	922.40
Residential: 800-1,200 Sq. Ft.	DU	\$485.47	2.000	\$	970.95
Residential: >1,200-2,100 Sq. Ft.	DU	\$485.47	2.100	\$1	,019.50
Residential: >2,100 Sq. Ft.	DU	\$485.47	2.200	\$1	,068.04
Commercial	KSF	\$485.47	1.090	\$	529.17
Hotel/Lodging	Room	\$485.47	0.250	\$	121.37
Office	KSF	\$485.47	0.970	\$	470.91
Medical Office	KSF	\$485.47	0.930	\$	451.49
Hospital Facilities	Bed	\$485.47	7.240	\$3	,514.83
Light Industrial	KSF	\$485.47	0.430	\$	208.75
Manufacturing	KSF	\$485.47	0.620	\$	300.99
Warehouse	KSF	\$485.47	0.190	\$	92.24
Public Facilities	KSF	\$485.47	0.970	\$	470.91
K-12 Public Schools	Students	\$485.47	0.000	\$	0.00
College/University	Students	\$485.47	0.100	\$	48.55

Table 6.6 Impact Fees per Unit - General Government Facilities

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

guest room or suite; Bed = patient bed

² Cost per capita of service population; see Table 6.4

³ Service population per unit; see Table 2.1

⁴ Impact fee per unit = cost per capita X service population per unit

Animal Control. Table 6.7 shows the calculation of impact fees for per unit of development, by development type, for animal control facilities and vehicles. Those fees are calculated using the cost per capita from Table 6.5 and the population per unit from Table 2.1. Those impact fees apply only to residential development.



Development		Cost per	Population	Impact Fee
Туре	Units ¹	Capita ²	per Unit ³	per Unit ⁴
Residential: <800 Sq. Ft.	DU	\$66.05	1.900	\$ 125.49
Residential: 800-1,200 Sq. Ft.	DU	\$66.05	2.000	\$ 132.09
Residential: >1,200-2,100 Sq. Ft.	DU	\$66.05	2.100	\$ 138.70
Residential: >2,100 Sq. Ft.	DU	\$66.05	2.200	\$ 145.30

Table 6.7 Impact Fee per Unit - Animal Control Facilities

¹ DU = dwelling unit

² Cost per capita; see Table 6.5

³ Population per unit; see Table 2.1

⁴ Impact fee per unit = cost per capita X population per unit

Projected Revenue

General Government. In Table 6.8, potential revenue from the general government facilities impact fees can be estimated by applying the cost per capita of service population from Table 6.4 to the added service population to 2040 shown in Table 2.3. This projection assumes that future development occurs as shown in Chapter 2.

Projected Development Cost per Added Units¹ Svc Pop³ Capita² Revenue⁴ Туре All residential DU \$485.47 4,874 \$ 2,366,201 Commercial KSF \$485.47 437 \$ 212,152 Hotel/Lodging Room \$485.47 0\$ 0 Office \$ 171,372 KSF \$485.47 353 Medical Office \$ KSF \$485.47 0 0 **Hospital Facilities** 0 \$ 0 Bed \$485.47 **Light Industrial** KSF \$485.47 35 \$ 16,992 Manufacturing 46 \$ 22,332 KSF \$485.47 2 Warehouse KSF \$485.47 \$ 971 College/University Students \$485.47 42 \$ 20,341 \$ 2,810,361 Total

Table 6.8 Projected Revenue - General Government Facilities

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Bed = patient bed

² Cost per capita of service population; see Table 6.4

³Added service population; see Table 2.3

⁴ Projected revenue = cost per capita X added service population



Although Table 6.6 calculates impact fees for K-12 Schools and Public Facilities, the City either may not have authority or would be unlikely to charge impact fees to itself or other government agencies. Consequently, no projected revenue is shown for K-12 Schools or Public Facilities in Table 6.8. Revenue from those fees would amount to only about 0.3% of the total revenue projected in Table 6.8.

Animal Control. In Table 6.9, potential revenue from the animal control facilities impact fees can be estimated by applying the cost per capita from Table 6.5 to the added population to 2040 shown in Table 2.3. This projection assumes that future development occurs as shown in Chapter 2.

Development		Cost per	Added	Р	rojected
Туре	Units ¹	Capita ²	Population ³	R	evenue ⁴
All residential	DU	\$66.05	4,874	\$	321,908

Table 6.9 Projected Revenue - Animal Control Facilities and Vehicles

¹ DU = dwelling unit

²Cost per capita; see Table 6.5

³Added population; see Table 2.3

⁴ Projected revenue = cost per capita X added population

Updating the Fees

The impact fees calculated in this chapter are based the current estimated replacement costs for general government and animal control facilities and vehicles as shown in this chapter. We recommend that the fees be reviewed and adjusted annually using local cost data or an index such as the Engineering News Record Building Cost Index (BCI). See the Implementation Chapter for more on indexing of fees.

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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



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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for general government and animal control facilities and vehicles provided by the City of Grass Valley.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional general government and animal control facilities and vehicles to mitigate the impact of new development in the City. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional general government and animal control facilities and vehicles to serve the added demand created by new development in Grass Valley.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the demand for general government and animal control services provided by the City of Grass Valley. Without additional facilities and, the increase in demand associated with new development would negatively impact the ability of the City to maintain the existing level of service as the City grows.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the general government and animal control facilities impact fees charged to a development project will depend on the increase in service population or resident population respectively. The fees per unit of development calculated in this chapter for each type of development are based on the estimated increase in service population or resident population associated with that type of development in the City's service area. Thus, the fee charged to a development project reflects the impact of that project on the need for facilities and vehicles needed to maintain the existing level of service as the City grows.



Chapter 7. Storm Drainage Improvements

This chapter calculates impact fees for improvements to Grass Valley's storm drainage system. The impact fees calculated in this chapter are based on the City's March 1986 Storm Drainage Master Plan and Criteria (Master Plan), prepared by Cramer Engineering, with updates to planned improvements and improvement costs as of 2022, provided by the City Engineer.

Service Area

The service area for impact fees calculated in this chapter is the area covered by the drainage master plan.

Methodology

The method used to calculate impact fees in this chapter is the plan-based method discussed in Chapter 1. That method calculates impact fees by allocating the cost of specific facilities to the development served by those facilities. The City has a system of existing storm drainage facilities, and the planned improvements provided by the City Engineer are needed to correct some existing deficiencies and to accommodate future development. Therefore, the cost of planned drainage system improvements will be allocated to both existing and future development so that impact fees paid by future development are not used to pay for correcting deficiencies in the City's existing stormwater drainage system.

Level of Service

The level of service for storm drainage facilities used as a basis for the impact fees calculated in this chapter is explained in the Master Plan. Because the master planned level of service has been in effect since 1986, it represents the existing level of service.

In 2021, AB 602 added Section 66016.5 to the Mitigation Fee Act. Among other things, after January 1, 2022, that section requires that if the level of service used in an impact fee study exceeds the existing level of service, the higher level of service must be justified. Using the existing level of service as the basis for the impact fees calculated in this chapter is consistent with the requirements of AB 602.

Demand Variable

A demand variable is some measurable attribute of development that is used in impact fee calculation formulas to represent the impacts created by different types of development. The demand variable used in this chapter to calculate drainage impact fees is acres of impervious surface area (ISA). Impervious surface area refers to the portion of a development site occupied by hard surfaces, such as roofs and paving that prevent absorption of stormwater by the soil and thereby increase runoff into drainage facilities.



Drainage System Improvements

The City Engineer and Grass Valley's Capital Improvement Plan identify the following planned improvement projects that are necessary to accommodate future development. Some of these improvements also benefit existing users, so the cost of these improvements is allocated to both existing and future development in calculating impact fees.

Facility	Facility	In	nprovement
, Number	Location		Cost ¹
SD-L-6	E. Main Street	\$	719,113
SD-L-8	Centerville Flume	\$	830,665
SD-L-9	Master Plan Updates	\$	300,000
SD-L-10	Freeman Lane	\$	0
SD-L-11	Slide Ravine Drain	\$	886,345
SD-L-13	Park Avenue to Ocean Avenue	\$	981,578
SD-L-23	Washington-Bennett Drain	\$	0
SD-R-1	Colfax Avenue Drain	\$	4,461,488
SD-R-2	Woodpecker Ravine	\$	1,207,523
SD-R-3	Matson Creek Phase 1	\$	2,264,054
SD-R-4	Wolf Creek Improvements	\$	0
SD-R-5	S. Auburn Street Drainage	\$	1,390,761
SD-R-6	Matson Creek Phase 2	\$	2,147,851
SD-R-7	Matson Creek Lateral	\$	244,611
	Drainage Master Plan Update	\$	100,000
Total		\$	15,533,989

Table 7.1: Drainage System Improvements

¹ Estimated 2022 costs provided by the Grass Valley Public Works Department; see Appendix A for project details and cost breakdown

Acres of Impervious Surface Area by Development Type

Table 7.2 identifies the number of acres projected for each development type at buildout as well as the ISA factor for each type of development. Those two factors are used to calculate total buildout ISA acres by development type.



Development	Buildout Net	ISA	Buildout	%
Туре	Dev Acres ¹	Factor ²	ISA Acres ³	ISA
Residential: <1,200 Sq. Ft.	2,734.4	0.60	1,640.6	45.5%
Residential: >1,200 Sq. Ft.	319.7	0.40	127.9	3.5%
Commercial	1,290.5	0.80	1,032.4	28.6%
Hotel/Lodging				
Office				
Medical Office				
Hospital Facilities				
Manufacturing/Industrial	625.0	0.80	500.0	13.9%
Light industrial				
Manufacturing				
Warehouse				
Public/Quasi-Public	680.2	0.44	299.3	8.3%
K-12 Public Schools				
College/University				
Parks & Open Space	259.9	0.03	7.8	0.2%
Total Impervious Surface Area	5,909.7		3,608.0	100.0%

Table 7.2: Impervious Surface Area - All Development at Buildout

¹ Net developed acres at buildout; Source: City of Grass Valley General Plan; excludes 10% of gross acreage to account for public infrastructure such as road right-of-way

 ² Factors estimated using the "User's Guide for the CA Impervious Surface Coefficients," Ecotoxicology Program, Intergrated Risk Assessment Branch, California Office of Environmental Health Hazard Assessment

³ Buildout ISA acres = buildout net developed acres x ISA factor

Cost per Acre of Impervious Surface Area

Based on data from Tables 7.1 and 7.2, Table 7.3 calculates the average cost of drainage system improvements per acre of impervious surface area.

Table 7.3: Cost per Acre of ISA

Total	Buildout	Cost per
Improvement Cost ¹	ISA Acres ²	Acre of ISA ³
\$15,533,989	3,608.0	\$4,305.42

¹ See Table 7.1

² See Table 7.2

³ Cost Acre of impervious surface area (ISA) = total improvement cost / buildout ISA acres



Impact Fees Per Unit

Table 7.4 calculates the impact fee per developed acre by development type by multiplying the cost per acre from Table 7.3 by the ISA Factor for each development type in Table 7.2. The drainage impact fees in Table 7.4 are calculated for fairly broad categories of development. The development types that fall under each broad category are shown in italics.

Development		Cost per	ISA	Impa	act Fee per
Туре	Ac	re of ISA ¹	Factor ²	Net	Dev Acre ³
Residential: <1,200 Sq. Ft.	\$	4,305.42	0.60	\$	2,583.25
Residential: >1,200 Sq. Ft.	\$	4,305.42	0.40	\$	1,722.17
Commercial/Office	\$	4,305.42	0.80	\$	3,444.34
Hotel/Lodging					
Office					
Medical Office					
Hospital Facilities					
Industrial	\$	4,305.42	0.80	\$	3 <i>,</i> 444.34
Light industrial					
Manufacturing					
Warehouse					
Public/Quasi-Public	\$	4,305.42	0.44	\$	1,894.39
K-12 Public Schools					
College/University					

Table 7.4: Impact Fee per Developed Acre by Development Type

¹ See Table 7.3

² See Table 7.2

³ Impact fee per net developed acre = cost per acre of impervious surface area (ISA) X ISA factor

Projected Revenue

This chapter does not project revenue from storm drainage impact fees because a current estimate of the remaining undeveloped acres for each development type is not available.

Updating the Fees

The impact fees calculated in this chapter are based on cost estimates updated to 2022. We recommend that these fees be reviewed periodically and adjusted if necessary to reflect changes in costs. An index such as the *Engineering News Record* Construction Cost Index can be used for that purpose.



Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to pay for new development's proportionate share of the cost of providing drainage system improvements to serve new development in Grass Valley.

Use of the Fee. Impact fees calculated in this chapter will be used to pay for future drainage system improvements needed to serve future development in Grass Valley. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to pay for the cost of drainage system improvements needed to serve new development in Grass Valley.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. All development generates storm water runoff in proportion to the amount of impervious surface area added by development. The impact fees calculated in this chapter will pay for drainage system improvements needed to serve new development in Grass Valley as projected in Chapter 2 of this report.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the storm drainage impact fees charged to a development project is related to the amount of impervious cover associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the engineer's estimates of the amount of storm water runoff per acre associated with that type of development.



Chapter 8. Administrative Fee

This chapter provides a cost-of-service analysis to substantiate an administrative fee that is added to each impact fee (see Executive Summary). This charge recovers the cost of accounting, reporting and other administrative activities required by the Mitigation Fee Act, as well as the cost of periodic updates to the impact fee study.

The following table establishes an Administration Fee for the impact fee program.

Administrative Costs of the Impact Fee Program		
Projected Impact Fee Revenue (2023 - 2040)	\$ 29,521,585	[1]
Average Annual Revenue	\$ 1,640,088	[2]
Average Annual Cost of Impact Fee Update Studies	\$ 10,000	[3]
Administrative Cost as % of Impact Fee Revenue	0.61%	[4]

Notes:

[1] Projected impact fee revenue collected from 2023 through 2040

[2] Average annual revenue = total projected revenue / 18 years

[3] Estimated annual cost of impact fee update study every five years

[4] Administrative cost as % of impact fee revenue = average annual revenue /

average annual cost of impact fee study updates

The table above includes the allocated costs of program administration as established by estimated annual costs required, and the annualized costs of completing a comprehensive impact fee analysis every five years. The projected and annualized revenue assumptions were developed throughout the various chapters included in the body of this report. Two percent of the impact fee amount is a widely implemented administrative fee in California for impact fee programs. Comparatively, the fee calculated above for the City of Grass Valley's program is well within the range of similar fees charged for other California local government agencies.



Chapter 9. Implementation

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

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

Adoption

The form in which development impact fees are enacted should be determined by the City attorney. The specific requirements are different for impact fees under the Mitigation Fee Act, and for park land dedication and in-lieu fees under the Quimby Act. The latter requirements must be adopted by ordinance and are subject to the same noticing and public hearing procedures as any ordinance.

Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and publichearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. **However, Section 66016.5 added by AB 602 in 2021 requires that impact fee nexus studies be adopted at a public hearing with at least 30-days' notice.**

Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

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

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

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

Sample Finding: Use of the Fee. The City Council finds that revenue from the impact fees hereby enacted will be used to provide public facilities needed to mitigate the impacts of



new development in the City and identified in the 2022 City of Grass Valley Development Impact Fee Study by NBS. $^{\rm 2}$

Sample Finding: Reasonable Relationship: Based on analysis presented in the 2022 City of Grass Valley Development Impact Fee Study by NBS, the City Council finds that there is a reasonable relationship between:

- a. The use of the fees and the types of development projects on which they are imposed; and,
- b. The need for facilities and the types of development projects on which the fees are imposed.

Administration

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

Notices and Statute of Limitations. Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." The required notification could refer to the improvements identified in this study or to a capital improvement plan.

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

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

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

However, "utility service fees" (not defined, but likely referring to water and sewer connections) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for

² According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information. Also note that Section 66016.5 (a)(6) requires that large jurisdictions adopt a capital improvement plan as part of an impact fee nexus study. However, that requirement applies only in counties of 250,000 or more, so it does not apply to Grass Valley.



individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

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

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

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

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

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

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

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

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

If a project has characteristics that will make its impacts on a particular public facility or infrastructure system significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly to meet the


requirement that there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

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

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

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

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

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

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



City of Grass Valley Development Impact Fee Study November 9, 2022 8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

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

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

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

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

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

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

For a useful discussion of the foregoing requirements, see "The Mitigation Fee Act's Five-Year Findings Requirement: Beware Costly Pitfalls" by Glen Hansen, Senior Counsel, Abbott and Kindermann, and Rick Jarvis, Managing Partner, Jarvis, Fay and Gibson, presented at the 2022 League of California Cities City Attorneys Spring Conference.

Indexing of In-Lieu/Impact Fees. In-lieu fees and impact fees calculated in this report are based on current costs and should be adjusted periodically to account for changes in the cost of facilities



City of Grass Valley Development Impact Fee Study November 9, 2022 or other capital assets that will be funded by those fees. That adjustment is intended to account for escalation in costs for land, construction, vehicles and other relevant capital assets. The *Engineering News Record* Building Cost Index (BCI) and Construction Cost Index (CCI) are useful for indexing construction costs. Where land costs are covered by an impact fee or in-lieu fee, land costs should be adjusted based on changes in local land prices.

Requirements Imposed by AB 602

In 2021, the California Legislature passed AB 602 and the Governor signed it into law. AB 602 creates some new requirements for impact fees that will go into effect in 2022. The new law amends Government Code Section 65940.1 and adds Section 66016.5 to impose the following requirements:

- 1) A city, county or special district that has an internet website shall post on its website:
 - a) A current written schedule of fees, exactions and affordability requirements applicable to a proposed housing development project, and shall present that information in a manner that identifies the fees, exactions and affordability requirements that apply to each parcel and the fees that apply to each new water and sewer utility connection
 - b) All zoning ordinances and development standards and specifying the zoning, design and development standards that apply to each parcel
 - c) A list of the information that will be required from any applicant for a development project, as specified in Government Code Section 69540
 - d) The current and five previous annual fee reports required by Government Code Section 66006 and Subsection 66013 (d).
 - e) An archive of impact fee nexus studies, cost of service studies or equivalent conducted on or after January 1, 2018.
- 2) The above information shall be updated within 30 days of any changes
- 3) A City or County shall request from a development proponent, upon issuance of a certificate of occupancy or final inspection, the total amount of fees and exactions associated with the project for which the certificate it issued. That information must be posted on the website and updated at least twice a year.
- 4) Before adoption of an impact fee, an impact fee nexus study shall be adopted.
- 5) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate
- 6) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.



- 7) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of the proposed units of the development. A local agency that imposes a fee proportionately to the square footage if the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development. A nexus study is not required to comply with this requirement if the agency makes certain findings outlined in the statute.
- 8) Large jurisdictions as defined in Section 53559.1 (d) of the Health and Safety Code (counties of 250,000 or more and cities in those counties) shall adopt a capital improvement plan as part of a nexus study.
- 9) All studies shall be adopted at a public hearing with at least 30-days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.

10) Studies shall be updated at least every eight years, beginning on January 1, 2022.

Training and Public Information

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

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

Finally, anyone responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. Fees must be expended for the purposes identified in the impact fee nexus study in which they were calculated, and the City must be able to show that funds have been properly expended.

Recovery of Administrative Costs

To recover the cost of periodic impact fee update studies and ongoing staff costs for capital budgeting, annual reports, five-year updates and other requirements of the Mitigation Fee Act, an administrative charge may be added to the impact fees calculated in this report. Chapter 8 of this report calculates the percentage that the impact fees should be increased to cover the cost of administering the City's impact fee program. Table S.2 in the Executive Summary shows the impact fees calculated in this report with the administrative charge added.



APPENDIX A

Storm Drain Improvement Project Cost Detail

Limits:

Along Slide Ravine from 180' south of Doris Drive to a point 235'+/- north of Doris Drive

Proposed Improvement (Scope):	Replace the existing inadequate natural channel with a new 42" pipe
	(Approximately 415 LF of new pipe). COGV Storm Drainage Master Plan
	(1986) PN#14 (Nodes14 to 37)

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$381,915
ROCK EXCAVATION	50%	\$190,958
TOTAL PROJECT CONSTRUCTION	DN COSTS	\$572,873
ENVIRONMENTAL MITIGATION	10%	\$57,287
ENGINEERING DESIGN COSTS	20%	\$114,575
CONSTRUCTION MANAGEMEN	15.0%	\$85,931
PROJECT CONSTRUCTION COSTS	_	\$572,873
TOTAL <u>BASE</u> PROJECT COSTS		\$830,665

ESTIMATE PREPARED

February 2022

BASE YEAR

PROJECT DESCRIPTION: Limits: Along	Colfax Avenue from 300' east of C	lark Street to Hwy 49 Fi	rontage
Proposed Improvement (Scope):	Replace the existing inadequ arch pipe (Approximately 88 Master Plan (1986) PN#2 (N	ate 74" pipe with a new 0 LF of new pipe). COO lodes44 to 64)	96" pipe or equivalent GV Storm Drainage
	SUMMARY OF <u>BASE</u> PROJEC	CT COST ESTIMATE	,
TOTAL DRAINAG	E IMPROVEMENT ITEMS		\$2,949,744
ROCK EXCAVATION	ON	10%	\$294,974
TOTAL	PROJECT CONSTRUCTION C	OSTS _	\$3,244,718

TOTAL <u>BASE</u> PROJECT COSTS		\$4,461,488
PROJECT CONSTRUCTION COSTS	-	\$3,244,718
CONSTRUCTION MANAGEMEN	12.5%	\$405,590
ENGINEERING DESIGN COSTS	15%	\$486,708
ENVIRONMENTAL MITIGATION	10%	\$324,472

ESTIMATE PREPARED

February 2022

BASE YEAR

PROJECT DESCRIPTION:	
Limits: Eas	t Main Street from the IdahoMaryland Intersection to Scandling Ave.
Proposed Improvement (Scope):	Replace the existing undersized storm drain in E. Main Street with a new 30" pipe (Approximately 440 LF of new pipe). COGV Storm Drainage Master Plan (1986) PN#15 (Nodes70-69)

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS	·	\$330,627
ROCK EXCAVATION	50%	\$165,313
TOTAL PROJECT CONSTRUCTION	DN COSTS	\$495,940
ENVIRONMENTAL MITIGATION	10%	\$49,594
ENGINEERING DESIGN COSTS	20%	\$99,188
CONSTRUCTION MANAGEMENT	15.0%	\$74,391
PROJECT CONSTRUCTION COSTS	-	\$495,940
TOTAL BASE PROJECT COSTS		\$719,113

ESTIMATE PREPARED

February 2022

BASE YEAR

Limits:

Along Freeman Lane from Wolf Creek to a point 1000' towards Talorville Road.

Proposed Improvement (Scope): Desing and construct drainage improvements along Freeman Lane to correct deficiencies.

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$489,000
ROCK EXCAVATION	50%	\$244,500
TOTAL PROJECT CONSTRUCTION	DN COSTS	\$733,500
ENVIRONMENTAL MITIGATION	10%	\$73,350
ENGINEERING DESIGN COSTS	20%	\$146,700
CONSTRUCTION MANAGEMEN	15.0%	\$110,025
PROJECT CONSTRUCTION COSTS	_	\$733,500
TOTAL BASE PROJECT COSTS		\$1,063,575

ESTIMATE PREPARED

February 2022

BASE YEAR

Limits:

Across Parking Lot at 154 Hughes Road

Proposed Improvement (Scope):Replace the existing inadequate system with a new 36" pipe or equivalent
arch pipe (Approximately 220 LF of new pipe). COGV Storm Drainage
Master Plan (1986) PN#17 (Nodes 31 to 33)

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$153,361
ROCK EXCAVATION	10%	\$15,336
TOTAL PROJECT CONSTRUCTION	ON COSTS	\$168,697
ENVIRONMENTAL MITIGATION	10%	\$16,870
ENGINEERING DESIGN COSTS	20%	\$33,739
CONSTRUCTION MANAGEMEN	15.0%	\$25,305
PROJECT CONSTRUCTION COSTS	-	\$168,697
TOTAL BASE PROJECT COSTS		\$244,611

ESTIMATE PREPARED

February 2022

BASE YEAR

PROJECT DESCRIPTION:		
Limits: Alo	ng Matson Creek from just north of Harris Street to Wolf	Creek
Proposed Improvement (Scope):	Replace the existing undersized box culvert with a equivalent arch pipe (Approximately 650 LF of new Drainage Master Plan (1986) PN#3 (Nodes 66 to 6	new 66" pipe or w pipe). COGV Storm 8 & under E. Main St.)
	SUMMARY OF <u>BASE</u> PROJECT COST ESTIMAT	Έ
TOTAL DRAINAG	E IMPROVEMENT ITEMS	\$1,042,350
ROCK EXCAVATION	ON 10%	\$104,235
RIGHT OF WAY		\$500,000
TOTAL	PROJECT CONSTRUCTION COSTS	\$1,646,585

PROJECT CONSTRUCTION COSTS	_	\$1,646,585
CONSTRUCTION MANAGEMEN	12.5%	\$205,823
ENGINEERING DESIGN COSTS	15%	\$246,988
ENVIRONMENTAL MITIGATION	10%	\$164,658

ESTIMATE PREPARED

BASE YEAR

February 2022

PROJECT DESCRIPTION: Limits:	Along Matson Creek from just W. Berryhill Drive to Harris Street
Proposed Improvement (Scope):	Replace the existing undersized box culvert and open channel with a new 66" pipe or equivalent arch pipe (Approximately 935 LF of new pipe). COGV Storm Drainage Master Plan (1986) PN#13 (Nodes 43 to 66)

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$1,420,067
ROCK EXCAVATION	10%	\$142,007
TOTAL PROJECT CONSTRUCTION	DN COSTS	\$1,562,073
ENVIRONMENTAL MITIGATION	10%	\$156,207
ENGINEERING DESIGN COSTS	15%	\$234,311
CONSTRUCTION MANAGEMEN	12.5%	\$195,259
PROJECT CONSTRUCTION COSTS	-	\$1,562,073
TOTAL <u>BASE</u> PROJECT COSTS		\$2,147,851

ESTIMATE PREPARED

February 2022

BASE YEAR

Limits:

Park Avenue to Ocean Avenue

Proposed Improvement (Scope):Replace existing 8" storm drain with 15" and 18" pipe, from a DI located
in Park Avenue, 375' west of S. Auburn Street to a DI located on Marshall
Street, 200' north of Empire Street. Replace existing 15" SD with an 18"
SD and extend 18" SD from Marshall Street to Ocean Avenue.

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$451,300
ROCK EXCAVATION	50%	\$225,650
TOTAL PROJECT CONSTRUCTION	DN COSTS	\$676,950
ENVIRONMENTAL MITIGATION	10%	\$67,695
ENGINEERING DESIGN COSTS	20%	\$135,390
CONSTRUCTION MANAGEMEN	15.0%	\$101,543
PROJECT CONSTRUCTION COSTS	-	\$676,950
TOTAL <u>BASE</u> PROJECT COSTS		\$981,578

ESTIMATE PREPARED

BASE YEAR

February 2022

PROJECT DESCRIPTION:			
Limits:	Along South Auburn from Berryman Stro	eet to Hwy 49 Fro	ontage
Proposed Improvement (Scope):	Replace the existing undersized equivalent arch pipe (Approxima Drainage Master Plan (1986) PN	and inadequate synthesyntatic synthesis and inadequate synthesis and sentences of the synthesis and sentences and	vstem with a new pipe or new pipe). COGV Storm 12)
	SUMMARY OF <u>BASE</u> PROJECT	COST ESTIMA	ТЕ
TOTAL DRAINAG	GE IMPROVEMENT ITEMS		\$919,512
ROCK EXCAVAT	ION	10%	\$91,951
TOTAI	L PROJECT CONSTRUCTION COS	TS	\$1,011,463
ENVIRONMENTA	AL MITIGATION	10%	\$101,146

IOTAL DRAINAGE IMPROVEMENT TIEMS		\$919,512
ROCK EXCAVATION	10%	\$91,951
TOTAL PROJECT CONSTRUCTION	N COSTS	\$1,011,463
ENVIRONMENTAL MITIGATION	10%	\$101,146
ENGINEERING DESIGN COSTS	15%	\$151,719
CONSTRUCTION MANAGEMEN	12.5%	\$126,433
PROJECT CONSTRUCTION COSTS	_	\$1,011,463
TOTAL <u>BASE</u> PROJECT COSTS		\$1,390,761

ESTIMATE PREPARED

February 2022

BASE YEAR

Limits:

Along Slide Ravine from upstream end of Centerville Flume Phase 4 to Carol Drive

Proposed Improvement (Scope):	Replace the existing inadequate natural channel with a new 42" pipe
	(Approximately 500 LF of new pipe). COGV Storm Drainage Master Plan
	(1986) (Nodes14 to the 500' north)

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$407,515
ROCK EXCAVATION	50%	\$203,758
TOTAL PROJECT CONSTRUCTION	ON COSTS	\$611,273
ENVIRONMENTAL MITIGATION	10%	\$61,127
ENGINEERING DESIGN COSTS	20%	\$122,255
CONSTRUCTION MANAGEMEN	15.0%	\$91,691
PROJECT CONSTRUCTION COSTS	_	\$611,273
TOTAL <u>BASE</u> PROJECT COSTS		\$886,345

ESTIMATE PREPARED

February 2022

BASE YEAR

Limits:	From a point in Colfax Avenue (200' feet west of Henderson Street) to a point in Memorial Lane (470ft
	south of Colfax Avenue)

Proposed Improvement (Scope):	Replace the existing undersized pipe with a new 60" pipe or equivalent
	arch pipe (Approximately 650 LF of new pipe). COGV Storm Drainage
	Master Plan (1986) PN#6 (Nodes40 to 44)

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$798,363
ROCK EXCAVATION	10%	\$79,836
TOTAL PROJECT CONSTRUCTION	ON COSTS	\$878,199
ENVIRONMENTAL MITIGATION	10%	\$87,820
ENGINEERING DESIGN COSTS	15%	\$131,730
CONSTRUCTION MANAGEMENT	12.5%	\$109,775
PROJECT CONSTRUCTION COSTS	_	\$878,199
TOTAL <u>BASE</u> PROJECT COSTS		\$1,207,523

ESTIMATE PREPARED

February 2022

BASE YEAR

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PROJECT DESCRIPTION:

Limits:	Along Bennett Street	from Wolf Creek to East Main Street and along Richardson Street between East Main Street and Washignton Street
Proposed Imp	provement (Scope):	Replace the existing inadequate drainage system (Constructed as part of Richardson Street Extension Project) with a new 18" pipe. COGV Storm Drainage Master Plan (1986) (PN#24,Nodes1 to 7) Construction Cost based on actual cost

SUMMARY OF <u>BASE</u> PROJECT COST ESTIMATE

TOTAL DRAINAGE IMPROVEMENT ITEMS		\$78,672
ROCK EXCAVATION	50%	\$0
TOTAL PROJECT CONSTRUCTION	N COSTS	\$78,672
ENVIRONMENTAL MITIGATION	2%	\$1,573
ENGINEERING DESIGN COSTS	20%	\$15,734
CONSTRUCTION MANAGEMEN	15.0%	\$11,801
PROJECT CONSTRUCTION COSTS	_	\$78,672
TOTAL <u>BASE</u> PROJECT COSTS		\$107,780

ESTIMATE PREPARED

February 2022

BASE YEAR

APPENDIX B

Fee Comparison

Development Impact Fee Study 2022

Fee Comparison

CITY OF GRASS	VALLEY		COMPARISON AGENCIES					
Development Impact Fee Type	Current Fee ²	Proposed	d Fee ³	CITY OF AUBURN ⁴	CITY OF LINCOLN ⁵	TOWN OF TRUCKEE 6	CITY OF ROCKLIN 7	NEVADA COUNTY 8
Residential - Single Family or >1,20	00 s.f.							
Parks	\$2945.92 per d.u.	\$2,985.31 - \$3,127.46	per d.u.	\$3,500 per d.u.		\$1.99 per s.f.	Community Park Fee: \$711 per	\$2,495 - \$2,428
Fire	\$870.19 per d.u.	\$603.88 - \$738.08	per d.u.	\$362.66 per d.u.	Community Services Fee \$7,607.72 per EDU	\$1.20 per s.f. Public Facilities n/a Fee: \$4,187 per	\$0.42 per s.f.	
Police	\$346.82 per d.u.	\$606.49 - \$673.88	per d.u.	n/a			Fee: \$4,187 per d.u.	n/a
General Gov't. / Public Buildings	\$478.57 per d.u.	\$1,158.19 - \$1,213.34	per d.u.	n/a		\$1.55 per s.f.		n/a
Storm Drainage	\$822.51 per d.u.	\$ 1,722.17	per Acre	\$1,507 per ESU	\$1059.96 - \$1795.3 per EDU	n/a	n/a	n/a
Residential - Multi-Family or <1,20)0 s.f.							
Parks	\$2423.49 per d.u.	\$2,700.99 - \$2,843.15	per d.u.	\$3,500 per d.u.		\$2.85 per s.f.	Community Park Fee: \$569 per	\$1,721 - \$2,428
Fire	\$715.87 per d.u.	\$295.23 - \$469.68	per d.u.	\$383.09 per d.u.	Community	\$1.20 per s.f.	Public Facilities	\$0.42 per s.f.
Police	\$289.13 per d.u.	\$404.44 - \$505.41	per d.u.	n/a	\$7,607.72 per EDU	n/a	Fee: \$2,130 per	n/a
General Gov't. / Public Buildings	\$393.87 per d.u.	\$1,047.89 - \$1,103.04	per d.u.	n/a		\$1.55 per s.f.	u.u.	n/a
Storm Drainage	\$241.45 per d.u.	\$ 2,583.25	per Acre	\$1,507 per ESU	\$1059.96 - \$1795.3 per EDU	n/a	n/a	n/a

APPENDIX B

Development Impact Fee Study 2022

Fee Comparison

CITY OF GRASS VALLEY				COMPARISON AGENCIES					
Development Impact Fee Type	Current Fee ²	Proposed	d Fee ³	CITY OF AUBURN ⁴	СІТҮ	OF LINCOLN ⁵	TOWN OF TRUCKEE	CITY OF ROCKLIN 7	NEVADA COUNTY 8
Commercial									
Parks	n/a	n/a	9	n/a	\$994	.82 per KSF	n/a	n/a	n/a
Fire	\$463.38 - \$772.29 per range of gross leasable area	\$ 372.31	per KSF	\$620 per KSF Retail; \$1,620 per KSF Restaurant/Bar/Lou nge	\$370).82 per KSF	\$1.27 per s.f.		\$0.84 per s.f.
Police	\$382.82 - \$635.05 per range of gross leasable area	\$ 1,419.94	per KSF	n/a	\$	731.15	n/a	Public Facilities Fee: \$1.12 per s.f.	n/a
General Gov't. / Public Buildings	\$154.33 - \$256.96 per range of gross leasable area	\$ 529.17	per KSF	n/a	\$	231.11	\$1.57 per s.f.		n/a
Storm Drainage	\$116.40 per KSF of impervious surface	\$ 3,444.34	per Acre	\$1,507 per ESU	\$518	8.95 - \$879.26 per KSF	n/a	n/a	n/a

Development Impact Fee Study 2022

Fee Comparison

CITY OF GRASS VALLEY				COMPARISON AGENCIES					
Development Impact Fee Type	Current Fee ²	Proposed Fee ³		CITY OF AUBURN ⁴	CITY OF LINCOLN ⁵	TOWN OF TRUCKEE 6	CITY OF ROCKLIN 7	NEVADA COUNTY 8	
Hotel/Lodging									
Parks	n/a	n/a		n/a	n/a	n/a	n/a	n/a	
Fire	\$164.75 per Room	\$ 600.94	per Room	\$530 per KSF	n/a	\$1.27 per s.f.	n/a	\$0.84 per s.f.	
Police	\$126.88 per Room	\$ 465.13	per	n/a	n/a	n/a	n/a	n/a	
General Gov't. / Public Buildings	\$54.93 per Room	\$ 121.37	per	n/a	n/a	\$1.57 per s.f.	n/a	n/a	
Storm Drainage	n/a	\$ 3,444.34	per Acre	\$1,507 per ESU	n/a	n/a	n/a	n/a	
Office									
Parks	n/a	n/a		n/a	\$994.82 per KSF	n/a	n/a	n/a	
Fire	\$854.95 - \$1037.95 per range of gross leasable area	\$ 102.39	per KSF	\$290 per KSF	\$370.82 per KSF	\$1.85 per s.f.		\$0.79 per s.f.	
Police	\$174.50 - \$297.36 per range of gross leasable area	\$ 219.69	per KSF	n/a	\$731.15 per KSF	n/a	Public Facilities Fee: \$1.49 per s.f.	n/a	
General Gov't. / Public Buildings	\$288.54 - \$345.66 per range of gross leasable area	\$ 470.91	per KSF	n/a	\$231.11 per KSF	\$1.57 per s.f.		n/a	
Storm Drainage	n/a	\$ 3,444.34	per Acre	\$1,507 per ESU	\$518.95 - \$879.26 per KSF	n/a	n/a	n/a	

Development Impact Fee Study 2022

Fee Comparison

CITY OF GRASS VALLEY				COMPARISON AGENCIES					
Development Impact Fee Type	Current Fee ²	Proposed Fee ³		CITY OF AUBURN ⁴	CITY OF LINCOLN ⁵	TOWN OF TRUCKEE 6	CITY OF ROCKLIN 7	NEVADA COUNTY 8	
Medical Office									
Parks	n/a	n/a		n/a	n/a	n/a	n/a	n/a	
Fire	\$939.51 per KSF	\$ 663.49	per KSF	\$ 1,050	n/a	\$1.85 per s.f.	n/a	\$0.79 per s.f.	
Police	\$472.71 per KSF	\$ 1,412.88	per KSF	n/a	n/a	n/a	n/a	n/a	
General Gov't. / Public Buildings	\$312.51 per KSF	\$ 451.49	per KSF	n/a	n/a	\$1.57 per s.f.	n/a	n/a	
Storm Drainage	n/a	\$ 3,444.34	per Acre	\$1,507 per ESU	n/a	n/a	n/a	n/a	
Hospital Facilities									
Parks	n/a	n/a		n/a	n/a	n/a	n/a	n/a	
Fire	\$782.82 per KSF	\$ 2,213.05	per KSF	\$1,050 per KSF	n/a	\$1.82 per s.f.	n/a	n/a	
Police	\$229.87 per KSF	\$ 1,514.74	per KSF	n/a	n/a	n/a	n/a	n/a	
General Gov't. / Public Buildings	\$260.82 per KSF	\$ 3,514.83	per KSF	n/a	n/a	n/a	n/a	n/a	
Storm Drainage	n/a	\$ 3,444.34	per Acre	\$1,507 per ESU	n/a	n/a	n/a	n/a	
Light Industrial									
Parks	n/a	n/a		n/a	\$1521.13 per KSF	n/a	n/a	n/a	
Fire	\$534.73 per KSF	\$ 44.20	per KSF	\$110 per KSF	\$370.82 per KSF	\$0.91 per s.f.	Public Eacilities	\$0.44 per s.f.	
Police	\$91.36 per KSF	\$ 120.72	per KSF	n/a	\$731.15 per KSF	n/a	Fublic Tacincies	n/a	
General Gov't. / Public Buildings	\$18.55 per KSF	\$ 208.75	per KSF	n/a	\$352.96 per KSF	\$0.96 per s.f.	ree. 30.74 per s.i.	n/a	
Storm Drainage	\$112.79 per KSF	\$ 3,444.34	per Acre	\$1,507 per ESU	\$622.95 - \$1054.70 per KSF	n/a	n/a	n/a	

APPENDIX B

Development Impact Fee Study 2022

Fee Comparison

CITY OF GRASS	COMPARISON AGENCIES							
Development Impact Fee Type	Current Fee ²	Proposed Fee ³		CITY OF AUBURN ⁴	CITY OF LINCOLN ⁵	TOWN OF TRUCKEE	CITY OF ROCKLIN 7	NEVADA COUNTY 8
Manufacturing								
Parks	n/a	n/a		n/a	\$1521.13 per KSF	n/a	n/a	n/a
Fire	\$391.61 per KSF	\$ 102.87	per KSF	\$110 per KSF	\$370.82 per KSF	n/a	n/a	\$0.44 per s.f.
Police	\$49.95 per KSF	\$ 59.87	per KSF	n/a	\$731.15 per KSF	n/a	n/a	n/a
General Gov't. / Public Buildings	\$138.13 per KSF	\$ 300.99	per KSF	n/a	\$352.96 per KSF	n/a	n/a	n/a
Storm Drainage	\$112.79 per KSF	\$ 3,444.34	per Acre	\$1,507 per ESU	\$622.95 - \$1054.70 per KSF	n/a	n/a	n/a
Warehouse								
Parks	n/a	n/a		n/a	n/a	n/a	n/a	n/a
Fire	\$295.40 per KSF	\$ 41.70	per KSF	n/a	n/a	\$0.91 per s.f.	n/a	\$0.44 per s.f.
Police	\$64.89 per KSF	\$ 104.45	per KSF	n/a	n/a	n/a	n/a	n/a
General Gov't. / Public Buildings	\$98.75 per KSF	\$ 92.24	per KSF	n/a	n/a	\$0.96 per s.f.	n/a	n/a
Storm Drainage	n/a	\$ 3,444.34	per Acre	\$1,507 per ESU	n/a	n/a	n/a	n/a

Notes:

¹ DU = dwelling unit; KSF = 1,000 gross sq ft of building area

² Residential - >1,200 s.f. assumes Single Family rate; <1,200 s.f. assumes Multi Family rate;

³ Proposed fees are maximum fees established by the NBS Impact Fee Study

⁴ Auburn fees effective 2022

⁵ Lincoln fees effective October 1, 2019

⁶ Truckee fees as of February 2022;

⁷ Rocklin Fee Schedule eff. 7/1/22; Public Facilities fees include public safety, and general government facilities

⁸ County of Nevada Park and Recreation Facilities Mitigation Fees FY 23; Nevada County Consolidated Fire District Fees as of August 2022,