

DRAFT REPORT

NORTH TURLOCK MASTER PLAN FEE NEXUS STUDY

Prepared for:

City of Turlock

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October 1, 2001

EPS #11506

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I. INTRODUCTION

The City of Turlock retained Economic & Planning Systems (EPS) to prepare a development impact fee nexus study for the North Turlock Master Plan (NTMP) Area (also call the Plan Area). The Administrative Draft of the "North Turlock Master Plan," dated December 2000, prescribes a mix of land uses capable of accommodating various housing densities, commercial and office development, school facilities, as well as parks and open space. In the NTMP, several public facility upgrades were identified as critical to successful implementation of the Plan, including sewer, storm drainage, and transportation improvements. In order to fund these improvements, the City of Turlock opted to utilize development impact fees.

PURPOSE

The purpose of this study is to establish the nexus between the new development in the NTMP Area and the additional sewer, storm drainage, and transportation facilities required to serve that development. This nexus will serve as the basis for establishing development impact fees under AB1600 legislation, as codified by California Government Code Section 66000 *et seq.* This code section sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that "a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition." Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed;
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed; and,
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of the public facility attributable to the development on which the fee is imposed.

The development fees to be collected for each land use are calculated based upon the proportionate share of the total facility use that each land use represents. The result of this calculation is the establishment of NTMP Area sewer, storm drainage, and transportation improvement fees. These new NTMP Area Fees will be collected in addition to the existing citywide fees.

EXISTING CITYWIDE FEES

The City of Turlock currently requires payment of citywide fees for all new development within the City boundaries. These fees fund citywide facility improvements and are in addition to the Plan Area fees. Fees currently charged by the City include:

- **Master Storm Drainage Fee**—Funds the improvement of citywide drainage facilities including master storm drains and master detention basins. Local storm drainage facilities will be funded with NTMP Area Fees.
- **Water Capital Facilities Fee (Water Grid Fee)** —Funds the improvement of major water supply, transmission, and storage facilities. It is anticipated that Water Capital Facilities Fees will fund all required water system facility improvements for development of the NTMP Area.
- **Sewer Trunk Fees**—Provides funding for the construction of citywide sewer trunk lines and pumping stations. The citywide fees will fund none of the NTMP Area sewer facilities identified.
- **Capital Facility Fees (CFF)**—These fees fund capital facilities for roadways, police, fire, and general City government. The roadway improvements to be funded by the NTMP Area Fees are separate and distinct from those roadway improvements funded in the citywide CFF.
- **Additional Fees** — The City of Turlock also charges three additional fees to new development. The Wastewater Plant Expansion Fee funds plant expansions based on demand resulting from new development. The Park Land Fee (based on Quimby requirements) and the Park Improvement Fee fund park acquisition and development (respectively) required to meet the demands of new development.

RECOMMENDED PLAN AREA FEES

The NTMP Area Fees are based on the benefit received by future development within the NTMP Area. The total recommended fees for sewer, storm drainage, and transportation are shown in Figure 1. The fees for all three services are shown on a per unit basis for residential development and a per acre basis for non-residential uses.

This report is divided into four chapters. Chapter II describes the future development and facility needs. Chapter III provides the fee calculation for the improvement of facilities. Chapter IV describes how the fees will be implemented and updated. Chapter V provides the nexus findings for the improvement fees.

Figure 1
North Turlock Master Plan Fee Nexus Study
NTMP Area Fee Summary

Land Use	Plan Area Fee [1]			Total
	Sewer	Storm Drainage	Transportation	
Residential		<i>per unit</i>		
Low Density	\$1,470	\$1,896	\$4,704	\$8,070
Medium Density	\$1,470	\$1,194	\$4,704	\$7,368
High Density	\$1,470	\$891	\$4,704	\$7,065
Non-Residential		<i>per acre</i>		
Elementary School	\$4,203	\$1,376	\$26,435	\$32,014
Office	\$8,378	\$19,564	\$99,248	\$127,190

[1] Includes a 3% administrative component

"Fee_summary"

Source: City of Turlock and EPS.

II. FUTURE DEVELOPMENT AND FACILITY NEEDS

LAND USE

This Chapter describes the amount of growth projected to occur in the NTMP Area and the public facility improvements necessary to provide adequate services to this new development.

A land use summary of the NTMP Area is shown in Figure 2 along with the projected buildout for the Plan Area. Land uses are based on the "North Turlock Master Plan." Residential dwelling units and non-residential building space were projected based on density assumptions provided by the City of Turlock.

Currently, the land uses in the Plan Area consist mostly of agriculture with some scattered site residential and farm buildings. However, the NTMP establishes a set of planning goals and guidelines in order to develop the Plan Area into an integrated neighborhood with a mix of land uses.

In total the NTMP Area comprises 370 acres of which 314 acres are estimated to be developable (85 percent). Land uses not considered developable are the detention basin area, all parks and recreation land excluding the sports complex, and the transportation corridors. Plans for the NTMP Area prescribe a mix of land uses, with residential comprising the largest percent of plan area acres at 54 percent. With 24 percent of total Plan Area land, public and institutional uses makeup the second largest land use category. The NTMP earmarked 11 percent of total Plan Area land for parks and recreational uses and 8 percent for transportation corridors. Within the transportation corridor category is the designation of 11 acres to bike and pedestrian paths called Paseos.

Residential buildout projections estimate approximately 421 low-density units, 410 low-medium density units, and 149 high-density units for the NTMP Area. Additionally, office development and school facilities are expected to yield approximately 470,500 square feet of building space.

Within the NTMP area, 234 acres of developable land are included in the Plan Area Fee calculations found in this report. Land uses included in the Plan Area Fees are all residential uses, office development, and the elementary school. This report assumes that the high school and sports complex will not be paying NTMP Area Fees.

Figure 2
North Turlock Master Plan Fee Nexus Study
Land Use Summary

Land Use	Acres	Density	Density Modifier [1]	Projected Buildout
Residential		<i>units per acre (rounded)</i>		<i>dwelling units</i>
Low Density (LD)	114	4 00	0 90	421
Low/Medium Density (LDR MDR)	78	6 00	0 90	410
High Density (HDR)	8	20 00	0 90	149
Residential Total	200			980
Plan Area %	54%			
Commercial (To be determined)				
Office		<i>floor area ratio</i>		<i>building square feet</i>
Office (O)	16	0 25		174,240
Office Total	16			174,240
% of Plan Area	4%			
Public/Institutional				
High School (HS)	50	0 10		217,800
Elementary School (ES)	18	0 10		78,408
Detention Basin (DB)	19			
Public/Institutional Total	87			296,208
% of Plan Area	24%			
Parks and Recreation				
Neighborhood-Serving City Park (NP)	5			
Sports Complex	30			
Pocket Parks	2			
Landscaped Corridor Easement	2			
Parks and Recreation Total	39			
% of Plan Area	11%			
Transportation Corridors				
Paseos	11			
North Walnut Road	5			
Kilroy Road	3			
Mountain View Road	4			
Springer Road	5			
Parks and Recreation Total	28			
% of Plan Area	8%			
Total Developable Acres [2]	314			
% of Plan Area	85%			
Total Fee Area Acres [3]	234			
% of Plan Area	63%			
Total Plan Area Acres [4]	370			
% of Plan Area	100%			

"landuse_summary"

- [1] Assumes 90% developable land for residential
- [2] Includes Residential and Office land uses, as well as the High School, Elementary School, and Sports Complex
- [3] Includes Residential and Office land uses, as well as the Elementary School
- [4] Includes all NTMP Area land

Source: City of Turlock and EPS

FACILITY NEEDS

In order to ensure successful development of the NTMP Area, infrastructure upgrades are necessary. The NTMP Area Fee covers the cost of improving sewer, storm drainage, and transportation facilities. Water supply improvements will be funded through the existing Citywide Water Grid Fee program. The City of Turlock provided EPS with cost estimates for the infrastructure upgrades to be funded through development fees. Figures 3, 4, & 5 provide a summary of the total infrastructure and public facility costs for sewer, storm drainage, and transportation. The total facility improvement costs are estimated to be \$9.8 million. Transportation improvements represent the largest improvement costs at \$6.5 million, or 66 percent of total costs. Costs for sewer and storm drainage improvements comprise 16 percent and 17 percent of total infrastructure costs, respectively.

SEWER SYSTEM IMPROVEMENTS

Local sewer connection lines will be installed throughout the NTMP Area. These connection lines include both gravity trunk lines and force mains. Additionally, a pump station will be installed in the Kilroy/Walnut System. Sanitary sewer improvements required to support development within the NTMP Area are divided in three systems: the Mt. View System, the Kilroy/Walnut System, and the Walnut System. Total costs are estimated to be \$1.6 million. Detailed cost estimates of sewer improvements by system are shown in Figure 3.

STORM DRAINAGE IMPROVEMENTS

The local storm drainage improvements will be funded through the NTMP Area Fees and include the development of 18 to 24-inch connection lines. Infrastructure upgrades to the local storm drainage system are divided into four systems: the Mt. View System, the Kilroy System, the Kilroy/Walnut System, and the Walnut System. Total cost estimates for local storm drainage improvements are \$1.7 million. Detailed cost estimates by system are shown in Figure 4.

TRANSPORTATION IMPROVEMENTS

The NTMP Area Fees will fund roadway improvements required to accommodate the increased traffic volumes resulting from new development. Such improvements will be made to arterials, collectors, and an expressway (Christoffersen Parkway). Additionally, the Plan Area Fees will be used to fund pedestrian and bicycle paths as well as transportation corridors (Paseos). Transportation related improvements to be funded through NTMP Area Fees include the following:

- Installation of traffic signals at intersections of Kilroy Road/Christoffersen Parkway and Springer Drive/Walnut Road;
- Landscaping along Walnut Road and setbacks along Kilroy Road, Mt. View Road, and Tegner Road;
- Right of way expansion at Springer Drive/Walnut Road and along Mt. View Road;
- Bike/pedestrian paths along Tegner Road, Walnut Road, the canal, and near the elementary school;
- Creation of four pedestrian/bike transportation corridors (Paseos); and,
- Bridge creation at Walnut Road and Taylor Road.

Total costs for transportation improvements covered under the NTMP Area Fee are estimated at \$6.5 million. Figure 5 provides a detailed breakdown of NTMP Area transportation improvements and their estimated costs.

Figure 3
North Turlock Master Plan Fee Nexus Study
Estimated Sewer Costs

Description	Total Cost
Mt. View Systems	
Mt. View, North from Christoffersen	\$182,280
Street N/O Christoffersen, Mt. View West	\$86,400
Paseo, West of Mt. View	\$54,000
Payback for Pitman HS Pump Station (not included in totals)	\$58,500
Subtotal	\$381,180
Kilroy/Walnut System	
Pump Station	\$180,000
Existing Pay Back for Pitman HS Pump Station	\$62,400
Force Main	\$86,400
Kilroy	\$274,680
North Paseo	\$100,800
Springer	\$134,400
South Paseo	\$86,400
Subtotal	\$925,080
Walnut System	
Walnut	\$182,700
Paseo	\$113,040
Subtotal	\$295,740
Total	\$1,602,000

"sewer_costs"

Source: City of Turlock and EPS

Figure 4
North Turlock Master Plan Fee Nexus Study
Estimated Storm Drainage Costs

Description	Total Cost
Mt. View Systems	
Mt. View, North from Christoffersen	\$313,200
Street N/O Christoffersen, Mt. View West	\$108,000
Paseo, West of Mt. View	\$67,500
Subtotal	\$488,700
Kilroy System	
Kilroy Road, Remaining	\$129,600
Paseo, South off Kilroy	\$67,500
Mid-Block off Kilroy Road	\$45,000
Payback for existing Kilroy Line	\$35,840
Paseo, North off Mid Storm Line	\$76,500
1st St. N/O Christoffersen off Mid Storm Line	\$67,500
2nd St. N/O Christoffersen off Mid Storm Line	\$45,000
Subtotal	\$466,940
Mid Kilroy/Walnut System	
Mid Kilroy/Walnut Line to North from Christoffersen	\$259,200
Subtotal	\$259,200
Walnut System	
Walnut Line North from Christoffersen	\$216,000
Paseo, East of Walnut	\$156,600
Shady Lane	\$49,500
Springer	\$70,200
Subtotal	\$492,300
Total	\$1,707,140

"storm_drainage_costs"

Source: City of Turlock and EPS

Figure 5
North Turlock Master Plan Fee Nexus Study
Estimated Transportation Costs

Description	Estimated Amount
Signals	
Kilroy/Christoffersen Signal	\$100,000
Springer/Walnut Signal	\$170,000
Subtotal	\$270,000
Landscaping & Setbacks	
Walnut Road Extra Landscaping	\$110,000
Kilroy Extra Setback	\$50,000
Mt. View Extra Setback	\$35,000
Tegner Road Extra Setback	\$145,000
Subtotal	\$340,000
Bike/Pedestrian Path (excluding Paseos)	
Teger Road Bike Path	\$63,077
Walnut Road Pedestrian/Bike Path - Christoffersen to Springer	\$166,320
Bike Path Along TID Canal	\$569,052
Pedestrian /Bike Transportation Corridor Along Elementary School	\$631,183
Subtotal	\$1,429,632
Paseos	
Pedestrian/Bike Transportation Corridor Kilroy South (75 ft. Paseo)	\$868,580
Pedestrian/Bike Transportation Corridor Kilroy North (75 ft. Paseo)	\$868,580
Pedestrian/Bike Transportation Corridor Mt View (75 ft. Paseo)	\$868,580
Pedestrian/Bike Transportation Corridor Walnut (75 ft. Paseo)	\$868,580
Subtotal	\$3,474,320
Right of Ways	
Springer Road Right of Way East of Walnut	\$232,229
Mt. View Along High School & Ranchettes	\$603,380
Subtotal	\$835,609
Bridges	
Bridge at Walnut/Taylor	\$130,000
Subtotal	\$130,000
Total	\$6,479,561

"trans_costs"

Source: City of Turlock and EPS

III. COST ALLOCATION AND PLAN AREA FEES

The calculation of the NTMP Area Fees involves a six-step process.

1. Determine the improvement costs that benefit the NTMP Area. These costs were described in the previous Chapter. (Figures 3–5)
2. Determine the level of demand by land use for each type of improvement. This is called the equivalent dwelling unit (EDU) factor. (Figure 6)
3. Multiply the EDU factor by the projected number of dwelling units or acres (depending on land use) to derive total EDUs by improvement type for each land use. (Figure 6)
4. Sum the total number of EDUs for each improvement and divide the total EDUs for each land use (answer to step 3) by the answer. The result is the percent distribution of EDUs across land uses for each improvement. Use this percent distribution to allocate improvement costs to each land use. This is done by multiplying the percent distribution of EDUs by the total improvement costs. When complete, this calculation represents improvement cost allocations and is the amount that development, by type of land use, is responsible for paying. (Figure 6 & Figure 7)
5. Divide the total improvement cost allocations by total dwelling units or acres (depending on land use) in order to determine the cost per unit or acre. (Figure 8)
6. Multiply the cost per unit or acre by a 3 percent administrative cost to arrive at the development fee. (Figure 9)

This chapter describes how each EDU factor was determined, as well as the process of establishing the NTMP Area Fees. The NTMP Area Fee for any given parcel within the NTMP is the sum of the fees for the individual facility improvements from which that parcel benefits.

EQUIVALENT DWELLING UNIT FACTORS

Key to determining the NTMP Area Fee is the use of equivalent dwelling unit (EDU) factors. Facility costs are allocated to land uses based on each land use's EDU factor. An EDU factor represents the amount of services a particular land use utilizes per equivalent dwelling unit. A benefit to using EDUs is the ability to compare demand for a facility across land uses. Without EDUs, demand for a particular service would be represented in usage per dwelling unit for residential development and usage per square feet or acre for non-residential development. This would make any attempt to

compare demand for public services between land uses difficult. By converting public service usage to EDUs, facility costs can be allocated to each land use based on its demand of a particular service. Figure 6 shows the allocation of EDUs for each public facility.

Many of the EDU factors assumed in this study are taken from the work completed by Omni-Means and the City of Turlock in the Financing Plan and Nexus Study for the Northwest Triangle Specific Plan (NWTSP) in the City of Turlock, dated December 11, 1998. The North Turlock Master Plan Area is adjacent to the NWTSP Area and it is therefore reasonable to assume the same usage factors for the facility improvements in the NTMP Area.

SEWER SYSTEM

The sewer EDUs are based on the sewer flow generated by each land use. The sewer flow rate used to calculate sewer EDUs is 350 gallons per day (gpd) per unit for residential land use and 2,000 gpd per acre for office. These flow rates are based on an average of rates identified by Omni-Means in their work on the Northwest Triangle Specific Plan Area. The sewer flow rate used to calculate the EDU factor for elementary schools is based on a publication from the State Water Resources Control Board.¹

STORM DRAINAGE

The EDU factors for storm drainage are calculated based on storm water runoff coefficients. A runoff coefficient represents the percentage of impervious area for a typical development in each land use category. For residential and office uses, the EDU factors were calculated based on the coefficients used in the City of Turlock's "Master Storm Drainage Plan." In the case of the elementary school, the EDU factor is based on a survey of financing plans completed by EPS that included various storm water runoff coefficients for school facilities.

TRANSPORTATION

The transportation EDU factors for residential and office uses are based on trip rates for the "Northwest Triangle Specific Plan Nexus Fee Study." These trip rates were calculated by Omni-Means. The elementary school EDU factor was derived from trip generation counts published by the Transportation Research Board in *NCHRP Report 365: Travel Estimation Techniques for Urban Planning*.

¹ State Water Resources Control Board, "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities," 98-2 CWP, February 1998, Amended June, 1998. Pg. G-24

COST ALLOCATION AND FEE CALCULATION

Once an EDU factor has been determined for each land use, the next step is to allocate the costs for each facility improvement by land use. **Figure 6** shows the allocation of EDUs by land use for each of the facility improvements. Next, using the allocation of EDUs by land use, cost estimates for each improvement are distributed amongst the various land uses. **Figure 7** shows the allotment of facility improvements costs between residential and non-residential uses. **Figure 8** shows the cost allocations between land uses as a per unit or acre amount. Finally, a 5 percent administrative cost is added to the costs per unit or acre in order to derive the final NTMP Area Fee. **Figure 9** shows the impact fees including the administrative component.

Figure 6
North Turlock Master Plan Fee Nexus Study
Cost Allocation Formulas for North Turlock

Allocation Assumptions	Total	Residential			Non-Residential	
		Low Density	Medium Density	High Density	Elem. School	Office
Acres	234	114	78	8	18	16
% Distribution of Acres	100%	49%	33%	3%	8%	7%
Units	980	421	410	149		
% Distribution of Units	100%	43%	42%	15%		
Building Square Feet	252,648				78,408	174,240
% Distribution of Square Feet	100%				31%	69%
Sewer EDUs			<i>per unit</i>		<i>per acre</i>	
EDU Factor [1]		1.00	1.00	1.00	2.86	5.70
Total Sewer EDUs	1,123	421	410	149	51	91
% Distribution of EDUs	100%	37%	37%	13%	5%	8%
Storm Drainage			<i>per unit</i>		<i>per acre</i>	
EDU Factor [2]		1.00	0.63	0.47	0.50	10.32
Total Storm Drainage EDUs	928	421	258	70	13	165
% Distribution of EDUs	100%	45%	28%	8%	1%	18%
Transportation EDUs			<i>per unit</i>		<i>per 1000 sqft</i>	<i>per acre</i>
EDU Factor [3]		8.31	8.31	8.31	10.72	175.32
Total Transportation EDUs	11,789	3,499	3,407	1,238	841	2,805
% Distribution of EDUs	100%	30%	29%	11%	7%	24%

Source: City of Turlock and EPS.

"edu_allocation"

Land Use	SOURCE OF EDU FACTORS		
	Note [1] Sewer	Note [2] Storm Drainage	Note [3] Transportation
Residential	"Northwest Triangle Specific Plan Fee Nexus Study" (Omni-Means & City of Turlock)	"Northwest Triangle Specific Plan Fee Nexus Study" (Omni-Means & City of Turlock)	"Northwest Triangle Specific Plan Fee Nexus Study" (Omni-Means & City of Turlock)
Elementary School	State Water Resources Control Board, "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities," 98-2 CWP, February 1998, Amended June, 1998 Pg G-24	Survey of financing plans created by EPS	Transportation Research Board, "NCHRP Report 365 Travel Estimation Techniques for Urban Planning
Office	"Northwest Triangle Specific Plan Fee Nexus Study" (Omni-Means & City of Turlock)	"Northwest Triangle Specific Plan Fee Nexus Study" (Omni-Means & City of Turlock)	"Northwest Triangle Specific Plan Fee Nexus Study" (Omni-Means & City of Turlock)

Figure 7
North Turlock Master Plan Fee Nexus Study
Infrastructure Cost Allocation for North Turlock

Facility	Estimated Cost	Residential			Non-Residential	
		Low Density	Medium Density	High Density	Elementary School	Office
Sewer						
Mt. View System	\$381,180	\$142,941	\$139,206	\$50,590	\$17,479	30,965
Kilroy/Walnut System	\$925,080	\$346,901	\$337,837	\$122,775	\$42,419	75,148
Walnut System	\$295,740	\$110,901	\$108,004	\$39,250	\$13,561	24,024
Subtotal	\$1,602,000	\$600,743	\$585,046	\$212,614	\$73,459	130,137
Storm Drainage						
Mt. View System	\$488,700	\$221,821	\$136,096	\$36,898	\$6,885	\$87,000
Kilroy System	\$466,940	\$211,944	\$130,036	\$35,255	\$6,579	\$83,126
Mid Kilroy/Walnut System	\$259,200	\$117,651	\$72,183	\$19,570	\$3,652	\$46,144
Walnut System	\$492,300	\$223,455	\$137,098	\$37,170	\$6,936	\$87,641
Subtotal	\$1,707,140	\$774,870	\$475,413	\$128,893	\$24,052	\$303,911
Transportation						
Signals	\$270,000	\$80,122	\$78,029	\$28,357	\$19,250	\$64,242
Landscaping & Setbacks	\$340,000	\$100,895	\$98,258	\$35,709	\$24,240	\$80,898
Bike/Pedestrian Path (excluding Paseos)	\$1,429,632	\$424,242	\$413,157	\$150,147	\$101,926	\$340,159
Paseos	\$3,474,320	\$1,031,001	\$1,004,063	\$364,891	\$247,703	\$826,661
Right of Ways	\$835,609	\$247,966	\$241,487	\$87,760	\$59,575	\$198,820
Bridge at Walnut/Taylor	\$130,000	\$38,577	\$37,569	\$13,653	\$9,268	\$30,932
Subtotal	\$6,479,561	\$1,922,804	\$1,872,564	\$680,517	\$461,963	\$1,541,712
Total	\$9,788,701	\$3,298,417	\$2,933,024	\$1,022,025	\$559,474	\$1,975,761

Source: City of Turlock and EPS.

"cost_alloc"

Figure 8
North Turlock Master Plan Fee Nexus Study
Per Unit/Acre Infrastructure Costs for North Turlock

Facility	Estimated Cost	COST PER UNIT OR ACRE					
		Residential			Non-Residential		
		Low Density	Medium Density	High Density	Elementary School	Office	per acre
Sewer							
Mt. View System	\$381,180	\$340	per unit \$340	\$340	\$971	\$1,935	
Kilroy/Walnut System	\$925,080	\$824	\$824	\$824	\$2,357	\$4,697	
Walnut System	\$295,740	\$263	\$263	\$263	\$753	\$1,502	
Subtotal	\$1,602,000	\$1,427	\$1,427	\$1,427	\$4,081	\$8,134	
Storm Drainage							
Mt. View System	\$488,700	\$527	\$332	\$248	\$383	\$5,438	
Kilroy System	\$466,940	\$503	\$317	\$237	\$365	\$5,195	
Mid Kilroy/Walnut System	\$259,200	\$279	\$176	\$131	\$203	\$2,884	
Walnut System	\$492,300	\$531	\$334	\$249	\$385	\$5,478	
Subtotal	\$1,707,140	\$1,841	\$1,160	\$865	\$1,336	\$18,994	
Transportation							
Signals	\$270,000	\$190	\$190	\$190	\$1,069	\$4,015	
Landscaping & Setbacks	\$340,000	\$240	\$240	\$240	\$1,347	\$5,056	
Bike/Pedestrian Path (excluding Paseos)	\$1,429,632	\$1,008	\$1,008	\$1,008	\$5,663	\$21,260	
Paseos	\$3,474,320	\$2,449	\$2,449	\$2,449	\$13,761	\$51,666	
Right of Ways	\$835,609	\$589	\$589	\$589	\$3,310	\$12,426	
Bridge at Walnut/Taylor	\$130,000	\$92	\$92	\$92	\$515	\$1,933	
Subtotal	\$6,479,561	\$4,567	\$4,567	\$4,567	\$25,665	\$96,357	
Total							
Per 1000 building sqft	\$9,788,701	\$7,835	\$7,154	\$6,859	\$31,082	\$123,485	
					\$7,135	\$11,339	

Source: City of Turlock and EPS. "cost_per_unit_acre"

Figure 9
North Turlock Master Plan Fee Nexus Study
NTMP Area Fees

Land Use	COST PER UNIT OR ACRE			Admin. Cost 3%	Development Impact Fee
	Sewer	Storm Drainage	Transportation		
Residential					
Low Density	\$1,427	<i>per unit</i> \$1,841	\$4,567	\$235	\$8,070
Medium Density	\$1,427	\$1,160	\$4,567	\$215	\$7,368
High Density	\$1,427	\$865	\$4,567	\$206	\$7,065
Subtotal					
		<i>per unit</i>		<i>per unit</i>	
		\$7,835		\$7,835	
		\$7,154		\$7,154	
		\$6,859		\$6,859	
Non-Residential					
Elementary School	\$4,081	<i>per acre</i> \$1,336	\$25,665	\$932	\$32,014
Office	\$8,134	\$18,994	\$96,357	\$3,705	\$127,190
		<i>per acre</i>		<i>per acre</i>	
		\$31,082		\$31,082	
		\$123,485		\$123,485	

"dev_impact_fee"

Source: City of Turlock and EPS.

IV. IMPLEMENTATION AND UPDATE

IMPLEMENTATION

All developers shall pay the amount of the Fee in effect at the time a building permit is issued. If a Mello-Roos district or similar financing district is established, only the portion or component of the Fee not included in the financing district shall be collected at building permit issuance.

COLLECTION OF THE PLAN AREA FEE

All new development that occurs after the adoption of the North Turlock Master Plan Area), except as specifically exempted herein, shall pay the North Turlock Master Plan Area Fee ("the Fee").

New Residential Development

The Fee will be collected from all residential development prior to the issuance of a building permit.

New Non-Residential Development

The Fee will be collected from all new non-residential development at the issuance of a building permit.

Existing Development – Residential and Non-Residential

Existing development is not required to pay the Fee, except under the following circumstances:

1. Existing development served by a septic tank will be required to pay the sewer component of the Fee, or join an assessment district, if and when the development is connected to the City's wastewater system.
2. Development served with interim storm drainage facilities will be required to pay the storm drainage component of the Fee, or join an assessment district, if and when permanent storm drainage facilities are installed providing service to the existing development and the existing development connects to the system.

EXEMPTIONS FROM THE FEE

The City Engineer, with written approval from the City Manager, may waive any and all portions of the Fee if it can be determined that a proposed project will not impact any facility for which the Fee is collected.

The following types of development are specifically exempt from the Plan Area Fee; however, each exception is subject to review and must be approved by the City Engineer:

1. Any internal or external alteration or addition to an existing residential structure, except when additional dwelling units are created.
2. Any internal alteration, external alteration, or addition to an existing non-residential structure that increases gross floor (including outside storage) by no more than 10%. This exemption does not apply when the alteration or addition facilitates a change in use to a higher density of development that will result in the generation of additional vehicle trip ends. No more than one (1) expansion may be permitted under this exemption in any ten (10) year period.
3. Any replacement or reconstruction of any structure that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity or act of God. Any building replaced or reconstructed shall not be built to exceed the documented total floor area or use existing at the time of its destruction.
4. For additions, alterations, replacements, or reconstruction that are subject to the Fee, only portions of the building that create additional impacts shall be subject to the Fee. The Fee will not be charged retroactively on any portion of a building legally in existence at the time of the Fee's adoption.
5. Any replacement of a structure and use, in kind, providing that the property owner can document that the structure was legally in existence at the time the Fee was adopted.
6. Residential accessory structures, as defined by the Turlock Municipal Code.
7. Public facilities, as defined by the Turlock Municipal Code.
8. Agricultural buildings designed for storage purposes. This exemption does not apply to buildings used for human habitation, employment, or the processing, treating, and packaging of agricultural products, or for use by the public.
9. Any temporary structure approved in accordance with TMC 9-5-500 ART for a period not to exceed thirty (30) days in any calendar year.

10. Upon approval by the City Council of the City of Turlock, a portion of the fee may be reduced for housing development approved for very low income occupants, as defined by the State Department of Housing and Community Development (HCD), in accordance with TMC 9-2-103 *et seq* (affordable housing incentives).

FEES REQUIRED

The following are examples of times that the NTMP Area Fee may be collected for land uses that could be potentially classified as exempt from the fees.

1. Any project listed as exempt but which nonetheless, in the opinion of the City Engineer, increases the demand upon wastewater or storm drain facilities funded by the Fee. The City Engineer may pro-rate the amount of the fee based upon the project's anticipated impact upon the subject facility or facilities.
2. Illegal facilities and buildings, constructed prior to the adoption of the Fee, which consequently obtain a building permit to legitimize the facility or building, shall pay the applicable Fee.
3. Shell buildings:
 - a. The full Fee is payable at the time the building permit for the shell building is obtained. Fees shall not be deferred until building permits are obtained for tenant improvements.
 - b. The incremental difference between the intended and actual use of any shell building shall be collected on any building permit for tenant improvements.
4. Accessory residential structures that are converted to a separate residential dwelling unit shall pay the Fee for medium density development as long the primary residence remains on the property.
5. Temporary buildings that are authorized for more than thirty (30) days in any calendar year shall be required to pay the Fee. When the building is removed at a later date, the Fee, or a portion thereof, may be refunded or credited to a permanent structure in the Project Area. All refunds are subject to a deduction of appropriate administration fees.
6. Duplexes and Triplexes:
 - a. Duplex: one unit shall be charged at the single family, low density rate, and one unit at the single family, medium density rate.
 - b. Triplex: one unit shall be charged at the single family rate, and two units at the medium density rate.

INTERNAL LOANING OF FUNDS

Inter-fund loans may be used from time-to-time to facilitate the construction of NTMP Area facilities. Any such loan shall be made in accordance with applicable law, as interpreted by the City Attorney of the City of Turlock, and all funds shall be placed in separate accounts on either a facility or geographic basis. The additional following requirements are also placed on inter-fund loans.

1. Funds may be transferred between accounts to expedite the construction of critical projects / facilities.
2. A mechanism to repay accounts shall be established.
3. Inter-fund loan repayments shall take precedence over reimbursements to developers.

FEE CREDITS OR ADJUSTMENTS

The Fee may be reduced under certain circumstances. Any reduction in the Fee will be based upon the City's independent analysis and review of the subject property. The purpose of the Fee is to collect funds to build public infrastructure. If a property within the NTMP Area is already developed or is redeveloping an existing use, fee credits may be appropriate. Following are examples of situations where the City is likely to grant Fee credits.

Plan Area Fee Facility Construction

New development may require the oversizing of the backbone infrastructure in order to provide a base level of service. Landowners that fund construction of facilities included in the Fee will receive credits against the Fee. Fee credits will be realized when the landowner's project develops.

Replacement of Existing Buildings

Portions of the NTMP Area are already developed. New development that replaces existing development is eligible for a Fee credit to the extent that the services to be funded by the new development are already provided to the existing development. For example, a twenty-unit apartment complex that is replaced by a forty-unit apartment complex could receive up to a 50% credit in the Fee ($20/40 = 50\%$). The City Engineer will determine the amount of the Fee at the time a site plan is submitted to the City.

Capital Facilities Fee

To the extent that there are facilities included in the NTMP Area Fee that are currently included in the City's Capital Facilities Fee (CFF) for roadways, the overlap will be credited to developing property owners via a CFF credit, rather than a credit in the Plan Area Fee.

REIMBURSEMENT TO DEVELOPERS

The Plan Area Fee is divided into three components of improvement: sewer, storm drainage, and transportation. Reimbursements for fee components will be provided under the following conditions.

1. Developer-installed improvements shall be considered on a component basis. Various components of the Fee shall not be commingled to reimburse a developer. For example, only funds collected from the transportation component of the Fee shall be used to reimburse a developer who installed a roadway improvement identified in the North Turlock Master Plan.
2. The value of any developer-installed improvement for Fee credit or reimbursement purposes shall be based upon the cost estimates (as updated) used to establish the amount of the Fee.
3. The use of accumulated Fee revenues shall be used in the following priority order: (1) critical projects, (2) repayment of inter-fund loans, (3) repayment of accrued reimbursement to private developers.

A project is deemed to be a "Critical Project" when failure to complete the project prohibits further NTMP Area development.

FEE DEFERRAL

If requested by a developer, the Plan Area Fee may be deferred for non-residential development, subject to the any one of the following conditions:

1. The project is constructed on a site, or any portion of a site, less than one acre in size.
2. The building, remodel, or expansion (including outdoor storage) shall have a gross floor area not to exceed 5,000 square feet.
3. The project shall not generate more than 500 Average Daily Trips (net Average Daily Trips - excludes pass-by trips).

Developers may not file a parcel map that contains more than one lot to contravene this provision. No parcel map or lot line adjustment shall be filed within ten (10) years of the recordation of a parcel map or lot line adjustment that includes substantially the same properties that were included on a previous map or lot line adjustment during the life of the Fee.

If the developer requests that the Fee be deferred, a security shall be established that ensures future payment of the Fee. The City Engineer and the City Attorney of the City of Turlock shall approve the form of security. A lien secured against the subject property to insure payment of the Plan Area Fee shall not be considered adequate security to insure future payment of the Fee.

If requested by a developer, the Plan Area Fee may be deferred for residential development until building occupancy, in accordance with the provisions of City Resolution 96-055.

FEE PAYMENT PLAN

If requested by a developer, the Fee may be paid in five equal installments over a five-year period for non-residential development, subject to the any one of the following conditions:

1. The project is constructed on a site, or any portion of a site, less than one acre in size.
2. The building, remodel, or expansion (including outdoor storage) shall have a gross floor area not to exceed 5,000 square feet.
3. The project shall not generate more than 500 Average Daily Trips (net Average Daily Trips - excludes pass-by trips).

The installment plan will be subject to negotiations with City Staff and approved only to the extent that the facilities to be funded from the Plan Area Fees have not yet been constructed and no reimbursement agreement has been entered into by the City for those facilities with another developer.

DEVELOPMENT AGREEMENTS

Developers may negotiate any portion of the Fee, including its application and implementation through a Development Agreement, in accordance with TMC §9-5-900ART.

UPDATE OF NEXUS STUDY

ANNUAL REVIEW OF PLAN AREA FEES

The Plan Area Fees are subject to adjustment based on changes in developable land, cost estimates, or outside funding sources. The City will review the Fee on an annual basis to determine if any adjustments to the Fee are warranted. This review will include:

- Changes to the adopted North Turlock Master Plan facilities or land uses;
- Increases in facility costs due to inflation or changes in transportation facility cost estimates; and,
- Changes in EDUs by facility depending on the type and amount of development that has occurred within the Plan Area.

Any changes to the Plan Area Fees based on the annual review will be presented to the City Council prior to an increase of the Fee amount.

FIVE YEAR UPATE

Fees will be collected from new development within the Plan Area immediately; however, use of these funds may need to wait until a sufficient fund balance can be accrued. Per Government Code Section 66006, the City is required to deposit, invest, account for, and expend the fees in a prescribed manner. The fifth fiscal year following the first deposit into the fee account or fund, and every five years thereafter, the City is required to make all of the following findings with respect to that portion of the account or fund remaining unexpended:

- Identify the purpose for which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete plan area improvements; and
- Designate the approximate dates on that the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

Once sufficient funds have been collected to complete the specified projects, the City must commence construction within 180 days. If they fail to do this, the City is required to refund the unexpended portion of the fee and any accrued interest to the then current owner.

V. AB1600 NEXUS FINDINGS

AUTHORITY

This report has been prepared to establish sewer, transportation, storm drainage, and improvement fees for the North Turlock Master Plan in the City of Turlock in accordance with the procedural guidelines established in AB1600 which is codified in California Government Code Section 66000 et seq. These code sections set forth the procedural requirements for establishing and collecting transportation, sewer, and storm drainage improvement fees. These procedures require that "a reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition."² Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed;
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed; and,
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of the public facility attributable to the development on which the fee is imposed.

The NTMP Area Fees are in addition to any existing citywide fees for transportation, sewer, or storm drainage.

PURPOSE OF FEES

New development in the North Turlock Master Plan area will increase the demand for sewer and storm drainage facilities. Funding by the Plan Area Fees will provide for these needed infrastructure improvements.

Transportation infrastructure will be strained by the additional development planned for the NTMP Area. In order to accommodate increased trip generation, roadway improvements are required. The NTMP Area Fees will help maintain adequate levels of service on public roads by improving intersections, expanding right of ways, enhancing landscaping, and establishing bicycle and pedestrian pathways. The sewer, drainage, and transportation improvement programs are described in more detail in **Chapter II**.

²Public Needs & Private Dollars; William Abbott, Marian E. Moe, and Marilee Hanson, page 109

USE OF FEES

NTMP Area Fees from new development will be used to fund:

- **Sewer Improvements**– Plan Area Fees will fund new sewer infrastructure needed to convey sewage from planned new development into the citywide sewer system. Required sewer infrastructure includes a sewage pump station, force mains, and gravity trunk lines.
- **Storm Drainage Improvements** – Plan Area Fees will fund local improvements not funded through existing citywide fees for master storm drain improvements.
- **Transportation Improvements**– Plan Area Fees will fund needed additions and improvements to roadways needed to accommodate future traffic volumes projected as a result of new development. Roadway additions and improvements include intersection signalization improvements, right of way expansion, landscaping, and setbacks. Additionally, the Plan Area Fees will fund the creation of bicycle and pedestrian paths and transportation corridors in order to ensure that the NTMP area develops in accordance with principles established in the North Turlock Master Plan.

RELATIONSHIP BETWEEN USE OF FEES AND TYPE OF DEVELOPMENT

New development will create sewer flow within the project area. A new pump station, force mains, and gravity trunk lines will create capacity for the sewage system to accommodate the demands of future development.

To maintain safety and protection for people and property, improved storm drainage facilities are required to accommodate water runoff from new development. Drainage improvements were identified based on the anticipated drainage needs of parcels by their planned land use.

New residential and office development in the North Turlock Master Plan Area will increase trips on all roads and highways. Without the completion of necessary roadway improvements, increased traffic volumes will create decreased service levels and increased public safety hazards.

RELATIONSHIP BETWEEN NEED FOR FACILITY AND TYPE OF PROJECT

The City of Turlock has available capacity in the "out of area" sewer collection system and the newly expanded wastewater treatment plant to support the development within the NTMP Area. For development to occur within the NTMP, new sewer lines are necessary to connect to the existing collection system. The relatively flat topography of the area requires facilities to pump sewage generated from new development into the existing gravity sewer collection system. The NTMP Area Fees will fund these additional sewer facilities.

Storm drainage improvements necessary to maintain the safety and protection of persons and property within the development area were identified and verified by the City of Turlock Engineering Division. Additionally, storm drainage connections to Mater Drainage facilities are necessary to maintain adequate levels of service.

Each new development project (residential or office) will add to the incremental need for citywide roadway capacity. Transportation improvements identified in the North Turlock Master Plan would be necessary to maintain the current level of service by maintaining acceptable traffic flows upon buildout of the Master Plan. The North Turlock Master Plan has defined a set of improvements needed for new development.

RELATIONSHIP BETWEEN AMOUNT OF FEES AND COST OF OR PORTION OF FACILITY ATTRIBUTED TO DEVELOPMENT UPON WHICH FEE IS IMPOSED

In the case of the NTMP Area, 100 percent of the cost of the local sewer and storm drainage improvements are allocated to new development in the NTMP Area. Placing 100 percent of the burden to fund new sewer and storm drainage infrastructure in the NTMP Area on new development is the result of the benefit level that NTMP Area new development will realize. All the benefits from NTMP Area sewer and storm drainage improvements will go to new development in the NTMP Area and as a result development impact fees will support all the costs associated with these infrastructure improvements.

Additional transportation improvements were identified as part of the NTMP that do not overlap with citywide transportation improvement and for which the development project will receive benefit. The full costs of these local area improvements are allocated to new development in the NTMP.