

The Economics of Land Use



Report

City of Antioch Development Impact Fee Study

Prepared for:

City of Antioch

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1. INTRODUCTION AND RESULTS

This Antioch Development Impact Fee Report provides the City of Antioch with the necessary technical documentation to support the adoption of an updated Citywide Development Impact Fee Program and Quimby Act Parkland In-Lieu Fee. It was originally prepared by Economic & Planning Systems, Inc. (EPS) with input from City staff in April 2013 and was recently updated in August 2013. Impact fees are one-time charges on new development collected and used by the City to cover the cost of capital facilities and infrastructure that are required to serve new growth. The fees are typically collected upon issuance of a building permit.

The Fee Program described in this Report is based on growth projections and infrastructure requirements and is consistent with the most recent relevant case law and the principles of AB 1600 (the Mitigation Fee Act)/Government Code Section 66000 et seq (except where specific citations are provided, this statute will be referred to in this Report as AB 1600). New public facilities and infrastructure will be necessary to accommodate growth in the City. This report quantifies the proportionate share allocation of the proposed capital facilities to new growth in the City of Antioch. The capital facility requirements and their costs are based on capital needs associated with adequate City staffing levels.¹

This Report provides the nexus findings and analysis and the associated calculations of the maximum supportable citywide fees that could be charged. The City may elect to adopt fees below the maximum supportable level based on economic or policy considerations. For example, the City may choose to reduce the fees in specific locations or on certain types of uses to encourage new development in underutilized areas or to promote certain residential densities. Such fee reductions would either require a reduction in the overall capital facilities standards or the identification of alternative sources of capital funding.

Report Organization

Following this introductory chapter, **Chapter 2** discusses the development capacity estimates and forecasts used in this analysis. **Chapter 3** provides the necessary nexus findings for the different sets of capital facilities and cost estimates, and describes the allocation of costs between existing and new development. **Chapter 4** describes the allocation of parkland costs to new development under the Quimby Act. **Chapter 5** shows the resulting maximum fee schedule by land use consistent with AB1600 and the Quimby Act. It also presents a comparison of the City development impact fees with those in selected other jurisdictions.

Report Background and Legal Context

This Report is designed to provide the necessary technical analysis supporting a schedule of fees to be established by an Impact Fee Ordinance and Resolution and through the Quimby Act. The City currently has an Impact Fee Ordinance that enables the collection of fees for traffic and neighborhood parks and recreation. The updated Fee Schedule, if approved, will need to be

¹ Because of the current economic downturn, City staffing levels and some capital equipment levels are below the levels required to serve the City's existing residents and businesses.

enacted through the adoption of a new City Ordinance(s) supporting the update of the parks in-lieu fee and adding new fee categories for general government/administration, public works facilities, police, and a community parks and recreation fee. This analysis does not include an update to the City's existing traffic signal fee. The new enabling Ordinance would allow the City to adopt, by Resolution, a fee schedule consistent with the supporting technical analysis and findings provided in this Report. The Resolution approach to setting the fee allows periodic adjustments of the fee amount that may be necessary over time, without amending the enabling Ordinance.

The Fee Program developed in this Report is designed to fund a portion of the capital facilities costs associated with citywide administration, public works, police, and parks and recreation. The key requirements of AB 1600 that determine the structure, scope, and amount of the proposed Fee Program are as follows:

- **Collected for Capital Facility, Equipment, and Infrastructure Improvements.** Impact fee revenue can be collected and used to cover the cost of constructing capital facilities and infrastructure improvements required to serve new development and growth in the City. However, impact fee revenue cannot be used to cover the operation and maintenance costs of these or any other facilities and infrastructure.
- **Cannot Fund Existing Needs.** Impact fee revenue cannot be collected or used to cover the cost of existing needs/deficiencies in City capital facilities or infrastructure. Thus, the cost of capital projects or facilities designed to meet the needs of the City's existing population must be funded through other sources. The costs associated with improvements that serve the needs of both new development and the existing development are split on a "fair share" basis according to the proportion attributable to each. Thus, Fee Program funding may need to be augmented by other revenue sources to meet overall funding requirements.
- **Must Be Based on a Rational Nexus.** An impact fee must be based on a reasonable nexus, or connection, between new growth and development and the need for a new facility or improvement. As such, an impact fee must be supported by specific findings that explain or demonstrate this nexus. In addition, the impact fee amount must be structured such that the revenue generated does not exceed the cost of providing the facility or improvement for which the fee is imposed.

In addition, the in-lieu parkland fee was developed and refined in this report consistent with the requirements of the Quimby Act.

This report was originally prepared by EPS in April 2013 and was based on a range of data and estimates developed in the 2011-2012 timeframe. It has subsequently been revised to exclude the development of Roddy Ranch due to the site's pending sale to the East Bay Regional Park District. The analysis was also adjusted from 2012 to 2013 dollars for certain construction and equipment costs².

² EPS inflated general cost estimates based on the consumer price index (CPI) for the San Francisco Metropolitan Statistical Area reported by the Bureau of Labor Statistics. The CPI rate is similar to the construction cost index over the last 12 months reported by Engineering News Record, a 20-city cost index often used for inflating construction-related costs. Some cost estimates were not adjusted, e.g.

Key Issues and Assumptions

The results of this analysis are based on a variety of conditions and assumptions regarding facility costs, service standards, growth projections, and facility demand. Assumptions are covered in detail in later chapters, though some of the key issues are summarized below:

- **Service Standards.** As part of this analysis, EPS estimates projected growth will generate demand for public facilities using existing or policy-defined “service standards”. Service standards relate the required infrastructure/capital facility to the categories (residents, employees) that represent the primary source of demand for the facility in question. Service standards differ by the type of infrastructure/capital facility. For example, Community Center demand is primarily generated by residential development, so this report calculates the “existing Community Center space per 1,000 population” as the relevant service standard. Given the current economic downturn, some of the City’s existing provision of services and associated capital facilities fall below the level required to adequately serve the population. This report quantifies the gap in capital facilities provision associated with existing development, where appropriate, as well as the new cost to be funded by new development.
- **Capital Improvement Program.** Based on the service standards and identified capital facility needs, the City of Antioch adopted *the City of Antioch 5-Year Capital Improvements Program 2012-2017* report that includes a specific listing of development impact fee-eligible projects as a basis for the fee calculation. These individual projects may be altered or replaced over time (with other qualifying projects).
- **Cost Estimates.** The fee calculations embody facility cost and land value assumptions that have been developed based on City staff and engineer estimates, EPS research and prior experience, County Assessor records, and real estate broker interviews and sale listings. All figures are provided in constant 2013 dollars. In some cases, the estimates reflect data from other cities or previous projects developed in Antioch.
- **Cost Allocation.** This analysis allocates the cost of future capital improvements and facilities between new and existing development as appropriate. It also allocates costs between single-family, multifamily, and nonresidential land use categories. The cost allocation estimates are based on the relative demand or fair share contribution of each land use category to the need for the facilities included. For parks and recreation facilities and parkland acquisition/Quimby Act costs demand is population-driven with costs allocated between residential development land use categories only. For other capital facilities, costs are also allocated to nonresidential development as businesses/employees will comprise a portion of facility demand.
- **Socioeconomic Data and Projections.** The impact fee calculations were based on residential and nonresidential development projections provided by City staff. The development forecasts reflect potential new development within the City limits through

police station and land value acquisition estimates, where the existing cost estimates were considered appropriate.

buildout based on the City of Antioch Adopted General Plan.³ Capital improvement program requirements were tied to or based on these development forecasts to ensure correspondence between new capital facilities and new development. Estimates of existing and new residents and jobs were derived based on these development forecasts and population and employment density factors determined using the Department of Finance (DOF) and the Association of Bay Area Governments (ABAG) population and jobs data. If the growth projections do not materialize as expected, the corresponding facilities will not be needed or impact fee revenue will not be sufficient to pay for facilities that were built in advance to accommodate projected future needs. Consequently, the estimates of development and population should be periodically reviewed and updated.

Summary of Fee Program

Updated Development Impact Fees

Table 1 shows the existing City development impact fee/park in-lieu fee schedule and the updated maximum fee schedule based on the nexus findings and analysis contained in this report. Fees apply to new development inside the City limits. The existing fee structure is nuanced given the City of Antioch's enacted Residential Development Allocation Ordinance in 2002, requiring developers to obtain allocations for residential units before granting entitlements and building permits. The nexus-based approach outlined in this analysis is designed to amend the existing fee structure, including the residential development allocation process, with a more streamlined development implementation in the City.

As shown in **Table 1**, the traffic signal fee has not been updated. New fees have been introduced for general administration, public works, police, and parks and recreation facilities (separate from Quimby Act/park in-lieu fees). The new fee schedule includes a maximum of \$7,198 per single-family unit, \$4,692 per multifamily unit, and \$0.77 per non-residential square foot. This fee schedule represents a maximum increase of \$5,786 per single-family unit, \$3,665 per multifamily unit, and \$0.31 per nonresidential square foot of new building space. The nonresidential category covers office/commercial and business park/industrial development. The cost of administering the Fee Program reflected in the fee schedule is based on 3 percent of the cost, which falls within a reasonable range typically charged through development impact fees for administrative expenses.⁴

³ November 24, 2003, page 4-15.

⁴ The 3 percent administration cost is designed to cover the costs of preparation of the development impact fee and subsequent updates as well as the required reporting, auditing, collection and other annual administrative costs involved in overseeing the program. Development impact fee programs throughout California have applied additional administrative charges similar to the one proposed here; applies to general administration, public works, police, and parks and recreation fees.

Table 1
Existing and Maximum Updated Fee Schedule
Antioch Development Impact Fee Study; EPS# 20001

Item	Single Family (per unit)	Multifamily (per unit)	Non-Residential (per sq.ft.)
Existing City Fees			
Traffic Signal	\$362	\$362	\$0.46 (1)
Park In-Lieu Fee	<u>\$1,050</u>	<u>\$665</u>	<u>\$0.00</u>
Total	\$1,412	\$1,027	\$0.46
Maximum Updated City Fee			
Traffic Signal (2)	\$362	\$362	\$0.46
General Administration (3)	\$458	\$290	\$0.07
Public Works (3)	\$443	\$281	\$0.06
Police (3)	\$1,186	\$752	\$0.18
Parks and Recreation (3)	\$3,249	\$2,057	\$0.00
ST Park In-Lieu/ Quimby Act	<u>\$1,500</u>	<u>\$950</u>	<u>\$0.00</u>
Subtotal	\$6,836	\$4,330	\$0.31
Total	\$7,198	\$4,692	\$0.77
Overall Maximum City Fee Increase			
Net Increase	\$5,786	\$3,665	\$0.31

(1) Traffic signal fee varies by non-residential land use. Illustrative fee level shown is potential trip-based fee for office development.

(2) Traffic signal fee was not part of update so no change was made.

(3) An administrative fee cost of 3% is included.

Source: City of Antioch; Economic & Planning Systems, Inc.

As stated above, these new fee increases will be introduced along with a proposal to amend the current Residential Development Allocation Ordinance and associated development charges. The fees summarized above are the maximum fees that the City may levy, as calculated in this analysis. As described in later sections, however, the City may voluntarily reduce any or all of the fees based on policy considerations.

Implementation and Administration

Annual Review

This Report and the technical information it contains should be maintained and reviewed periodically by the City as necessary to ensure Impact Fee accuracy and to enable the adequate programming of funding sources. To the extent that improvement requirements, costs, or development potential changes over time, the Fee Program will need to be updated. Specifically, AB 1600 (at Gov. C. §§ 66001(c), 66006(b)(1)) stipulates that each local agency that requires payment of a fee make specific information available to the public annually within 180 days of the last day of the fiscal year. This information includes the following:

- A description of the type of fee in the account
- The amount of the fee
- The beginning and ending balance of the fund
- The amount of fees collected and interest earned
- Identification of the improvements constructed
- The total cost of the improvements constructed
- The fees expended to construct the improvement
- The percentage of total costs funded by the fee

If sufficient fees have been collected to fund construction of an improvement, the agency must specify the approximate date for construction of that improvement. Because of the dynamic nature of growth and infrastructure requirements, the City should monitor development activity, the need for infrastructure improvements, and the adequacy of the fee revenues and other available funding. Formal annual review of the Fee Program should occur, at which time adjustments should be made. Costs associated with this monitoring and updating effort are included in the Impact Fee and are assumed at 3 percent of costs.

Credits, Reimbursement, and Exemptions

It is recommended that, under certain and limited circumstances as determined by the City, the Impact Fee Ordinance allow developers subject to the fee to obtain credits, reimbursements, or exemptions. Fee credits, reimbursements, or exemptions should not be allowed by right but rather should be subject to a case-by-case review by City staff and Council to ensure that such credits or reimbursements are warranted and appropriate.

A fee credit – as defined by an annual cost review or other recent evaluation of cost – may be allowed if a developer provides a particular off-site facility or improvement that is of citywide benefit. For example, the City may elect to offer a fee credit to developers who provide park and recreation facilities of citywide benefit. In the event there is a discrepancy between the estimated and actual costs of construction for a project where a fee credit is being provided, if the actual construction costs are less than the estimate, the City will not reimburse the

developer for any difference between the actual and estimated costs; and if the actual construction costs are more than the estimate, the City will not provide any additional funding to the developer.

Reimbursements should be considered for developers who contribute more funding and/or build and dedicate infrastructure items that exceed their proportional obligation if the project funded is of high priority. Such reimbursements should be provided as fee revenue becomes available and should include a reasonable factor for interest earned on the reimbursable amount. It should not compromise the implementation of other priority capital projects. A provision for including such interest payments as additional costs in subsequent fees can be included in the Ordinance. Reimbursements would be granted on a discretionary basis only and not granted as a right.

The City may also elect not to impose fees for certain categories of development, though alternative funding sources to offset a loss in fee revenue would need to be provided. Fee exemption could apply if a Development Agreement would be implemented exempting all or a portion of the City fees. For example, the City may elect to exempt developers from paying fees on any affordable housing units they build. Likewise, the City may enter into a Development Agreement that specifically exempts all or a portion of the City fees.

Surplus Funds

AB 1600 also requires that if any portion of a fee remains unexpended or uncommitted in an account for five years or more after deposit of the fee, the City Council shall make findings once each year: (1) to identify the purpose to which the fee is to be put, (2) to demonstrate a reasonable relationship between the fee and the purpose for which it was charged, (3) to identify all sources and amounts of funding anticipated to complete financing of incomplete improvements, and (4) to designate the approximate dates on which the funding identified in (3) is expected to be deposited into the appropriate fund (§66001(d)).

If adequate funding has been collected for a certain improvement, an approximate date must be specified as to when construction of the improvement will begin. If the findings show no need for the unspent funds, or if the conditions discussed above are not met, and the administrative costs of the refund do not exceed the refund itself, the local agency that has collected the funds must refund them (Gov. C §66001(e)(f)).

Periodic Updates

Updates will include both an automatic annual update as well as a more periodic update of this Development Impact Fee study. It is recommended that the Impact Fee Ordinance allows for an automatic annual adjustment to the fees based on the Engineering News Record Construction Cost Index, or a similar inflation factor. Over time, development forecasts, capital facility needs, and capital facility costs will change and evolve, making periodic technical updates prudent. This fee program is based on forecasts of future development in the City as well as specific capital programs developed by the City comprised of a listing of development impact fee eligible projects. These individual projects may be altered or replaced over time (with other qualifying projects) as the City administers the Development Impact Fee Program and builds the infrastructure needed to serve new development.

Securing Supplemental Funding

The Impact Fee is not appropriate for funding the full amount of all capital costs identified in this report. The City will have to identify funding and pay for improvements related to existing and new developments and improvements not funded by the Fee Program or any other established funding source. Indeed, as part of adoption of the fee, the City is likely to adopt a finding that it will obtain and allocate funding from various other sources for the fair share of the costs of improvements identified in this report that are not funded by the Fee Program. Examples of such sources include the following:

- **General Fund Revenues.** In any given year, the City could allocate a portion of its General Fund revenues for discretionary expenditures. Depending on the revenues generated relative to costs and City priorities, the City may allocate General Fund revenues to fund capital facilities costs not covered by the Fee Program or other funding sources.
- **Infrastructure Financing Districts.** The dissolution of California Redevelopment Agencies has removed tax increment financing as a method for infrastructure financing. The City could establish an Infrastructure Financing District (IFD) to issue bonds to fund infrastructure and capital improvement projects. The IFD bonds would be backed by diverted property tax increment revenues from the City's share of property tax. The City Council would need to approve the establishment of the IFD and the majority of voters/landowners in the district must approve. An IFD, unlike a redevelopment area, does not require the property to be blighted, though it cannot overlap with a redevelopment area. As is the case with redevelopment areas, the diversion of property tax has implications for the fiscal impact of new district development on the City's General Fund. While becoming more common, the procedural steps to implementation are cumbersome, though bills designed to simplify the process are under review by the California legislature.
- **Assessments and Special Taxes.** The City could fund a portion of capital facilities costs using assessments and special taxes. For example, the establishment of a Community Facilities District would allow the City to levy a special tax to pay debt service on bonds sold to fund construction of capital facilities or to directly fund capital facilities.
- **State or Federal Funds.** The City might seek and obtain grant or matching funds from State and Federal sources to help offset the costs of required capital facilities and improvements. As part of its funding effort, the City should research and monitor these outside revenue sources and apply for funds as appropriate.
- **Other Grants and Contributions.** A variety of grants or contributions from private donors could help fund a number of capital facilities. For example, private foundations and/or charity organizations may provide money for certain park and recreation or cultural facilities.

2. DEVELOPMENT FORECAST

This chapter presents estimates of existing and future development in the City of Antioch, and associated demographic and job growth that support the development impact fee calculations. Estimates of existing and new development were provided by the City and converted into population and job estimates based on established sources as described below. These estimates were also used to drive specific cost allocations in the fee calculations. Key components of these estimates are described below.

Residential Development and Population Growth

As shown in **Table 2**, residential development in the City is expected to increase from about 34,000 units to 44,800 units, a growth of about 10,800 units through General Plan buildout. The residential growth is expected to include about 5,900 single-family units and 4,900 multifamily units. Residential growth assumptions were developed by the City of Antioch based on existing development capacity for residential uses, including the buildout of the Hillcrest Station Area⁵. Overall, 80 percent of the total capacity was assumed to materialize to account for uncertainties in site-specific development opportunities.⁶ **Table 3** provides the detailed estimates of residential development capacity. The City recognizes that this forecast is substantially higher than ABAG's 2012 Adopted Draft SCS Household Projections for the City of Antioch through 2040 and is based on the City's General Plan projections and regulatory framework rather than ABAG's regional allocation methodology.

Table 2 also shows estimates of existing and new population associated with the residential development. Existing population is based on California Department of Finance 2013 data and future population is projected based on future household size assumptions from the adopted General Plan and subsequent Specific Plans. As shown, a total of about 26,900 persons are expected to be associated with the new residential development, representing a 25.6 percent increase over the current population and 20.4 percent of the estimated buildout population. Based on current projections, about 65 percent of the new population is expected to occupy new single-family development and 35 percent to occupy new multifamily development.

⁵ Roddy Ranch is excluded from the future development capacity due to the site's recent sale to the East Bay Parks District.

⁶ The City has indicated this is a conservative assumption designed to reflect the fact that the City's major residential projects may result in a lower number of units relative to the maximum total because of various site-specific and broader constraints and economic issues.

Table 2
Existing and Projected Housing and Population Growth
City of Antioch Development Impact Fee Study; EPS #20001

Item	Existing	New		Buildout	Increase	
		Total	Distribution		Buildout over Existing	New over Existing
Housing Units (1)						
Single Family	28,140	5,859		33,999	120.8%	20.8%
Multifamily	<u>5,861</u>	<u>4,904</u>		<u>10,765</u>	<u>183.7%</u>	<u>83.7%</u>
Total	34,001	10,763		44,764	131.7%	31.7%
Persons per Household (2)						
Single Family	na	3.0		na	na	na
Multifamily	na	<u>1.9</u>		na	na	na
Total	3.1	2.5		2.9	na	na
Population						
Single Family	na	17,578	65%	na	na	na
Multifamily	na	<u>9,318</u>	<u>35%</u>	na	na	na
Total	105,117	26,896	100%	132,013	125.6%	25.6%
Allocation (3)	79.6%	20.4%		100%		

(1) Excludes mobile homes; [see Table 3]; projections for new growth are based on the Adopted General Plan.

(2) Persons per household assumptions for new development are based on the Antioch Municipal Code.

(3) Varies from the increase over existing estimate as allocation is calculated on a future base rather than existing population total.

Sources: California Department of Finance, City of Antioch, and Economic & Planning Systems, Inc.

Table 3
Antioch's Residential Development Capacity Estimate
City of Antioch Development Impact Fee Study; EPS #20001

Item	Single Family	Multifamily	Total
2003 General Plan Buildout	33,012	13,821	46,833
Hillcrest E-BART Station Specific Plan	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Subtotal	33,012	16,321	49,333
Adjustment (1)	4,330	(4,330)	0
Adjusted Total	37,342	11,991	49,333
(less) Existing Units (2)	28,140	5,861	34,001
Total Development Capacity	9,202	6,130	15,332
(less) Vested Units	1,878	0	1,878
Subtotal	7,324	6,130	13,454
(less) Undeveloped Factor (3)	<u>1,465</u>	<u>1,226</u>	<u>2,691</u>
Net Remaining Capacity	5,859	4,904	10,763

(1) Reflects a density adjustment from multifamily to single family units for the medium density designation.

(2) Estimate of existing units based on County Assessor parcel information and the City's GIS program.

(3) Reflects 80 percent of the total development capacity likely to materialize. This is a conservative assumption that reflects that the City's major residential projects may result in a lower number of units relative to the maximum total due to various site-specific and other external factors.

Sources: DOF, City of Antioch, and Economic & Planning Systems, Inc.

Nonresidential Development and Job Growth

As shown in **Table 4**, existing nonresidential development, including office/commercial and business park/industrial development, is estimated at 15.0 million square feet. According to ABAG, there are currently about 20,160 jobs, implying an overall average of about 742 square feet per job. The City has also forecast future nonresidential development of about 22.6 million square feet based on a review of development opportunities and capacity. Assuming a similar average square feet per job, an additional 30,400 jobs could be accommodated in the City through buildout. This represents a growth of 151 percent in jobs with new jobs representing 60.2 percent of total jobs at buildout. The City recognizes this forecast is substantially higher than ABAG's 2012 Adopted Draft SCS Job Projections for the City of Antioch through 2040 due to differences in forecasting methodology.⁷

Existing and New Service Population

Service population is a service measure commonly used to incorporate job as well as resident growth into allocations of capital facilities demand and associated costs. Employees tend to demand a smaller set of services than residents and, as such, their demand weighting is typically discounted. Service population estimates for the City of Antioch were derived based on a weighting of one for residents and one-third for employees⁸. As shown in **Table 4**, this results in a current service population of about 112,000 with a forecast increase of about 37,000. This increase represents a 33.1 percent increase over existing service population and 24.9 percent of estimated buildout service population.

Allocation Factors

Allocations of new development's fair share cost between different land use categories are based on different metrics of capital facilities demand. As shown in **Table 5**, service population is used as the allocation methodology for general administration, public works, and Police capital facilities. Demand for these facilities will be driven by both new residential and nonresidential development. Population is used as the measure of demand for parks and recreation as new residents will drive the primary need for these new facilities. Similarly, consistent with the Quimby Act, the parkland in-lieu fee is based on population growth. These factors are applied in the fee calculations presented in subsequent chapters.

⁷ The City's forecast is based on City development capacity and City growth expectations. By comparison, ABAG's regional growth allocation forecasts and the associated geographic focus of jobs are expected to under-estimate future job growth in the City.

⁸ Service population is a commonly used measure that estimates service needs based on relative demand generated by residents and employees.

Table 4
Existing and Projected Job Estimates and Service Population Estimates
City of Antioch Development Impact Fee Study; EPS #20001

Item	Existing	New	Buildout	Increase	
				Buildout over Existing	New over Existing
Non-Residential Development/ Jobs					
Non-Residential Development (1)					
Building Square Feet	14,966,714	22,594,816	37,561,530	251.0%	151.0%
Average Square Feet per Job (2)	742.4	742.4	742.4		
Jobs (3)	20,160	30,435	50,595	251.0%	151.0%
Allocation (4)	39.8%	60.2%	100%		
Service Population by Land Use Category (5)					
Single Family Population (6)		17,578	47%		
Multi Family Population (6)	105,117	9,318	25%		
Non-Residential Employees	<u>6,720</u>	<u>10,145</u>	<u>27%</u>		
Service Population (5)	111,837	37,040	100%	148,877	133.1%
Allocation (4)	75.1%	24.9%	100%		

(1) Based on City of Antioch GIS Division estimates of existing business park/ industrial and office/ commercial building square feet in City as well as expected non-residential development at buildout.

(2) Average square feet per job is derived based on the ABAG Projections 2009 job estimate for 2010 and City estimate of existing building square feet.

(3) Existing jobs from ABAG Projections 2009. New jobs estimated by applying existing square feet per job to City forecast of new building square feet.

(4) Varies from the increase over existing estimate as allocation is calculated on a future base rather than existing population total.

(5) Service population is based on the following ratios: 1 resident = 1 service person; 1 employee = 1/3 service person. Service population is used as a standard for cost allocation when capital facilities serve both residents and employees.

(6) Existing single family and multi-family population grouped together and equal 105,117 as shown in Table 2.

Sources: City of Antioch; ABAG 2009 Projections; Economic & Planning Systems, Inc.

Table 5
Cost of New Development Fair Share Cost by Land Use
City of Antioch Development Impact Fee Study; EPS #20001

Item	Allocation Methodology	Residential Development		Non-Residential Development	Total
		Single Family	Multi Family		
General Administration	Service Population	47.4%	25.2%	27.4%	100.0%
Public Works	Service Population	47.4%	25.2%	27.4%	100.0%
Police	Service Population	47.4%	25.2%	27.4%	100.0%
Parks and Recreation	Population	65.4%	34.6%	0.0%	100.0%
Parkland (Quimby Act)	Population	65.4%	34.6%	0.0%	100.0%

Sources: City of Antioch; and Economic & Planning Systems, Inc.

3. AB1600 NEXUS FINDINGS AND COST ALLOCATIONS

This chapter is divided into four sections corresponding to the following capital facilities categories:

- General Administration
- Public Works
- Police Facilities and Equipment
- Parks and Recreation Facilities

For each development impact fee category, the necessary "nexus" between new development in Antioch and the proposed capital facilities is described, as required under Government Code Section 66000 (AB1600). Nexus findings address: 1) the **purpose** of the fee and a related description of the facility for which fee revenue will be used; 2) the specific **use** of fee revenue; 3) the **relationship** between the facility and the type of development; 4) the relationship between the **need** for the facility and the type of development; and 5) the relationship between the amount of the fee and the **proportionality** of cost specifically attributable to new development. In addition, the methodology and technical calculations for determining existing deficiencies and future needs and the associated "fair share" allocation of costs to new development are provided. **Chapter 5** builds from these findings and analyses to estimate maximum supportable development impact fees. Parkland in-lieu fees under the Quimby Act are addressed in **Chapter 4**.

General Administration

The General Administration development impact fee will cover new development's share of the costs associated with new administrative facilities, land acquisition, general vehicles, and information technology equipment. New capital facilities will be required as the City's service population increases. The subsections below describe the nexus findings and the technical cost allocation analysis for the proposed General Administration capital facilities fee category.

Nexus Findings

Purpose

The fee will help maintain adequate levels of general administration service in the City of Antioch, including adequate City Hall and Council Chamber space and associated land needs as well as adequate service vehicles and technology utilized by the general government staff.

Use of Fee

Fee revenue will be used to fund expansion of civic space, acquisition of vehicles and technology, and land purchase for new public space attributed to demand from new growth.

Relationship

New development in Antioch will increase the City's demand for City Hall and Chamber space and associated land needs as well as service vehicles and information technology. Fee revenue will be used to fund the expansion of these facilities.

Need

Each new development project will add to the incremental need for general administration facilities described above. Improvements considered in this study are estimated to be necessary to maintain the City's effective service standard (i.e., ratio of general administration to service population).

Proportionality

The new facilities and costs allocated to new development are based on the existing ratio between the City's service population and its current General Administration capital facilities, vehicles, and equipment. In other words, the scale of the capital facilities and associated costs are directly proportional with the expected levels of new development and the existing relationship between service population and General Administration facilities. For general administration vehicles, a similar approach is utilized, but is based on the City's required number of vehicles rather than the existing number. Because of the current fiscal conditions, the City's existing vehicle fleet falls below the adequate level with the City intending to purchase an additional five vehicles when fiscal conditions improve. The cost of the vehicles required to backfill the City's existing deficiency is not allocated to be funded by new development.

Cost Allocation Analysis

The expected demand for additional administrative facilities, associated land, and vehicles is shown in **Table 6**, along with associated cost estimates and cost allocations to new development. As shown, a total of \$5.5 million in costs can be allocated to new development in the City of Antioch. Approximately \$90,000 will be required through other funding sources to address existing vehicle deficiencies.

- **Facilities.** The City owns its City Hall and Council Chamber that comprise about 32,700 square feet. It is assumed that demand for new space will be proportional to service population growth, an increase of 33.1 percent, as shown in **Table 4**. As a result, a nearly 10,800 square feet of new facility space will be required through buildout. The development cost, for new facility space, estimated based on comparable jurisdictions, is around \$460 per square foot, resulting in the new facility cost of \$5.0 million attributed to the impact fee.
- **Land Acquisition.** In addition to development of new facilities, the City will need to acquire land for these facilities. This analysis assumes that new space would have an average density of 0.3 floor-to-area ratio (FAR), resulting in the need for an additional 0.83 acres of land⁹. Based on an average nonresidential land value of approximately \$150,000 per acre, this results in a land acquisition cost of about \$124,000 attributable to new development.
- **Vehicles.** The demand for vehicles generated by future growth is calculated based on existing vehicle inventory requirements. The City currently needs 28 vehicles. However, the City has 23 vehicles, below the desired existing requirement because of the current fiscal conditions. While the City will have to fund the service improvement for five vehicles from non-impact fee sources, new growth would contribute to additional demand for ten new vehicles based on its fair share of service population increase. Based on the market cost of

⁹ While FAR's vary, an FAR of 0.3 reflects a typical nonresidential building density average.

**Table 6
General Administration Capital Facilities Improvement and Costs
City of Antioch Development Impact Fee Study; EPS #20001**

Item	Existing	Buildout (1)	New (2)	New Allocated to New Development (3)	Unit Cost	Cost Allocated to New Dev't (rounded)
<u>Facilities (sq.ft.)</u>						
City Hall	32,675	43,497	10,822	10,822	\$460 per sq.ft.	\$4,978,000
<u>Land Purchase (acres)</u>						
	2.50	3.33	0.83	0.83	\$150,000 per acre (4)	\$124,000
<u>Vehicles</u>						
	28 (5)	37	9	9	\$17,900 per vehicle	\$161,000
<u>Information Technology (6)</u>						
Servers	20	25	5	5	\$12,200 per item	\$61,000
Data/phone network switches	41	45	4	4	\$8,250 per item	\$33,000
Data/phone UPS units	30	35	5	5	\$2,000 per item	\$10,000
Network routers/firewalls	5	7	2	2	\$8,000 per item	\$16,000
Data tape backup units	8	10	2	2	\$5,000 per item	\$10,000
Network /disk based data backup units	3	5	2	2	\$30,500 per item	\$61,000
Data network storage devices	<u>3</u>	<u>6</u>	<u>3</u>	<u>3</u>	\$15,333 per item	<u>\$46,000</u>
Subtotal	110	133	23	23		\$237,000
Total Cost						\$5,500,000

(1) Buildout estimates are either estimated based on the proportionate projected service population increase by buildout of 33.1 percent, as shown in Table 4, or on specific buildout needs provided by City departments.

(2) Represents the difference between "Buildout" and "Existing".

(3) Represents the quantity of new capital facilities that can be allocated to new development. In cases where the provision of proposed new facilities will increase the service standards for existing residents/ businesses, the "new allocated to new development" will be less than the total "new".

(4) Reflects commercial land value based on review of land sales data from CoStar, County Assessor, Loopnet, real estate broker interviews.

(5) Represents the level of vehicles required to support existing population. However, due to the current fiscal conditions the City currently has 23 vehicles. The City intends to buy an additional 5 vehicles (estimated at \$89,500) when fiscal conditions improve. This cost cannot be charged to new development.

(6) City staff have indicated that the existing equipment is sufficient to serve needs of existing service population and new IT equipment will be required to serve new development. City staff also indicated that IT items listed have a life span of at least 5 years.

Sources: City of Antioch and Economic & Planning Systems, Inc.

new vehicles provided by the Fleet Supervisor of the Public Works Department, these vehicles will result in a new cost of \$161,000 attributed to the development impact fee, with an additional \$90,000 associated with the City's existing deficiency that will need to be funded through other funding sources.

- **Information Technology (IT).** The City will need to acquire new equipment to provide services to new residents.¹⁰ The City has provided the set of equipment required to serve new service population growth. This level of new equipment does not represent an increase in overall information technology service standards and can be fully applied to new development. As shown in **Table 4**, an additional cost of \$237,000 is attributed to the impact fee.

Public Works

The Public Works development impact fee will cover new developments' share of the costs associated with new/expanded corporation yard, building space, a garbage ramp, and Public Works vehicles. New capital facilities will be required as service population increases. The subsections below describe the nexus findings and the cost allocation analysis for the proposed Public Works capital facilities fee category. The City is funding a proportional share of increase in capacity expansion of the Contra Costa County Water District's Randall-Bold water treatment plant. The impact of this expansion is not included in this analysis as the capital and operating cost increase is likely to be recovered through user fees.

Nexus Findings

Purpose

The fee will help maintain adequate levels of Public Works service in the City of Antioch, including adequate corporation yard space and facilities as well as a garbage ramp and vehicles necessary for Public Works operation.

Use of Fee

Fee revenue will be used to fund the expansion of corporation yard space, facilities, garbage ramp, and vehicles.

Relationship

New development in Antioch will increase demand for Public Works Department services and the associated capital facilities and equipment.

¹⁰ Equipment includes servers, data/phone network switches, data/phone UPS units, network routers/firewalls/data tape backup units, network/disk-based data backup units, and data network storage devices.

Need

Each new development project will add to the incremental need for Public Works services associated with new roadways, sidewalks, medians, and trees. Current Public Works capacity is only adequate for existing residents so the City must acquire new facilities and equipment to continue to provide the same level of service. The improvement costs included in this study are necessary for the City to maintain its current levels of service.

Proportionality

The costs allocated to new development are based on the expected level of new development and the existing ratio between yard space, building space and garbage ramp costs, and service population. In other words, the scale of the capital facilities and associated costs are directly proportional with the expected levels of new development and the existing relationship between service population and Public Works costs. For vehicles, a similar approach is utilized, but is based on the City's required number of vehicles rather than the existing number. Because of the current fiscal conditions, the City's existing vehicle fleet falls below the adequate level with the City intending to purchase an additional six vehicles when fiscal conditions improve. The cost of the vehicles required to backfill the City's existing deficiency is not allocated to be funded by new development.

Cost Allocation Analysis

The expected demand for additional Public Works yard, building space, a garbage ramp, and vehicles is shown in **Table 7**, along with associated cost estimates and cost allocations to new development. As shown, a total of \$5.3 million in costs can be allocated to new development in Antioch. About \$379,000 will be required from other funding sources to cover existing garbage ramp and vehicle deficiencies as well as existing development's fair share of the proposed bucket truck.

- **Corporation Yard and Building Space.** Existing facilities consist of a corporation yard and the Department's buildings. Service standards are established using the existing service population factor described above to estimate future needs associated with new growth with costs provided by the City staff. These assumptions result in the need for an additional 6.1 acres of land and about 12,500 square feet of building space. An assumed nonresidential land value of \$150,000 per acre and an estimate of facility space development costs of \$205 per square foot based on comparable jurisdictions yield a total cost of \$914,000 for the yard and \$2.6 million for building space, all allocable to new development.
- **Garbage Ramp.** The City will need four garbage ramps at buildout in order to serve existing and new development. While the City currently has two garbage ramps, this analysis assumes that new development will be responsible for its fair share of the total cost at buildout based on service population. This results in the cost of \$102,000 allocated to new development with the remaining \$102,000 to be covered through other funding sources.
- **Vehicles.** The demand for general Public Works vehicles generated by future growth is calculated based on existing inventory requirements and is increased in proportion to service population growth. The City currently needs 235 vehicles (including general and specialized vehicles), though because of current fiscal conditions, has only 229 vehicles. While the City

Table 7
Public Works Capital Improvement Needs
City of Antioch Development Impact Fee Study; EPS #20001

Item	Existing	Buildout (1)	New (2)	New Allocated to New Development (3)	Unit Cost	Cost Allocated to New Dev't (rounded)
Yard Area (acres)	18.40	24.49	6.09	6.09	\$150,000 per acre (4)	\$914,000
Building Space	37,843	50,377	12,534	12,534	\$205 per sq.ft. (5)	\$2,568,000
Garbage Ramp (6)	2.00	4.00	2.00	1.00	\$102,000 per unit	\$102,000
Public Works Vehicles (7)						
General	169	225	56	56	\$22,000 per vehicle	\$1,232,000
Utility Truck (8)	40	45	5	5	\$41,000 per vehicle	\$205,000
10-Wheel Dump Truck (8)	6	7	1	1	\$102,000 per vehicle	\$102,000
Backhoe (8)	3	4	1	1	\$102,000 per vehicle	\$102,000
Pickup (8)	16	18	2	2	\$22,000 per vehicle	\$44,000
Bucket Truck (9)	<u>1.00</u>	<u>2.00</u>	<u>1</u>	<u>0.50</u>	\$92,000 per vehicle	<u>\$46,000</u>
Subtotal	235	301	66	65.50		\$1,731,000
Total Cost						\$5,315,000

(1) Buildout estimates are either estimated based on the proportionate projected service population increase by buildout of 33.1 percent, as shown in Table 4, or on specific buildout needs provided by City departments.

(2) Represents the difference between "Buildout" and "Existing".

(3) Represents the quantity of new capital facilities that can be allocated to new development. In cases where the provision of proposed new facilities will increase the service standards for existing residents/ businesses, the "new allocated to new development" will be less than the total "new".

(4) Reflects commercial land value based on review of land sales data from CoStar, County Assessor, Loopnet, real estate broker interviews.

(5) Reflects typical development cost per square foot (excluding land cost) for Class B office space.

(6) City has indicated that two additional garbage ramps are required to meet the needs of buildout development. Based on the current numbers of garbage ramps per service population, not all of the cost of the two new garbage ramps can be allocated to new development. As shown, the equivalent of 1.0 garbage ramps can be allocated to new development, while the remaining 1.0 (\$102,000) is attributable to existing development.

(7) "Existing" represents the level of vehicles required to support existing service population. Due to the current fiscal conditions the City has six fewer vehicles than shown here. The City intends to buy these additional six vehicles (2 general, 1 utility truck, 1 10-Wheel Dump Truck, and 2 pickups) (estimated at \$231,000) when fiscal conditions improve. This cost cannot be charged to new development.

(8) Net new vehicle estimates are based on input from City staff; these estimates are below those proportionally supported by service population growth due to the current fiscal conditions and the City having fewer vehicles than shown here.

(9) City has indicated that one additional bucket truck is required to meet the needs of buildout development. Based on the current numbers of garbage ranks per service population, not all of the cost of the new bucket truck can be allocated to new development. As shown, the equivalent of 0.48 bucket trucks can be allocated to new development, while the remaining 0.52 (about \$48,000) is attributable to existing development.

Sources: City of Antioch and Economic & Planning Systems, Inc.

will have to fund the existing deficiency of 6 vehicles from other funding sources, a total of 65.5 new general vehicles will be attributable to new growth through buildout. For general vehicles, utility trucks, 10-wheel dump trucks, backhoe, and pickup trucks, the need for additional vehicles is greater than the proportional service population increase attributable to new development. For bucket trucks, which will be required to serve existing and new development, the new development's cost share is estimated based on its service population at buildout. The resulting vehicle acquisition cost to the development impact fee is approximately \$1.7 million.

Police Facilities and Equipment

The Police Facilities development impact fee will cover new development's share of the costs associated with a range of capital facilities, including Police stations, vehicles and other equipment. New capital facilities will be required as the City's service population increases. The subsections below describe the nexus findings and the technical cost allocation analysis for the proposed Police capital facilities fee category.

Nexus Findings

Purpose

The fee will help maintain adequate levels of Police facilities, vehicles, and other equipment necessary for adequate Police service provision in the City of Antioch.

Use of Fee

Fee revenue will be used to fund expansion of existing Police station and animal services facilities and acquire new vehicles and specialized equipment attributable to demand from new development.

Relationship

New development in Antioch will increase the City's demand for Police service. Fee revenue will be used to fund additional capacity that will facilitate expansion of these items.

Need

Each new development project will add to the incremental need for Police facilities, vehicles, and equipment. Improvements considered in this study are estimated to be necessary to maintain the City's effective service standard (i.e., ratio of Police facilities to service population).

Proportionality

The new facilities and costs allocated to new development are based on the existing ratio between the City's service population and its current Police capital facilities, vehicles, and equipment. In other words, the scale of the capital facilities and associated costs are directly proportional with the expected levels of new development and the existing relationship between service population and Police facilities. For Police vehicles, a similar approach is utilized, but is based on the City's required number of vehicles rather than the existing number. Because of the current fiscal conditions, the Police Department's existing vehicle fleet falls below the adequate level, with the City intending to purchase an additional three vehicles when fiscal conditions improve. The cost of the vehicles required to backfill the City's existing deficiency is not

allocated to new development. In addition, the need for a new SWAT vehicle and a mobile command post will improve service to both existing and new service population, so costs are allocated proportionally.

Cost Allocation Analysis

The expected demand for additional Police facilities, vehicles, and equipment is shown in **Table 8**, along with associated cost estimates and cost allocations to new development. As shown, a total of \$14.2 million in costs can be allocated to new development in Antioch. About \$463,000 will be required from other funding sources to fund existing vehicle deficiencies as well as existing development's fair share of the additional SWAT vehicle and mobile command post.

- **Facilities.** The Police Department identified a need to expand existing facilities, including its station and animal services space. EPS used building space at existing facilities (including the Community Center substation) to establish a share of new space to be funded by the proposed fee. EPS estimated the incremental new facilities attributable to new development based on the expected increase in service population, at 33.1 percent. These facilities reflect an average development cost of \$500 per square foot based on comparable projects, as shown in **Table 9**. This estimate results in the Police facility cost of approximately \$11.9 million attributed to the development impact fee.
- **Vehicles.** The demand for general Police vehicles generated by future growth is calculated based on existing vehicle inventory requirements. The City currently has 82 general vehicles, below the needed level of 85 vehicles as indicated by the Antioch Police Department. While the City will have to fund the service improvement for 3 vehicles from non-impact fee sources, new growth would require an additional demand for 25 new general vehicles based on its fair share of service population increase. Based on the market cost of new vehicles provided by the Police Department (of \$39,000 per vehicle), about \$975,000 in general vehicle costs can be attributed to new development, while about \$114,000 will be associated with the City's existing deficiency that will need to be funded through other funding sources. In addition, the Police Department will require a new SWAT vehicle to serve new development, though because it will also improve the service level to existing and new development, the cost will be allocated to both existing and new development.
- **Other.** The City will also require a mobile command post and specialized equipment, such as portable radios, guns, and technology equipment associated with new growth in the City. The mobile command post will serve existing and new development, and so it will require funding from both new development and other sources. The costs of the other specialized equipment developed by the Police Department covers only the costs associated with serving new development. These items result in the Police cost of nearly \$1.3 million attributed to the development impact fee.

Table 8
Police Capital Improvement Needs and Costs
City of Antioch Development Impact Fee Study; EPS #20001

Item	Existing	Buildout (1)	New (2)	New Allocated to New Development (3)	Unit Cost (4)	Cost Allocated to New Dev't (rounded)
<u>Police Department Facility (sq.ft.)</u>						
Police Department Portion	63,300 (5)	84,265	20,965	20,965		
Animal Services Portion	8,700	11,581	2,881	2,881		
Subtotal	72,000	95,846	23,846	23,846	\$500 per sq.ft.	\$11,923,000
<u>Vehicles</u>						
General	85 (6)	110	25	25	\$39,000 per vehicle	\$975,000
SWAT Vehicle (7)	1.00	2.00	1.00	0.50	\$154,000 per unit	\$77,000
Subtotal						\$1,052,000
<u>Other</u>						
Mobile Command Post (8)	0	1.00	1.00	0.25	\$359,000 per item	\$90,000
Other (9)						\$1,170,000
Subtotal						\$1,260,000
Total Cost						\$14,235,000

(1) Buildout estimates are either estimated based on the proportionate projected service population increase by buildout of 33.1 percent, as shown in Table 4, or on specific buildout needs provided by City departments.

(2) Represents the difference between "Buildout" and "Existing".

(3) Represents the quantity of new capital facilities that can be allocated to new development. In cases where the provision of proposed new facilities will increase the service standards for existing residents/ businesses, the "new allocated to new development" will be less than the total "new".

(4) Facility cost is estimated based on comparable projects as shown in Table 9; other unit costs were provided by City staff based on historic spending inflated to \$2013.

(5) Includes a 5,000 square foot community center substation.

(6) Represents the level of vehicles required to support existing population. However, due to the current fiscal conditions the City has 82 vehicles. The City intends to buy an additional 3 vehicles (estimated at \$117,000) when fiscal conditions improve. This cost cannot be charged to new development.

(7) City has indicated that one additional SWAT vehicle is required to meet the needs of buildout development. Based on the current numbers of SWAT vehicles per service population, not all of the cost of the new SWAT vehicle can be allocated to new development. As shown, the equivalent of 0.5 SWAT vehicles can be allocated to new development, while the remaining 0.5 (\$77,000) is attributable to existing development.

(8) City will purchase one mobile command post to serve new and existing development. As a result, and as shown, the equivalent of 0.25 mobile command posts can be allocated to new development, while the remaining 0.75 (\$269,000) is attributable to existing development.

(9) Includes mobile data equipment, intersection / park cameras, patrol car video cameras, and enduro motorbikes. City staff indicated that this equipment is needed specifically to serve new development.

Sources: City of Antioch and Economic & Planning Systems, Inc.

Table 9
Recent Police Station Building Development Costs in California
City of Antioch Development Impact Fee Study; EPS #20001

Item	Total Cost	Total Sq. Ft.	Cost Per Sq.Ft.	Floors
Corte Madera	\$14,000,000	18,000	\$778	2
Los Angeles	\$34,000,000	54,000	\$630	na
American Canyon	\$8,500,000	16,894	\$503	na
Inglewood	\$23,000,000	33,750	\$681	na
Bakersfield	\$3,300,000	8,000	\$413	na
Lompoc	\$3,900,000	12,581	\$310	na
Los Angeles	\$35,000,000	50,000	\$700	2
Canoga Park	\$24,000,000	53,000	\$453	na
San Diego	\$13,000,000	23,760	\$547	na
Los Angeles	\$30,000,000	50,000	\$600	na
Los Angeles	\$3,100,000	9,206	\$337	na
Loyalton	\$480,000	1,560	\$308	na
Torrance	\$700,000	2,800	\$250	na
Oxnard	\$2,800,000	12,000	\$233	na
Visalia	\$7,200,000	8,000	\$900	na
San Mateo	\$41,000,000	55,000	\$745	na
Williams	\$3,300,000	12,000	\$275	na
Rampart	\$23,000,000	57,100	\$403	na
Hawthorne	\$26,000,000	<u>108,000</u>	<u>\$241</u>	na
Average (rounded)		31,000	\$500	

Sources: Reed Construction Data, Construction Cost Consultants, C.P. O'Halloran Associates, and Economic & Planning Systems, Inc.

Parks and Recreation Facilities

The Park and Recreation impact fee is designed to cover the costs associated with new parks and recreation facilities and equipment required to serve future growth in Antioch. It covers the appropriate share of the costs of developing new parks, Community Centers and facilities, library, and associated capital equipment (the park in-lieu fee under the Quimby Act, described in the next chapter, provides revenues based on parkland needs and costs). New capital facilities will be required as the City's population increases. The subsections below describe the nexus findings and the technical cost allocation analysis for the proposed Parks and Recreation capital facilities fee category.

Nexus Findings

Purpose

The fee will help provide adequate levels of parks and recreation facilities, Community Center, and library space.

Use of Fee

Fee revenue will contribute funding towards parks and recreational facilities in a number of community parks as well as an additional 20,172 square feet of community facility space and new library.

Relationship

New development in Antioch will increase the City's demand for park and recreation facilities, though existing population will also benefit from improvement in these capital facilities. Fee revenue will be used to increase the availability of parks and recreation facilities consistent with the needs of new population growth.

Need

Each new development project will add to the incremental need for park and recreation facilities, Community Center space, and library space. As a result, improvements considered in this study are estimated to be necessary to meet the City's service provision goals without adversely affecting the existing level of service.

Proportionality

Parks and recreation facilities in community parks and a new City-owned library facility will serve both new and existing development. As a result, the costs of these facilities are allocated between existing and new development based on the existing City population and the new, expected population through City buildout. Because the City has an existing Community Center, the majority of the new Community Center cost is apportioned to new development. However, because the new Community Center will increase the overall Community Center space standard in the City, a portion of the cost is apportioned to existing development.

Cost Allocation Approach

- **Parks.** The City owns and maintains a number of parks of various sizes and uses. The City's staff identified that Lindsey Basin, Sand Creek Basin, and Prewett Park improvements would be needed in the foreseeable future. These improvements are estimated to cost approximately \$35.8 million, as shown in **Table 10**. Given that all Antioch residents would benefit from these improvements, including existing residents, only the cost attributable to new population as a share of the buildout total is allocated to the impact fee. This represents about 20 percent of the total cost or \$7.3 million.
- **Community Center Facilities.** New Community Center space will be predominantly required to maintain service standards as City population grows. While the General Plan specifies a Community Center service standard of 750 square feet per 1,000 residents, the current standard provided is below this level.¹¹ As a result, a 18 percent portion of the cost of developing new facilities to meet the City's preferred standard must be attributed to offsetting the existing deficiency for existing population, while the remaining 82 percent of costs are attributable to new development's impact on Community Center needs. The need for future space is estimated at about 20,170 square feet based on the City's preferred service standard, as shown in **Table 11**. The actual Community Center expansion cost of \$685 per square foot is based on a recently completed Community Center and is inflated to 2013 dollars. This results in a Community Center development cost of \$17.8 million with \$14.5 million eligible for funding from development impact fees.
- **Library.** The City staff estimates that a new 48,000 square foot library would be needed through buildout with a cost of \$31.9 million. The City would own the library and would be responsible for funding it. Similar to park space, existing and new City population will benefit from the library addition. Based on the projected population growth, this analysis assumes that 20 percent of the library development cost, or \$6.5 million, could be funded through impact fees.

¹¹ General Plan performance objective 3.5.1.1.

Table 10
Parks and Recreation Capital Facilities and Costs
City of Antioch Development Impact Fee Study; EPS #20001

Item	Total Program Cost (1)	Proportionate Allocation (2)		Cost Allocation	
		Existing Development	New Development	Existing Development (rounded)	New Development (rounded)
<u>Park and Recreation Facilities</u>					
Lindsey Basin	\$11,661,071	79.63%	20.37%	\$9,286,000	\$2,375,000
Sand Creek Basin	\$18,018,116	79.63%	20.37%	\$14,348,000	\$3,670,000
Prewett Park:					
Western area completion	\$3,750,104	79.63%	20.37%	\$2,986,000	\$764,000
Pool and diving well	\$2,343,687	79.63%	20.37%	\$1,866,000	\$477,000
Subtotal	\$35,772,978			\$28,486,000	\$7,286,000
<u>New Community Center Facilities (3)</u>					
Library	\$31,872,296	79.63%	20.37%	\$25,380,000	\$6,492,000
Total Facilities	\$85,406,274			\$57,129,000	\$28,276,000

(1) Costs based on engineer estimates with the exception of the Community Center which is based on the City's actual cost estimate for the recently built community center.

(2) This analysis assumes that all new parks and recreation facilities, with the exception of the Community Center expansion, will equally serve existing and new City residents. As a result, the costs are allocated based on existing and new development shares estimated in Table 2.

(3) Reflects new development's fair share of the 20,172 square foot facility expansion cost that would bring the City consistent with its community center General Plan standard at buildout, as shown in Table 11.

Sources: City of Antioch and Economic & Planning Systems, Inc.

Table 11
Community Center Analysis
City of Antioch Development Impact Fee Study; EPS #20001

Item	Existing Development	New Development	Buildout
Population (1)	105,117	26,896	132,013
Existing Community Center Sq. Ft.	74,300	---	---
Existing Service Standard [sq.ft. per 1,000 residents]	706.8		
General Plan Service Standard [sq.ft. per 1,000 residents]	750.0	750.0	750.0
New Community Center Facilities (2) to meet General Plan Service Standard	4,538	20,172	24,710
Community Center Costs (3) Distribution	\$3,262,000 18.37%	\$14,499,000 81.63%	\$17,761,000 100%

(1) From Table 2.

(2) The 3,575 sq. ft. are required to bring the existing community center space standard up to the General Plan development standard of 750 sq.ft. per 1,000 residents.

(3) Rounded; based on the City's actual cost estimate of \$685 per square foot for the recently built community center inflated to \$2013.

Sources: City of Antioch and Economic & Planning Systems, Inc.

4. PARKLAND IN-LIEU FEE COST ALLOCATION

This chapter provides the technical analysis required to support the refinement of the park in-lieu fee. This analysis determines the appropriate park land standard applicable under the Quimby Act and determines the parkland cost that can be attributed to the expected new residential development in the City of Antioch based on this standard and the estimated value of parkland. Calculation of the maximum parkland in-lieu fee is presented in **Chapter 5**.

Under the Quimby Act, the park in-lieu requirement can be set at between 3.0 acres and 5.0 acres per 1,000 residents depending on the existing service standard. If the current service standard is below 3.0 acres per 1,000 residents, the park in-lieu fee can be set at 3.0 acres per 1,000 residents, if it is between 3.0 acres and 5.0 acres per 1,000 residents it can be set at the existing standard, and if it is above 5.0 acres per 1,000 residents it can set at a maximum of 5.0 acres per 1,000 residents.

The City currently provides a total of 611 acres of land in neighborhood and community parks, trails, and recreational facilities.¹² Based on the 2010 U.S. Census estimate of City population, this acreage represents a standard of 6.0 acres per 1,000 residents (or 5.9 acres per 1,000 based on the 2012 estimate of City population).¹³ As a result, the Quimby Act allows the City of Antioch to establish a park in-lieu requirement of 5.0 acres per 1,000 residents for new development.

Under the Quimby Act, the park in-lieu fee is based on the estimated cost of acquiring residential land. Residential land cost has fluctuated substantially over the last several years. In addition to economic and real estate market cycles, acquisition costs can vary significantly based on the characteristics of individual properties. EPS reviewed available land transactions since 2009 from a range of data sources and concluded that the use of an average land acquisition cost of \$100,000 per acre represents a reasonable and conservative estimate for fee calculation.¹⁴

As shown in **Table 12**, under the adopted standard, new residential development will be required to cover the cost of about 134 acres of parkland, based on the 5.0 acres per 1,000 residents standard and the expected addition of about 26,900 residents through General Plan buildout. At \$100,000 per acre, this represents a \$13.4 million cost allocation to new residential development.

¹² Acreage confirmed by City staff, February 26, 2014.

¹³ 2010 US Census population estimate was 102,365 persons.

¹⁴ Data sources include CoStar, County Assessor data, Loopnet, and real estate broker interviews.

Table 12
Parkland Acquisition Costs
City of Antioch Development Impact Fee Study; EPS #20001

Item	New
Parkland Standard (per 1,000 population) (1)	5 acres
Estimate New Population (2)	26,896
Required Parkland (acres)	134.48
Parkland Acquisition Cost (Quimby Act) (3)	\$13,448,000

(1) Based on the City Municipal Code section 9-4.1003.

(2) See Table 2.

(3) Reflects a land value of \$100,000 per acre based on available residential land sale data and on real estate broker interviews.

Sources: City of Antioch and Economic & Planning Systems, Inc.

5. DEVELOPMENT IMPACT FEE CALCULATION, PROGRAM ADMINISTRATION, AND COMPARISON

This chapter describes the development fee recommendations (development impact and Quimby Act fees) and documents the magnitude of the fees by type. In addition, this chapter provides a comparison of the current and maximum potential development impact fees in the City of Antioch with development impact fees charged by selected other cities.

Development Impact Fees by Type

Total capital facilities costs attributed to new development is summarized in **Table 13**. As shown, future infrastructure cost associated with continued growth in the City is \$124.8 million. However, only \$66.8 million, or roughly 53 percent of this cost, could be attributed to new growth based on its fair share of the overall demand for capital facilities. The remaining \$58.0 million is allocated to existing development and reflects a shortfall in existing citywide needs. The cost allocated to existing development is predominantly comprised of parks and recreation uses, which would enhance the level of service to the City's existing and new residents. The City will need to find other non-development impact fee-related mechanisms to fund the costs apportioned to existing development.

Fees are calculated by allocating costs attributable to growth among single-family residential, multifamily residential, and nonresidential uses, as shown in **Table 14**. For most capital facilities types, as previously shown in **Table 5**, this allocation is based on future service population growth, with 51 percent associated with single-family units, 31 percent with multifamily units, and 10 percent with nonresidential development (for parks and recreation facilities and parkland that primarily serve new residential development, the allocation is based on future population growth). The allocated costs by land use are then divided by the number of new units/nonresidential square feet projected through buildout in Antioch to calculate the estimated fee. This calculation results in a maximum impact fee of \$6,680 for single-family units, \$4,232 for multifamily units, and \$0.30 per nonresidential square foot, before considering an administration cost factor. These fees are illustrated in **Table 15**.

The provisions of AB 1600 allow jurisdictions to include the costs of administering the Impact Fee Program in the fee amount. Administration requirements include collecting and allocating impact fee revenue, record keeping and reporting of fund activity, and periodic updates to the Fee Program. This analysis assumes that administrative costs of 3.0 percent of the total Fee Program cost will be applied to reflect the City's overhead and administration burdens. As shown in **Table 16**, this would increase the maximum development impact fee to \$6,836 for single-family units, \$4,330 for multifamily units, and \$0.31 per nonresidential square foot. While actual Impact Fee Program administration costs will vary from year-to-year depending on development activity and other program requirements, it is important to note that the administrative fee is not applied to the parkland in-lieu, East Contra Costa Regional Fee & Financing Authority or traffic signal fees.

Table 13
Summary of Capital Facilities Cost Allocation Between New and Existing Development (rounded)
City of Antioch Development Impact Fee Study; EPS #20001

Item	Cost Allocated to Existing Development (1)	Cost Allocated to New Development (2)	Total Cost
General Administration	\$90,000	\$5,500,000	\$5,590,000
Public Works	\$379,000	\$5,315,000	\$5,694,000
Police	\$463,000	\$14,235,000	\$14,698,000
Parks and Recreation	\$57,129,000	\$28,276,000	\$85,405,000
Parkland (Quimby Act)	<u>\$0</u>	<u>\$13,448,000</u>	<u>\$13,448,000</u>
Total	\$58,061,000	\$66,774,000	\$124,835,000

(1) To be funded by non-fee sources.

(2) Eligible to be funded by development impact fees/ Quimby Act fees.

Source: Economic & Planning Systems, Inc.

Table 14
New Development Maximum Cost Allocation by Land Use (rounded, no administration cost)
City of Antioch Development Impact Fee Study; EPS #20001

Item	Cost Allocated to New Development	Residential Development		Non-Residential Development
		Single Family	Multi Family	
General Administration	\$5,500,000	\$2,604,800	\$1,383,800	\$1,506,500
Public Works	\$5,315,000	\$2,517,200	\$1,337,300	\$1,455,800
Police	\$14,235,000	\$6,741,700	\$3,581,500	\$3,899,000
Parks and Recreation	\$28,276,000	\$18,478,400	\$9,794,800	\$0
Parkland In-Lieu/ Quimby Act	<u>\$13,448,000</u>	<u>\$8,788,300</u>	<u>\$4,658,400</u>	<u>\$0</u>
Total	\$66,774,000	\$39,130,400	\$20,755,800	\$6,861,300
<i>Distribution</i>	<i>100%</i>	<i>59%</i>	<i>31%</i>	<i>10%</i>

Source: Economic & Planning Systems, Inc.

Table 15
Maximum Fee by Land Use (rounded, no administration cost)
City of Antioch Development Impact Fee Study; EPS #20001

Item	Residential Development (per unit)		Non-Residential Development (per sq.ft.)
	Single Family	Multi Family	
General Administration	\$445	\$282	\$0.07
Public Works	\$430	\$273	\$0.06
Police	\$1,151	\$730	\$0.17
Parks and Recreation	\$3,154	\$1,997	\$0.00
Parkland In-Lieu/ Quimby Act	<u>\$1,500</u>	<u>\$950</u>	<u>\$0.00</u>
Total	\$6,680	\$4,232	\$0.30

Source: Economic & Planning Systems, Inc.

Table 16
Maximum Fee by Land Use with 3% Administration Cost (rounded) (1)
City of Antioch Development Impact Fee Study; EPS #20001

Item	Residential Development (per unit)		Non-Residential Development (per sq.ft.)
	Single Family	Multi Family	
General Administration	\$458	\$290	\$0.07
Public Works	\$443	\$281	\$0.06
Police	\$1,186	\$752	\$0.18
Parks and Recreation	\$3,249	\$2,057	\$0.00
Parkland In-Lieu/ Quimby Act	<u>\$1,500</u>	<u>\$950</u>	<u>\$0.00</u>
Total	\$6,836	\$4,330	\$0.31

(1) The fee of 3% falls within a reasonable range typically charged through development impact fees for administrative expenses. No administrative fee is added for Quimby Act/ Park-in-lieu fee.

Source: Economic & Planning Systems, Inc.

Development Impact Fee Comparison

EPS prepared a development impact fee comparison for selected cities before 2012 based on available fee schedules. The findings of this fee comparison are described in this section and presented in **Table 17**. Inevitably, changes have continued to be made to fee schedules over the last two years, though the fee comparison has not been updated. **Table 17** provides a comparison of the existing and potential maximum new development impact fees in the City of Antioch with the fee levels in the cities of Brentwood, Oakley, Pittsburg, Concord, and Tracy. The purpose of this comparison was to provide some context for fee refinement decisions in the City of Antioch. It is important to note that development impact fee levels are continuously changing. Fees shown are long-term/underlying fee levels and are not intended to show the temporary fee reductions that some Cities have chosen to put in place. For example, the City of Oakley has recently extended its 2-year fee reduction through June of 2015.¹⁵

One particular complexity in considering the fee levels in the City of Antioch is the expected ending of the Residential Development Allocation system. This system historically resulted in significant per unit payments by developers (as high as \$10,000 per unit) at the peak of the market. With the ending of this program, new residential development in the City of Antioch will effectively face a substantive decrease in one-time per unit charges, though the precise dollar reduction cannot be specified as the per unit payment depended on an auctioning system.

For all citywide development fee comparisons, there are a number of additional issues that affect the implications of the relative fee levels. For example, some cities focus more on requiring project-specific or area-specific exactions/fees for infrastructure improvements as part of the development approval. As a result, some projects occurring in cities with lower citywide development impact fees still pay higher fees, when project-specific or area-specific charges are included. Furthermore, some cities, on a case-by-case basis, are providing discounts or exemptions on some or all of their fees to certain new developments. This represents a *de facto* temporary fee reduction that is not reflected in the fee schedules.

Fee Comparison

Table 17 provides a snapshot of development impact fees for five comparison cities and the City of Antioch for consistent, prototype single-family units. The fees are grouped into three categories, including water/sewer fees, other fees charged by other entities, and other City development impact/one-time fees. The fee groups are distinguished as follows:

- **Sewer/water**— typically set to cover the costs of providing water and sewer facilities/infrastructure to comply with State standards
- **Other entity fees**—fees set by other school district or regional/subregional entities
- **Other City fees**—the fees over which the City has primary control

¹⁵ The City's temporary fee reduction, originally implemented in 2011, reduced the overall development impact fee by approximately 40 percent below that shown in this analysis.

Table 17
Citywide Development Impact Fees by Comparable City (per single family unit)
Antioch Development Impact Fee Study; EPS #20001

Fee	Selected Cities						
	Antioch Existing	Antioch Proposed	Brentwood	Oakley	Pittsburg	Concord	Tracy
Sewer/Water Fees	\$18,087	\$18,087	\$11,752	\$27,156	\$17,201	\$26,834	\$8,832
Other Entity Fees (1)							
Regional/ County Traffic Fees (2)	\$18,710	\$18,710	\$18,710	\$18,710	\$18,897	\$0	\$0
School District	<u>\$5,940</u>	<u>\$5,940</u>	<u>\$8,700</u>	<u>\$9,954</u>	<u>\$5,346</u>	<u>\$5,940</u>	<u>\$10,640</u>
Subtotal	\$24,650	\$24,650	\$27,410	\$28,664	\$24,243	\$5,940	\$10,640
Other City Fees							
Fire (3)	\$591	\$591	\$781	\$749	\$633	\$591	\$0
Drainage	\$1,911	\$1,911	\$882	\$990	n/a	\$642	\$4,512
Traffic/ Transit (4)	\$362	\$362	\$10,746	\$12,258	\$7,123	\$3,166	\$12,185
Parks	\$1,050	\$4,749	\$7,199	\$8,567	\$9,857	\$16,691	\$6,596
Police/Public Facilities/Capital Improvements	<u>\$0</u>	<u>\$2,087</u>	<u>\$3,660</u>	<u>\$2,701</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,951</u>
Subtotal	\$3,914	\$9,699	\$23,268	\$25,265	\$17,613	\$21,090	\$27,244
Total	\$46,651	\$52,436	\$62,430	\$81,085	\$59,057	\$53,864	\$46,716

(1) Does not include special district fees.

(2) The fees are temporarily reduced by 50% due to the recent economic slowdown, and the fees for Pittsburg, Concord and Tracy differ because these cities are not members of the East Contra Costa Regional Fee & Financing Authority.

(3) Reflect a combination of city or special district fees.

(4) The City of Antioch is aware of the large difference between its Traffic/Transit fees in relation to the comparison cities and plans to undertake a future Traffic/Transit fee study as resources allow.

As shown, the City of Antioch currently has the lowest “Other City” development impact/one-time fees—\$3,900 per single-family unit—when the Residential Development Allocation charge is not included.¹⁶ The inclusion of the Residential Development Allocation charge—even at its highest level—still leaves existing fee levels at the lower end of the range, at \$13,900 per unit. The maximum potential “other city fee” levels identified in this report for Antioch (in combination with the ending of the Residential Development Allocation system) would result in a total of \$9,700 per single-family unit. This is below all other cities reviewed. The primary reason for the lower fees in the City of Antioch (even after upward adjustment) is the low traffic/transit fees relative to all the other comparison cities. On an aggregate basis, when significant variations in sewer/water fees as well as regional transportation and school district fees are considered, the City of Antioch’s fees fall in a similar range to the long-term/underlying fees in other cities considered.

¹⁶ Based on the FY2011 fee schedule.