



# DEVELOPMENT IMPACT FEE NEXUS STUDY UPDATE

GOVERNMENT BUILDING FACILITIES FEE

October 1, 2024



# DEVELOPMENT IMPACT FEES

## OVERVIEW

- **Why are impact fees important:**
  - New development pays for their fair share of new infrastructure without burdening existing development.
  - Development impact fees equitably distribute the costs related to new infrastructure to all potential new developments.
  - Balances fee levels with desired economic growth.
- **Why are fees updated/adjusted?**
  - Without an update to old fees and annual adjustments to adopted development impact fees, there would not be adequate funding to support infrastructure for future growth as estimated by the City's General Plan.
    - Last adopted update in 2006
      - There have been significant updates in cost, assumptions, and land uses since this update
    - Harris started an update in 2020, but Covid delayed the update
  - Updated analyses and methodology to comply with the legal requirements of the Mitigation Fee Act (AB 1600) and AB 602

# DEVELOPMENT IMPACT FEES (DIFS)

## OVERVIEW

Development Impact Fees (DIFs) are fees imposed by a local government on new development projects to ensure public services and infrastructure will be sufficient to serve new development.

- Governing law for DIFs is Assembly Bill 1600 (Mitigation Fee Act) (GC 66000)
- Fees are established on new development's **fair share** based on a rational nexus test
  - DIFs are a one-time fee on **new development** to mitigate their impacts
  - Only includes cost attributable to **new development**
  - Fees can only fund **capital costs**
  - Fees **cannot** fund **existing deficiencies, ongoing maintenance or salaries**
  - Funds must be used for the projects for which they were intended
- AB602 (July 2022) made several amendments to state law to fees and fee studies
  - Encourages Agency to charge fees on residential land uses per square foot
  - Nexus Study must identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is necessary
  - Requires that the Agency includes a Capital Improvement Program (CIP) as part of the Nexus Study
  - Nexus Study updated every 8 years



# NEXUS STUDY PURPOSE

- This report updates the **Government Building Facilities Impact Fee** for the City of Manteca.
- Satisfy AB 1600 Nexus requirements, AB 602 guidance, and provide the necessary technical analysis to support the adoption of the updated fees.
- The fees will be effective 60 days after the City's final action establishing and authorizing the collection of the fees.



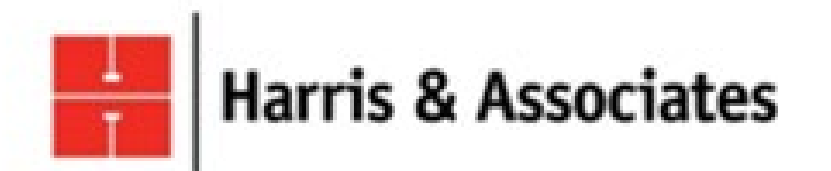
## **Government Building Facilities Fee Nexus Study City of Manteca**

September 2024

Prepared for:



Prepared by:



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# CITY OF MANTECA: GOVERNMENT FACILITIES FEE UPDATES

- Updated Data: Coordinated with City staff to obtain land use information, list of proposed capital improvements for new development, existing infrastructure/facilities inventory, value of existing facilities and vehicles, and other necessary data.
- Land Uses: Updated based on the City's recently revised General Plan and other land use data sources.
- Updated Methodology: Updated methodology based on AB 602 – including review of existing level of service, residential fees per square foot, and added a capital improvement plan to the Nexus Study.
- Fee Updates: Reviewed existing fees and how the updated fee compares to fees in surrounding and comparable jurisdictions.
- Coordination Meetings: Harris scheduled numerous teleconferences with various City departments to discuss the facility needs to support new development, updated costs, and fee methodology and key assumptions. City staff reviewed the draft tables and draft Nexus Study.







# CHANGES TO THE FEE PROGRAM

1

Residential fees per square foot in order to comply with AB 602. To yield consistency across fees assessed on non-residential land uses, non-residential development fees will continue to be assessed per 1,000 building square foot.

2

Updated the analysis to include a hotel category and the hotel fee is charged per room.

3

Land use, costs, level of Service, and Planned Facilities Methodology Updates



# CAPITAL IMPROVEMENT PLAN AS REQUIRED BY AB 602

| Facility   | Square Feet    | Cost per S.F. | Total Cost            | Location               | Planned Timing   | Backup Documentation  |
|--|----------------|---------------|-----------------------|------------------------|--|---|
| Civic Center - City Hall                           | 71,500         | \$ 820        | \$ 58,630,000         | 1001 W Center Street   | Fiscal Year 2028/29 for design, Phase I 2030, immediately following construction of the Police Station, Completion by 2035 | 2020 Space Needs Analysis done by LDA Partners  |
| Library  | 55,000         | \$ 1,195      | \$ 65,725,000         | 320 W Center Street    | Design to start by 2034, Completion by 2038  | Based on escalated costs from the 2006 analysis and recently constructed projects.<br><br>General Plan EF-4: Promote efforts to provide learning opportunities for all residents by working with San Joaquin County and stakeholders to provide modern library resources and programs.<br><br>City of Manteca Council Meeting on March 3, 2020 identifying the facilities needed to support growth. |
| Multi-Use Community Facility                       | 32,000         | \$ 850        | \$ 27,200,000         | 500-600 Moffat Blvd    | Design to start 2025/2026 or sooner, Completion by 2030  | Direction from City based on conceptual plans   |
| Animal Shelter Expansion                           | 8,000          | \$ 800        | \$ 6,400,000          | 115 E Wetmore Avenue   | Design to start 2025/2026 or sooner, Completion by 2030  | Direction from City based on the need to increase the existing Animal Shelter by more than 100% due to number of animals present onsite.  |
| Police Station                                     | 45,570         | \$ 1,232      | \$ 56,157,791         | Milo Candini & Wawona  | RFQ for Design in FY25, Design in 2025, Completion by 2030   | 2020 Space Needs Analysis done by LDA Partners and 2024 conceptual design and cost analysis completed by LDA Partners, approved by City Council on August 20, 2024.   |
| Public Safety Training Facility (50%) <sup>1</sup> | 6,000          | \$ 600        | \$ 3,600,000          | Milo Candini & Wawona  | Design starting 2029 after completion of the Police Station, Completion by 2034  | Direction from City based on conceptual plans   |
| Police Range                                       | 17,500         | \$ 530        | \$ 9,275,000          | Milo Candini & Wawona  | Design in 2030, after Police Station is completed, Completion by 2035  | Based on escalated costs from the 2006 analysis and recently constructed projects.  |
| <b>Parks/Corporation Yard Project<sup>2</sup></b>  |                |               |                       |                        |  |   |
| Park and Public Works Corporation Yard             | 22,800         | \$ 236        | \$ 5,380,800          | 2450 W Yosemite Avenue | Design and construction starting 2032, or sooner, completion by 2034   | CIP 17033 - Public Works Consolidation Project  |
| Additional Maintenance Facilities                  | 45,000         | \$ 125        | \$ 5,625,000          | 2450 W Yosemite Avenue | Design and construction starting 2032, or sooner, completion by 2034   | CIP 17033 - Public Works Consolidation Project  |
| Parks Satellite Corporation Yard                   | 3,000          | \$ 585        | \$ 1,755,000          | 2450 W Yosemite Avenue | Design and construction starting 2032, or sooner, completion by 2034   | Based on escalated costs from the 2006 analysis and recently constructed projects.  |
| <b>Total</b>                                       | <b>306,370</b> |               | <b>\$ 239,748,591</b> |                        |  |   |

<sup>1</sup> The total square footage of the Public Safety Training Facility is 12,000 square feet. 50 percent of the square footage and cost is allocated to the Government Building Facility Fee. The remaining 50 percent is allocated to the Fire Facility Fee.

<sup>2</sup> Based on one project located at 2450 W Yosemite Avenue that will include the three facilities listed.

# GENERAL GOVERNMENT FACILITIES FEE

## MAXIMUM FEE

| Land Use                   | Cost per Capita                |                                   |                   |  |                       | Density | Subtotal Proposed Fee               | Administrative Fee <sup>1</sup> | Total Proposed Fee | Average Unit Size (SF) | Proposed Fee per Sq. Ft. |
|----------------------------|--------------------------------|-----------------------------------|-------------------|--|-----------------------|---------|-------------------------------------|---------------------------------|--------------------|------------------------|--------------------------|
|                            | City Administrative Facilities | Community Facilities/ Civic Space | Police Facilities | Maintenance/ Storage/ Corporation Yard Space | Total Cost per Capita |         |                                     |                                 |                    |                        |                          |
| <i>Residential</i>         |                                |                                   |                   |  |                       |         | <b>Fee per Unit</b>                 |                                 |                    | <i>Fee per Sq. Ft.</i> |                          |
| Single Family <sup>2</sup> | \$646                          | \$678                             | \$532             | \$104  | \$1,960               | 3.29    | \$6,448.40                          | \$322.42                        | <b>\$6,770.82</b>  | 2,400                  | <b>\$2.82</b>            |
| Multi Family               | \$646                          | \$678                             | \$532             | \$104  | \$1,960               | 2.33    | \$4,567.00                          | \$228.35                        | <b>\$4,795.35</b>  | 1,200                  | <b>\$4.00</b>            |
| <i>Non-Residential</i>     |                                |                                   |                   |  |                       |         | <b>Fee per 1,000 Sq. Ft. / Room</b> |                                 |                    |                        |                          |
| Commercial                 | \$239                          | \$251                             | \$197             | \$38   | \$725                 | 2.00    | \$1,450.00                          | \$72.50                         | <b>\$1,522.50</b>  | -                      | -                        |
| Office                     | \$239                          | \$251                             | \$197             | \$38   | \$725                 | 3.33    | \$2,414.25                          | \$120.71                        | <b>\$2,534.96</b>  | -                      | -                        |
| Industrial                 | \$239                          | \$251                             | \$197             | \$38   | \$725                 | 1.03    | \$746.75                            | \$37.34                         | <b>\$784.09</b>    | -                      | -                        |
| Hotel                      | \$239                          | \$251                             | \$197             | \$38   | \$725                 | 0.80    | \$580.00                            | \$29.00                         | <b>\$609.00</b>    | -                      | -                        |

<sup>1</sup> An administrative fee of 5.0% is included in the fees shown for (1) legal, accounting, and other administrative support and (2) development impact fee program administration costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analysis.

<sup>2</sup> An accessory dwelling unit (ADU) is a second unit that is attached or detached from a single-family home. In accordance with Assembly Bill No. 881 approved on October 9, 2019, Government Building Facilities fees will not be charged for an ADU that is less than 750 square feet. For an ADU that is 750 square feet or larger, the ADU will be charged proportionately in relation to the square footage of the primary dwelling unit. Since the residential fees are now being charged on a square footage basis, ADU fees will be calculated by multiplying the Single Family Residential fee by the ADU's square footage.



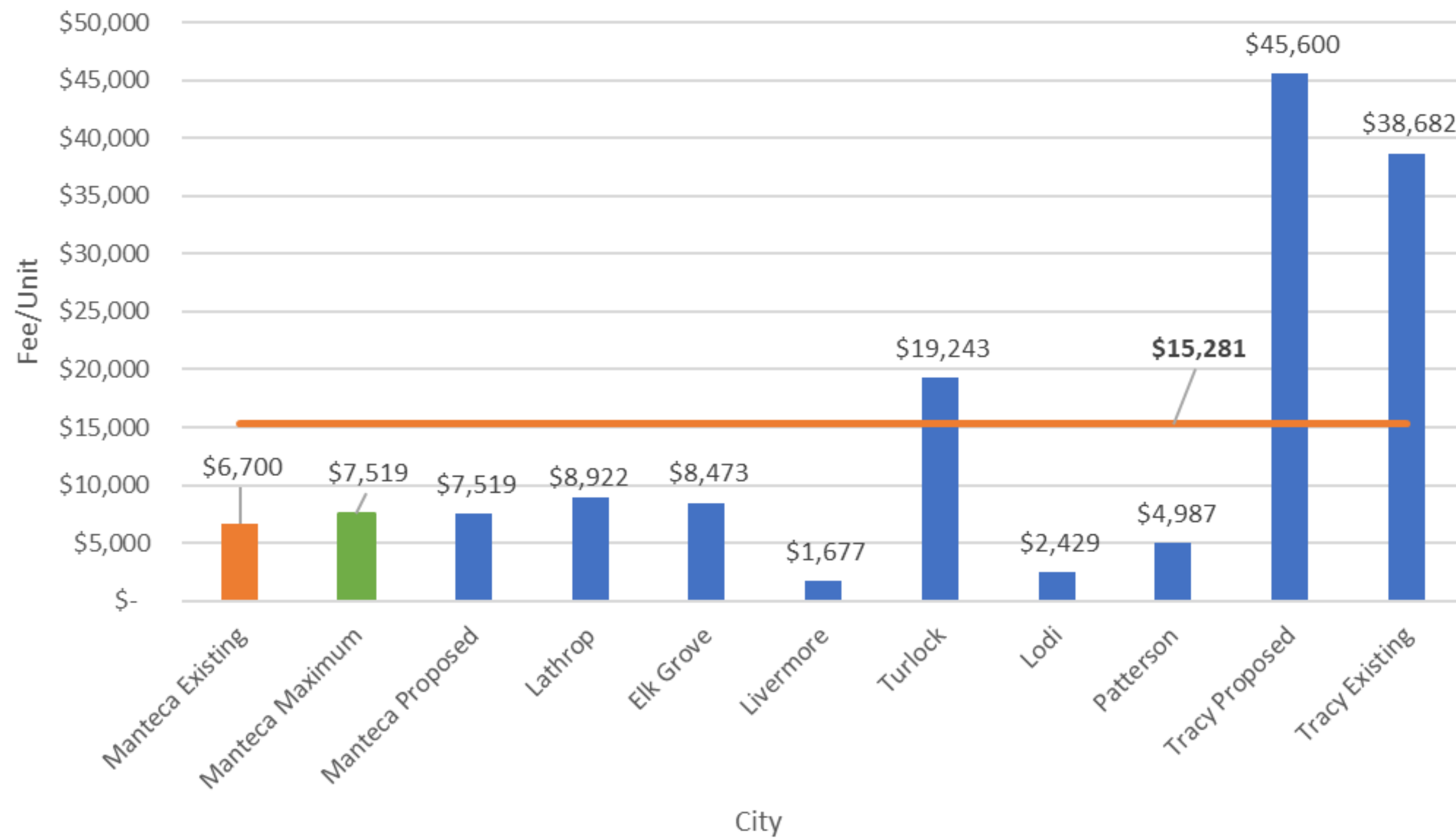
# PROPOSED FEE COMPARISON

| Government Building Facilities Fee Schedule      |                   |              |                                     |          |          |          |
|--|-------------------|--------------|-------------------------------------|----------|----------|----------|
| Land Use   |                   | Existing Fee | Maximum Allowable (Per Nexus Study) |          | Proposed |          |
| Previous Land Use                                | Proposed Land Use |              | Fee                                 | % Change | Fee      | % Change |
| <b><i>Residential</i></b>                        |                   |              |                                     |          |          |          |
| Very Low and Low Density Residential             | Single-Family     | \$ 2.48      | \$ 2.82                             | 14%      | \$ 2.82  | 14%      |
| Medium Density Residential                       | Single-Family     | \$ 4.14      |                                     | -32%     |          | -32%     |
|  | Multi-Family      | \$ 4.14      |                                     | -3%      |          | -3%      |
| High Density Residential & Mixed Use Residential | Multi-Family      | \$ 4.06      | \$ 4.00                             | -1%      | \$ 4.00  | -1%      |
| <b><i>Non-Residential</i></b>                    |                   |              |                                     |          |          |          |
| Commercial                                       | Commercial        | \$ 1.68      | \$ 1.52                             | -9%      | \$ 1.52  | -9%      |
| Heavy Industrial                                 | Industrial        | \$ 0.64      | \$ 0.78                             | 23%      | \$ 0.78  | 23%      |
| Light Industrial                                 | Industrial        | \$ 0.87      |                                     | -10%     |          | -10%     |
| Business Park Industrial                         | Office            | \$ 1.68      | \$ 2.53                             | 51%      | \$ 2.21  | 32%      |
| Business Professional                            | Office            | \$ 2.21      |                                     | 15%      |          | 0%       |
|  |                   |              |                                     |          |          |          |
| Hotel (per room not s.f.)                        | Hotel/Room        | \$630.00     | \$609.00                            | -3%      | \$609.00 | -3%      |
| Average Increase                                 |                   |              |                                     |          |          | 1%       |

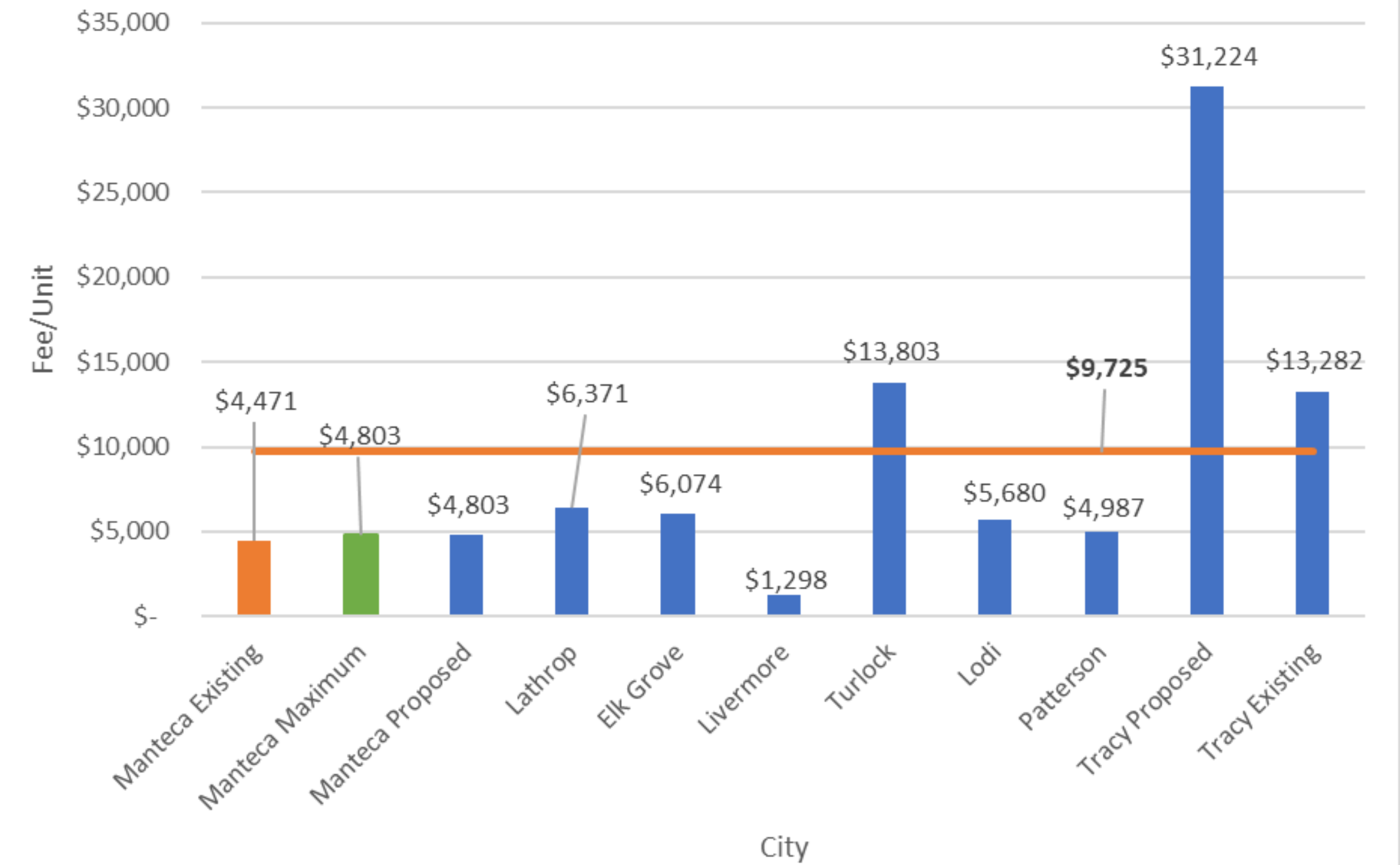
# FEE COMPARISON TO SURROUNDING JURISDICTIONS

## RESIDENTIAL

Impact Fee Burden per Unit Comparison  
Single Family Residential



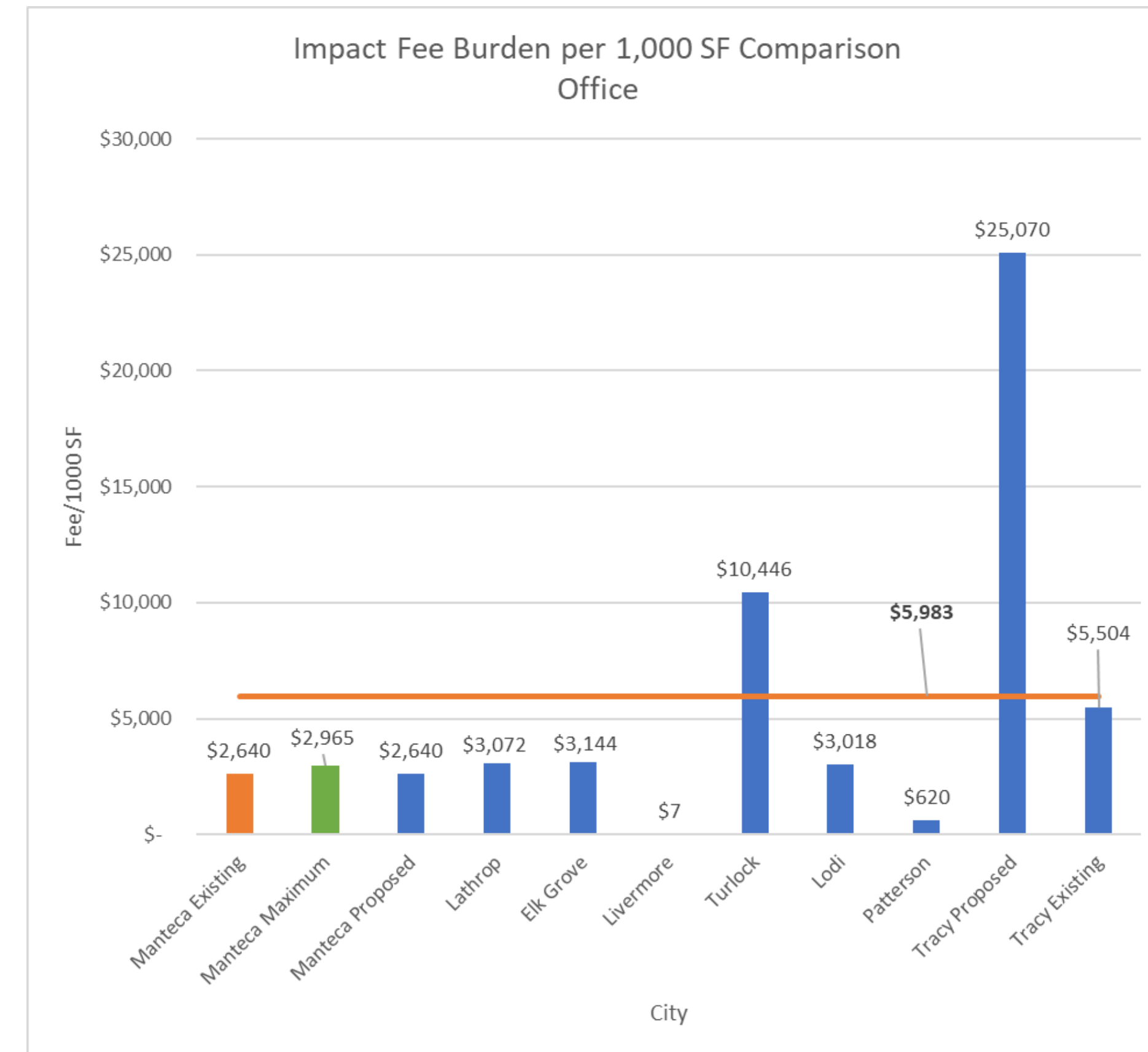
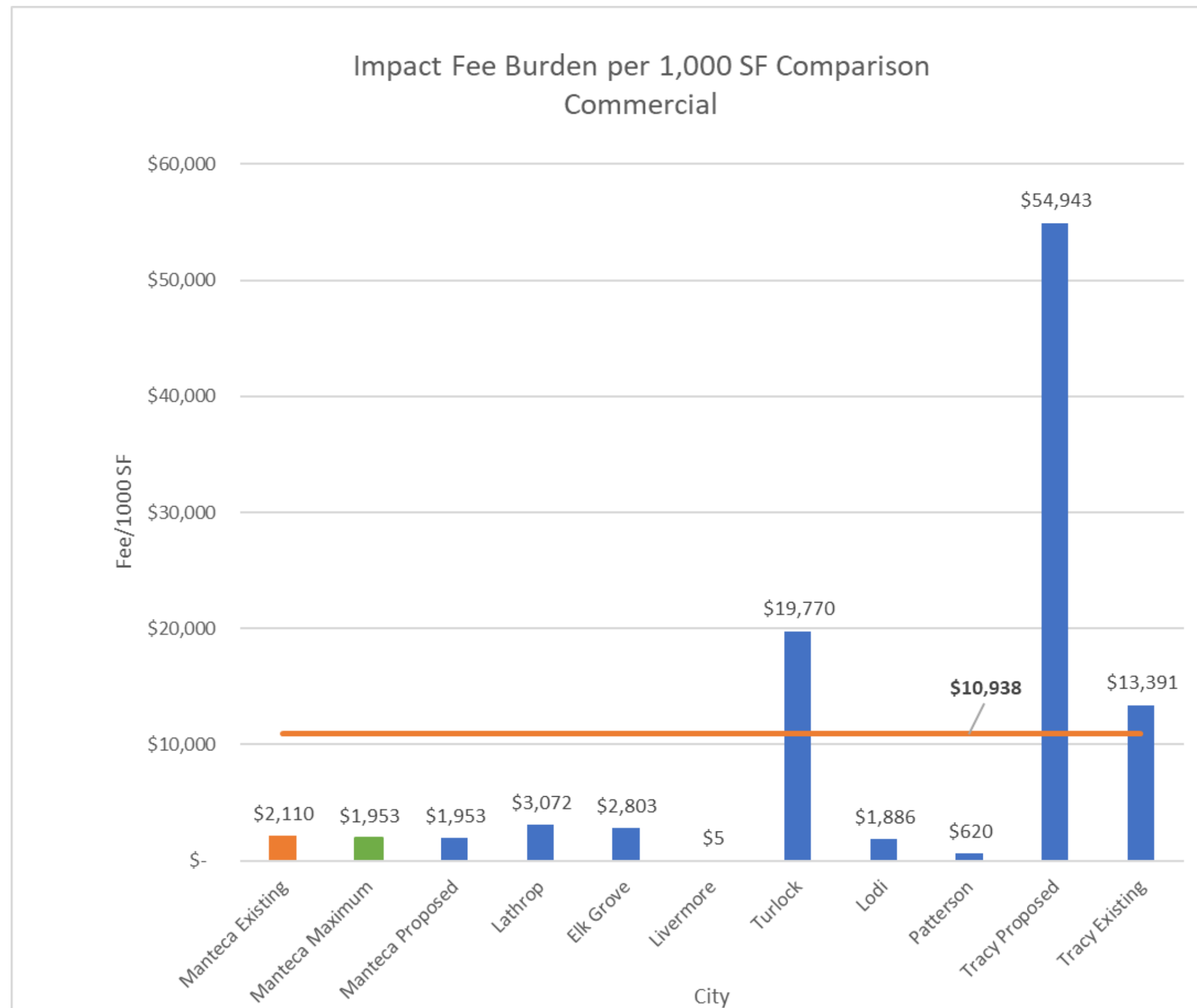
Impact Fee Burden per Unit Comparison  
Multi Family Residential





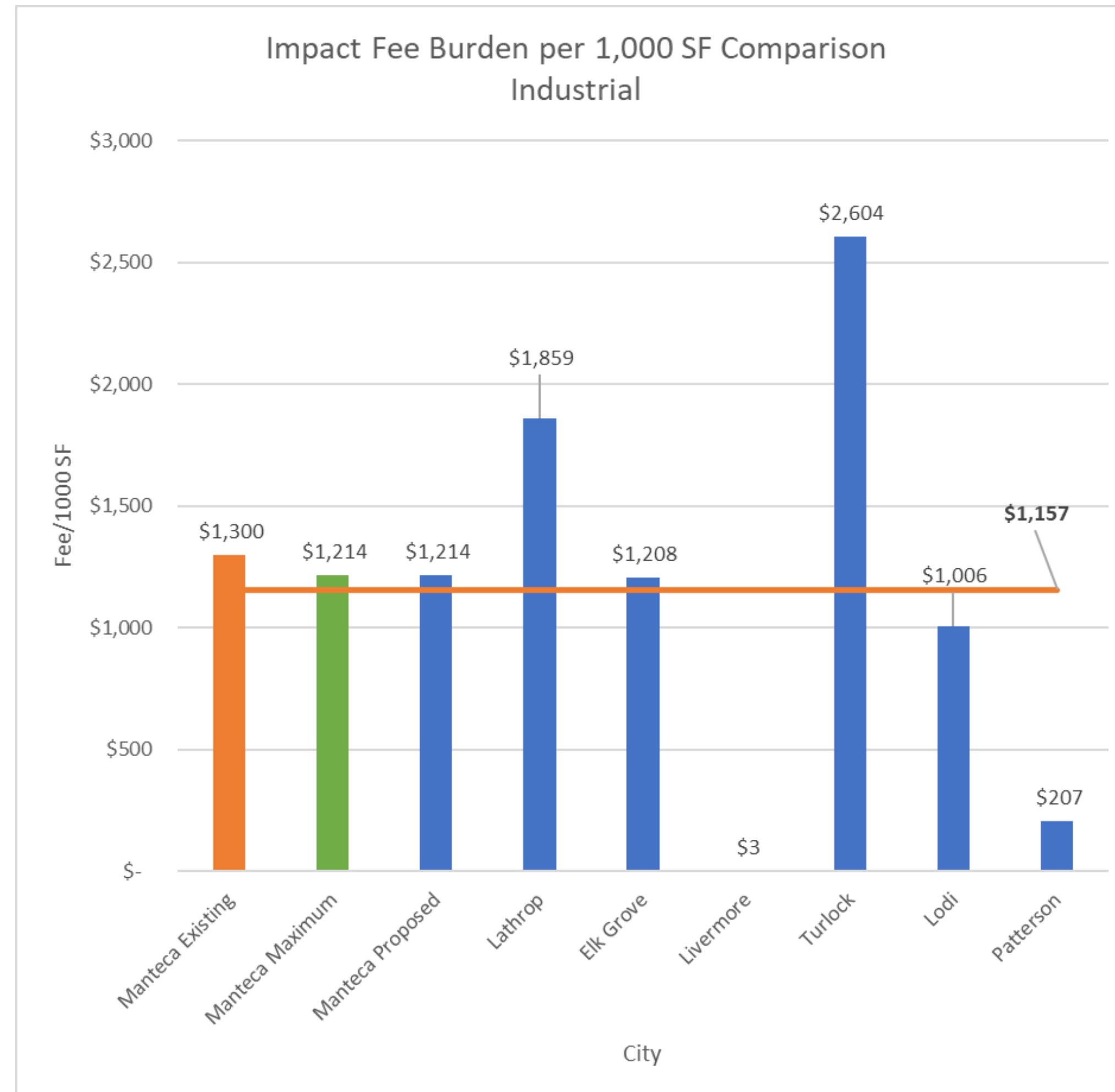
# FEE COMPARISON TO SURROUNDING JURISDICTIONS

## NONRESIDENTIAL



# FEE COMPARISON TO SURROUNDING JURISDICTIONS

## NONRESIDENTIAL CONTINUED





# DEVELOPMENT IMPACT FEE PROGRAM

## FEE ADOPTION SCHEDULE



### JULY 2024

- Developer Outreach and City Council Discussions



### OCTOBER 2024

- Public Hearing
- Fees adopted



### DECEMBER 2024

- Fees go into effect 60 days after adoption





# THANK YOU

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**QUESTIONS? CONTACT US:**

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