

**CITY MANAGER'S REPORT  
JULY 8, 2019, CITY COUNCIL REGULAR MEETING**

**ITEM:** **PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTION OF THE CENTRAL LATHROP SPECIFIC PLAN CAPITAL FACILITIES FEES AND CITY FEES STUDY AND THE FEES RECOMMENDED THEREIN**

**RECOMMENDATION:** **Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. Adopt A Resolution Adopting the Central Lathrop Specific Plan Capital Facilities Fees and City Fees Study and the Fees Recommended Therein**

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**SUMMARY:**

Capital Facilities Fees (CFF) and City planning fees are necessary to provide a source of revenue by which new development within the City will contribute a fair and proportionate share of the cost of providing infrastructure, community facilities, and entitlements. The City retained Goodwin Consulting Group (GCG) to assist in preparing fees for the Central Lathrop Specific Plan Area (CLSP) pursuant to the provisions in the Assignment and Amendment of the Development Agreement (DA) with Saybrook CLSP, LLC (Saybrook) dated, December 6, 2016. Based on the DA, Saybrook is the successor to Richland Planned Communities (Richland), the prior developer of CLSP, for all expenses paid by Richland. Therefore, Saybrook is eligible for reimbursement/credits based on being the successor to Richland that paid the expenses for the infrastructure and expenditures associated with developing the CLSP area. GCG prepared the Central Lathrop Specific Plan Capital Facilities Fees and City Fees Study (Fee Study) included as Attachment B, that identifies establishing new CFF's that would reimburse Saybrook for storm drain system improvements to storm drainage areas 2 and 4 (referred to as WS 2 and WS 4) including establishing City fees for reimbursement of entitlement costs to Saybrook and costs for unpaid staff time related to the development of CLSP still owed to the City.

Staff requests that City Council hold a public hearing, consider all information and public testimony and, if determined to be appropriate, adopt a resolution approving the CLSP Capital Facilities Fees and City Fees Study and the fees recommended therein.

**BACKGROUND:**

On February 11, 2019, the City Council adopted the Central Lathrop Specific Plan Capital Facilities Fees Study Update prepared by GCG. GCG updated existing fees for inflation, updated project costs for the West/Central Lathrop Regional Transportation CFF and Sewer/Recycled Water System CFF and prepared a new In-Lieu Community Parks Dedication fee for the CLSP area.

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On June 5, 2019, the City contracted GCG to assist in preparing fees for the CLSP area pursuant to the provisions in the DA.

The State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.), identifies the required findings which must be made by the City in any action establishing, increasing, or imposing a development impact fee as a condition of approval of a development project. The Fee Study identifies establishing new CFF's that would reimburse Saybrook for storm drain system improvements to WS 2 and WS 4. The Fee Study also includes City planning fees, in accordance with Section 65456 of the California Government Code, for reimbursement of entitlement costs and City costs for unpaid staff time related to development of CLSP. The fees (CLSP Fees) presented in the Fee Study include the following:

- CFF for CLSP Storm Drainage System Improvements – Watershed 2
- CFF for CLSP Storm Drainage System Improvements – Watershed 4
- City planning fee to Reimburse Saybrook for Entitlement Costs
- City planning fee to Reimburse the City for staff costs associated with the processing of the Central Lathrop Specific Plan and associated entitlements

**Storm Drainage System Improvements- Watershed 2 (WS 2) CFF**

Storm Drain System Improvements for WS 2 were constructed by the Prior Developer (Richland) and/or Saybrook and include pipelines, manholes, and a portion of a shared storm drain/sanitary sewer pump station. The total cost of storm drainage system improvements for WS 2 was \$6,321,210 in 2016. This cost was updated using the Engineering News Record (ENR) 20-City Construction Cost Index (20-City CCI) to 2019 dollars (\$6,714,716) and with the addition of pump station improvements by Saybrook totaling \$792,000, the total cost increased to \$7,506,716. These facilities will serve development in the WS 2 area and therefore the total cost is allocated proportionately to properties in WS 2 based on total net acreage. The total net acreage in WS2 is 160.3 acres and this excludes City-owned property, parcels planned for future parks, and public roads since they are considered assets of the City. The WS 2 area is planned for variable and high density residential, office/commercial, and a neighborhood park. The proposed Storm Drainage System Improvements CFF for WS 2 is \$46,829 per acre and is to be paid by benefitting properties within the WS 2 area of CLSP. See Exhibit 2 in the Fee Study for the Boundaries of WS 2.

**Storm Drainage System Improvements- Watershed 4 (WS 4) CFF**

Storm Drain System Improvements for WS 4 were constructed by the Prior Developer (Richland) and/or Saybrook and include pipelines, manholes, and a portion of a shared storm drain/sanitary sewer pump station. The total cost of storm drainage system improvements for WS 4 was \$5,286,045 in 2016. This cost was updated using the ENR 20-City CCI to 2019 dollars (\$5,615,110) and with the addition of pump station improvements by Saybrook totaling \$792,000, the total cost increased to \$6,407,110.

These facilities will serve development in the WS 4 area and therefore the total cost is allocated proportionately to properties in WS 4 based on total net acreage. The total net acreage in WS 4 is 180.9 acres and this excludes City-owned property, parcels planned for future parks, and public roads since they are considered assets of the City. The WS 4 area is planned for variable density residential, mixed-use residential, neighborhood commercial, office/commercial, and a neighborhood park. The proposed Storm Drainage System Improvements CFF for WS 4 is \$35,418 per acre and is to be paid by benefitting properties within the WS 4 area of CLSP. See Exhibit 2 in the Fee Study for the Boundaries of WS 4.

### **City Fee for Reimbursement of Entitlement Costs**

The Entitlement Costs Fee is a City planning fee pursuant to Section 65456 of the California Government Code. The total entitlement cost includes the cost of preparing, adopting and/or certifying, administering, and defending the CLSP, the CLSP EIR, and all other related documents and approvals benefitting CLSP Properties. The project costs include any amounts Richland or Saybrook paid directly or disbursed from a reimbursement account held by the City. The total estimated cost of entitlements, as shown in the DA, was \$3,400,000, in 2016. This cost was updated using the ENR 20-City CCI to \$3,611,656 in 2019 dollars. The CLSP entitlements benefit all development in the CLSP area and therefore the total cost is allocated proportionately to properties in CLSP based on developable net acreage. Total estimated net acreage in the CLSP area is 1,128.6 acres and this excludes City-owned property, parcels planned for future parks, open space, and public roads since they are considered assets of the City. The proposed planning fee for Reimbursement of Entitlement Costs is \$3,200 per acre and is to be paid by benefitting properties within the entire CLSP area. This fee will apply to all development in the entire CLSP area; however, Saybrook will receive fee credits and reimbursement since they and/or the Prior Developer funded these costs.

### **City Fee for Reimbursement of Prior Developer Account Open Items**

The Fee for Reimbursement of Prior Developer Account Open Items is a City planning fee levied in accordance with Section 65456 of the California Government Code. The fee includes the cost for City staff time spent on the entitlement process for the CLSP. The total estimated cost, as shown in the DA, was \$190,864 in 2016. This cost increases to \$202,746 when updated to 2019 dollars using the ENR 20-City CCI. City staff efforts associated with the entitlement process provided benefit to all development in the CLSP area and therefore the total cost is allocated proportionately to properties in CLSP based on developable net acreage. The total estimated net acreage in the CLSP area is 1,128.6 acres and this excludes City-owned property, parcels planned for future parks, and public roads since they are considered assets of the City. The proposed planning fee for Reimbursement of Prior Developer Account Open Items is \$180 per acre and will be levied throughout the CLSP area. The City funded these costs and therefore will receive reimbursement from all developers in the CLSP area.

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Table 1 summarizes the total costs proposed to be included in the Fee Program. The City updated the fees from 2016 dollars to 2019 dollars using the ENR 20-City CCI. In addition to the inflation adjustment, an additional cost of \$792,000 was added to the storm drainage system improvement costs for each drainage area, WS 2 and WS 4, for the additional pump station improvements constructed by Saybrook.

**Table 1**  
**CLSP Fee Program Costs**

No.	Improvement	Cost (2016 \$)	Cost (2019 \$) <sup>1</sup>
1	Entitlements	\$3,400,000	\$3,611,656
2	Prior Developer Account Open Items	\$190,864	\$202,746
3	Storm Drain System Improvements - Watershed #2	\$6,321,210	\$7,506,716
4	Storm Drain System Improvements - Watershed #4	\$5,286,045	\$6,407,110
<b>Total</b>		<b>\$15,198,119</b>	<b>\$17,728,228</b>

1. Costs inflated by 6.23% from 2016 to 2019 pursuant to the CLSP Development Agreement.

*Source: MacKay & Soms; Exhibit D3 of the Assignment and Amendment of Development Agreement between City of Lathrop, Saybrook CLSP, LLC and Lathrop Land Acquisition, LLC Relating to the CLSP*

Table 2 summarizes the proposed CLSP Fees and identifies the areas within CLSP that will be subject to the proposed fees.

**Table 2**  
**CLSP Fee Summary**

Reimbursable Item	Reimbursable		Fee Area	CLSP (Per Acre)	WS2 Area (Per Acre)	WS4 Area (Per Acre)
	Costs (2019 \$)	Net Acreage <sup>1</sup>				
1 Entitlement Fee	\$3,611,656	1,128.6	CLSP	\$3,200	-	-
2 Prior Developer Account Open Items Fee	\$202,746	1,128.6	CLSP	\$180	-	-
3 Storm Drainage Sys Improvements - WS2 Fee	\$7,506,716	160.3	WS2	-	\$46,829	-
4 Storm Drainage Sys Improvements - WS4 Fee	\$6,407,110	180.9	WS4	-	-	\$35,418
<b>Total</b>	<b>\$17,728,228</b>			<b>\$3,380</b>	<b>\$46,829</b>	<b>\$35,418</b>

1. Net acreage of CLSP excludes acreage associated with public uses, parks and open space, and major/existing roadways.

Net acreages for WS2 and WS4 do not include acreage owned by the City of Lathrop, or intended for parks, roadways, or other public uses.

*Sources: MacKay & Soms; City of Lathrop*

**FEE ADJUSTMENTS**

The CLSP Fees may be adjusted in future years to reflect revised facility standards, revised costs, or changes in land uses, or development plans. In addition to such adjustments, each year the CLSP Fees will be adjusted by the change in the ENR 20-City Construction Cost Index over the prior calendar year. The facilities costs inflated in this Fee Study are based on the ENR 20-City CCI value for December 2018, which is \$11,186.

**REASON FOR RECOMMENDATION:**

The purpose of the CFF Program is to provide a source of revenue by which new development within the City will contribute a fair and proportionate share of the cost of providing infrastructure and community facilities. The CFF Program also limits the impact that new development will have on existing residents and businesses with respect to infrastructure, community facilities, and the provision of services. The DA requires the City to establish a mechanism to reimburse Saybrook for construction of storm drainage facilities and to reimburse Saybrook and the City for past expenditures associated with developing the CLSP area.

**FISCAL IMPACT:**

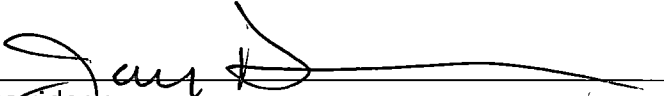
The Fee Study is being funded by Saybrook. The Fee for Reimbursement of Prior Developer Account Open Items is a City planning fee being created to reimburse the City \$202,746 for staff time spent on the entitlement process for CLSP. The proposed planning fee is \$180 per acre and will be levied throughout the CLSP area.

**ATTACHMENTS:**

- A. Resolution Adopting the Central Lathrop Specific Plan Capital Facilities Fees and City Fees Study and the Fees Recommended Therein
- B. Central Lathrop Specific Plan Capital Facilities Fees and City Fees Study by Goodwin Consulting Group, dated June 25, 2019

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**JULY 8, 2019, CITY COUNCIL REGULAR MEETING**  
**ESTABLISH CAPITAL FACILITIES FEES AND CITY FEES FOR CENTRAL**  
**LATHROP SPECIFIC PLAN**


**APPROVALS:**

  
\_\_\_\_\_  
Jay Davidson  
Principal Engineer

6-26-19  
Date

  
\_\_\_\_\_  
Michael King  
Assistant Public Works Director

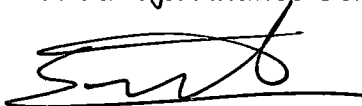
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Glenn Gebhardt  
City Engineer

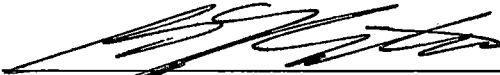
6/26/19  
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\_\_\_\_\_  
Cari James  
Administrative & Finance Services Director

6/27/19  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6-26-19  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

6-26-19  
Date

## **RESOLUTION NO. 19-**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ADOPTING THE CENTRAL LATHROP SPECIFIC PLAN CAPITAL FACILITIES FEES AND CITY FEES STUDY AND THE FEES RECOMMENDED THEREIN**

**WHEREAS**, the Capital Facilities Fees (CFF) and City planning fees are necessary to provide a source of revenue by which new development within the City will contribute a fair and proportionate share of the cost of providing infrastructure, community facilities, and entitlements; and

**WHEREAS**, as new development occurs throughout the City it is critical that fees in the CFF program be regularly updated to ensure that CFF rates keep up with the rising costs of infrastructure, facilities, and land; and

**WHEREAS**, on June 5, 2019, City retained Goodwin Consulting Group (GCG) to assist in preparing fees for the Central Lathrop Specific Plan Area (CLSP) pursuant to the provisions in the Assignment and Amendment of the Development Agreement (DA) with Saybrook CLSP, LLC (Saybrook) dated December 6, 2016; and

**WHEREAS**, based on the DA, Saybrook is the successor to Richland Planned Communities (Richland), the prior developer of CLSP, for all expenses paid by Richland and therefore Saybrook is eligible for reimbursement/credits based on being the successor to Richland that paid the expenses for the infrastructure and expenditures associated with developing the CLSP area; and

**WHEREAS**, GCG prepared the Central Lathrop Specific Plan (CLSP) Capital Facilities Fees and City Fees Study (Fee Study) dated June 25, 2019, that identifies establishing new fees for the CLSP; and

**WHEREAS**, the new fees (CLSP Fees) presented in the Fees Study include the following:

- CFF for CLSP Storm Drainage System Improvements – Watershed 2
- CFF for CLSP Storm Drainage System Improvements – Watershed 4
- City planning fee to Reimburse Saybrook for Entitlement Costs
- City planning fee to Reimburse the City for staff costs associated with the processing of the Central Lathrop Specific Plan and associated entitlements

**WHEREAS**, the State of California Mitigation Fee Act (also known as “AB 1600,” Government Code sections 66000, et seq.), identifies the required findings which must be made by the City in any action establishing, increasing, or imposing a development impact fee as a condition of approval of a development project, as described in the Fee Study; and

**WHEREAS,** the Fee Study identifies establishing new CFF's, based on the DA, that would reimburse Saybrook for storm drain system improvements to watersheds 2 and 4; and

**WHEREAS,** the Fee Study also identifies establishing City planning fees, in accordance with Section 65456 of the California Government Code, for reimbursement of entitlement costs and City costs related to development of CLSP; and

**WHEREAS,** the Fee Study is based upon the analysis, input and active participation of City staff, GCG, and various reports and studies as described in the Fee Study; and

**WHEREAS,** notice of public hearing of this Resolution was published as required by the Mitigation Fee Act, California Government Code sections 66000 et seq.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop does hereby adopt the Central Lathrop Specific Plan Capital Facilities Fees and City Fees Study, dated June 25, 2019 attached as Attachment "B" to the City Council Staff Report of July 8, 2019 and incorporated herein by this reference and Council hereby adopts the fees recommended therein and adds the fees to the Capital Facility Fee Program based on findings required by the State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.) specifically Council hereby makes all of the following findings:

1. The purpose of the CFFs is to provide funding for the Storm Drainage System infrastructure identified in this Nexus Study. Pursuant to the Lathrop Municipal Code Section 3.20.040 collected fees may be used for no other purpose.
2. The geographic area in which the fees will be imposed is the CLSP study area, that abuts the northern boundary of Mossdale Village, as illustrated in Attachment "B" boundary map to the City Council Staff Report of July 8, 2019 and incorporated herein by this reference.
3. The estimated fair and proportionate share of the cost of CLSP's contribution to providing infrastructure and community facilities within the City are contained in this Capital Facilities Nexus Study.
4. There is a reasonable relationship between the type of development projects on which the fee is imposed and the uses of the fees. The CFF revenue collected from the CLSP area will reimburse the developer for the storm drainage facilities that have already been constructed and oversized for other development included in this Nexus Study. These facilities will serve development in the CLSP area and the estimated fees are a fair-share cost allocation based on the impact that future development will have on these facilities and improvements.



5. There is a reasonable relationship between the amount of each CFF and the cost of the public facility, or portion thereof, is established in this Nexus Study through the proportionate allocation of costs based on the amount of developable acreage. As a result, each property is allocated its fair share of the cost based on its impact.

By assigning the demand for infrastructure and facilities based on the developable acreage for each parcel and quantifying that demand in the calculation of the CFFs, a reasonable relationship is established between the amount of the fee and the cost of the facilities attributable to the different types of development in the City.

**PASSED AND ADOPTED** by the City Council of the City of Lathrop this 8<sup>th</sup> day of July 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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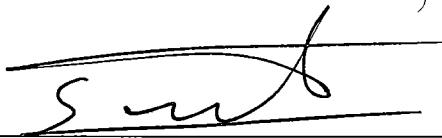
Sonny Dhaliwal, Mayor

**ATTEST:**

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Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**



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Salvador Navarrete, City Attorney

**GCG**

GOODWIN CONSULTING GROUP

# CENTRAL LATHROP SPECIFIC PLAN (CLSP) CAPITAL FACILITIES FEES AND CITY FEES STUDY

## Fees Included:

1. CLSP Storm Drainage System Improvements – WS2
2. CLSP Storm Drainage System Improvements – WS4
3. CLSP Entitlement Fee
4. CLSP Prior Developer Account Open Items Fee



June 25, 2019

# CENTRAL LATHROP SPECIFIC PLAN (CLSP) CAPITAL FACILITIES FEES AND CITY FEES STUDY

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## ***EXECUTIVE SUMMARY***

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### **PURPOSE OF THE FEE STUDY**

The City of Lathrop (“City”) retained Goodwin Consulting Group to assist in establishing fees for the Central Lathrop Specific Plan Area (“CLSP”) pursuant to the provisions in the Assignment and Amendment of Development Agreement By and Between the City of Lathrop, Saybrook CLSP, LLC and Lathrop Land Acquisition, LLC Relating to the Central Lathrop Specific Plan (“the DA”). The DA was approved by the City Council on December 5, 2016.

The fees (the “CLSP Fees”) presented in this *Central Lathrop Specific Plan (CLSP) Capital Facilities Fees and City Fees Study* (“Fee Study”) include the following:

- Capital Facilities Fee (CFF) for CLSP Storm Drainage System Improvements – Watershed 2
- CFF for CLSP Storm Drainage System Improvements – Watershed 4
- City planning fee to reimburse Saybrook CLSP, LLC (“Saybrook”) entitlement costs
- City planning fee to reimburse the City for staff costs associated with the processing of the Central Lathrop Specific Plan and associated entitlements

### **CAPITAL FACILITIES AND ENTITLEMENT COSTS**

Section 7.05.4. of the DA states that Saybrook CLSP, LLC shall provide storm drain facilities adequate to accommodate the storm water runoff from the area. Exhibit D3 in the DA identifies the construction costs for storm drainage improvements for Watershed 2 (WS2) and Watershed 4 (WS4). These storm drainage facilities have been constructed by Richland Planned Communities, the prior developer (“Richland” or the “Prior Developer”) for the project.

### **WATERSHED 2 (WS 2)**

WS 2 system improvements include pipelines, manholes, and a shared pump station. The total cost of storm drainage system improvements for WS 2 was \$6,321,210 in 2016. This 2016 cost is inflated by the 20-City ENR construction cost index to 2019 dollars and additional pump station improvements totaling \$792,000 increased the cost to \$7,506,716 in 2019 dollars. These facilities will serve development in the WS2 and therefore the total cost is allocated proportionately to properties in WS2 based on total net acreage. Total net acreage in WS2 is 160.3 acres and this excludes City-owned property, parcels planned for future parks, and public roads. The WS.2 area is planned for variable and high density residential, office/commercial, and a neighborhood park.

#### **WATERSHED 4 (WS 4)**

WS 4 system improvements include pipelines, manholes, and a shared pump station. The total cost of storm drainage system improvements for WS 4 is \$5,286,045 in 2016. This 2016 cost was inflated by the ENR 20-City Construction Cost Index (CCI) to 2019 dollars and additional pump station improvements totaling \$792,000 increased the cost to \$6,407,110 in 2019 dollars. These facilities will serve development in the WS4 and therefore the total cost is allocated proportionately to properties in WS4 based on net acreage. Total net acreage in WS4 is 180.9 acres and this excludes City-owned property, parcels planned for future parks, and public roads. The area is planned for variable density residential, mixed-use residential, neighborhood commercial, office/commercial, and a neighborhood park.

#### **ENTITLEMENTS COSTS**

The total entitlement cost includes the cost of preparing, adopting, and/or certifying, administering, and defending the CLSP, the CLSP EIR, and all other related documents and approvals benefitting CLSP Property. Project costs include any amounts Richland or Saybrook paid directly or disbursed from a reimbursement account held by the City. The total estimated cost of entitlements, as shown in Exhibit D3 of the DA, was \$3.4 million in 2016. This cost increases to \$3.6 million when inflated to 2019 dollars using the ENR 20-City CCI. The CLSP entitlements benefit all development in the CLSP area and therefore the total cost is allocated proportionately to properties in CLSP based on developable net acreage. Total estimated net acreage in CLSP is 1,128.6 acres and this excludes City-owned property, parcels planned for future parks, open space, and public roads.

#### **PRIOR DEVELOPER ACCOUNT OPEN ITEMS COSTS**

The total Prior Developer Account Open Items cost includes the cost of City staff time spent on the entitlement process for the CLSP. The total estimated cost, as shown in Exhibit D3 of the DA, was \$190,864 in 2016. This cost increases to \$202,746 when inflated to 2019 dollars using the ENR 20-City CCI. City staff efforts associated with the entitlement process provide benefit to all development in the CLSP area and therefore the total cost is allocated proportionately to properties in CLSP based on developable net acreage. Total estimated net acreage in CLSP is 1,128.6 acres and this excludes City-owned property, parcels planned for future parks, open space, and public roads.

## TOTAL COSTS

Table 1 summarizes the total costs included in the Fee Program. The City inflates all fees every January based on the Engineering News Record 20-City CCI. The ENR 20-City CCI value was 10,530.0 in December 2016 and was 11,185.5 in December 2018. Based on the increased value of the ENR 20-City CCI since December 2016, the costs in this Fee Study were increased by 6.23%, as shown in Table 1. In addition to the inflation adjustment, an additional cost of \$792,000 was added to the storm drainage system improvement costs for Watersheds 2 and 4 due to improvements required on the shared pump station serving these areas.

**Table 1**  
**CLSP Fee Program Costs**

No.	Improvement	Cost (2016 \$)	Cost (2019 \$) /1
1	Entitlements	\$3,400,000	\$3,611,656
2	Prior Developer Account Open Items	\$190,864	\$202,746
3	Storm Drain System Improvements - Watershed #2	\$6,321,210	\$7,506,716
4	Storm Drain System Improvements - Watershed #4	\$5,286,045	\$6,407,110
	<b>Total</b>	<b>\$15,198,119</b>	<b>\$17,728,228</b>

1. Costs inflated by 6.23% from 2016 to 2019 pursuant to the CLSP Development Agreement.

Source: MacKay & Soms; Exhibit D3 of the Assignment and Amendment of Development Agreement between City of Lathrop, Saybrook CLSP, LLC and Lathrop Land Acquisition, LLC Relating to the CLSP

## FEE SCHEDULE

Table 2 on the following page summarizes the proposed CLSP Fees and identifies the areas within CLSP that will be subject to the fees.

The Entitlement Fee is a City planning fee pursuant to Government Code 65456. The Entitlement Fee equals \$3,200 per net acre of development and will be levied throughout the CLSP area. Because Saybrook and/or the Prior Developer funded these costs, Saybrook will receive fee credits for its development in CLSP and also reimbursement from other developers in the CLSP area.

The Prior Developer Account Open Item Fee is also a City planning fee pursuant to Government Code 65456. The fee equals \$180 per net acre of development and will be levied throughout the

CLSP area. The City of Lathrop funded these costs and therefore will receive reimbursement from all developers in the CLSP area.

The WS 2 Fee is a capital facilities fee pursuant to Government Code 66000. The WS 2 Fee is \$46,829 per net acre of development and will be levied only in the Watershed 2 area. Because Saybrook and/or the Prior Developer funded these costs, Saybrook will receive fee credits for its development in WS 2 and also reimbursement from other developers in the WS 2 area.

The WS 4 Fee is also a capital facilities fee pursuant to Government Code 66000. The WS 4 Fee is \$35,418 per net acre of development and will be levied only in the Watershed 4 area. Because Saybrook and/or the Prior Developer funded these costs, Saybrook will receive fee credits for its development in WS 4 and also reimbursement from other developers in the WS 4 area.

**Table 2  
CLSP Fee Summary**

Reimbursable Item	Reimbursable		Fee Area	CLSP (Per Acre)	WS2 Area (Per Acre)	WS4 Area (Per Acre)
	Costs (2019 \$)	Net Acreage <sup>1</sup>				
1 Entitlement Fee	\$3,611,656	1,128.6	CLSP	\$3,200	-	-
2 Prior Developer Account Open Items Fee	\$202,746	1,128.6	CLSP	\$180	-	-
3 Storm Drainage Sys Improvements - WS2 Fee	\$7,506,716	160.3	WS2	-	\$46,829	-
4 Storm Drainage Sys Improvements - WS4 Fee	\$6,407,110	180.9	WS4	-	-	\$35,418
<b>Total</b>	<b>\$17,728,228</b>			<b>\$3,380</b>	<b>\$46,829</b>	<b>\$35,418</b>

1. Net acreage of CLSP excludes acreage associated with public uses, parks and open space, and major/existing roadways.

Net acreages for WS2 and WS4 do not include acreage owned by the City of Lathrop, or intended for parks, roadways, or other public uses.

Sources: MacKay & Soms; City of Lathrop

## FEE ADJUSTMENTS

The CLSP Fees may be adjusted in future years to reflect revised facility standards, revised costs, or changes in land uses, or development plans. In addition to such adjustments, each year the CLSP Fees will be adjusted by the change in the ENR 20-City Construction Cost Index over the prior calendar year. The inflation-adjusted facilities and planning costs in this Fee Study are based on the ENR 20-City CCI value for December 2018, which is 11,185.5.



## ***I. INTRODUCTION***

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### **BACKGROUND**

The City of Lathrop is located in the Sacramento central valley, approximately 58 miles south of Sacramento and 80 miles east of San Francisco. When the City incorporated in 1989, its population was approximately 6,500; as of January 2018, the California Department of Finance estimates the City's population is 24,268.

### **FEES INCLUDED IN FEE STUDY**

The City retained Goodwin Consulting Group to assist in establishing fees for the Central Lathrop Specific Plan Area pursuant to the provisions in the Assignment and Amendment of Development Agreement By and Between the City of Lathrop, Saybrook CLSP, LLC and Lathrop Land Acquisition, LLC Relating to the Central Lathrop Specific Plan.

The CLSP Fees presented in this *Central Lathrop Specific Plan (CLSP) Capital Facilities Fees and City Fees Study* include the following:

- Capital Facilities Fee for CLSP Storm Drainage System Improvements – Watershed 2
- CFF for CLSP Storm Drainage System Improvements – Watershed 4
- City planning fee to reimburse Saybrook CLSP, LLC entitlement costs
- City planning fee to reimburse the City for staff costs associated with the processing of the Central Lathrop Specific Plan and associated entitlements

### **MITIGATION FEE ACT (AB 1600)**

The Mitigation Fee Act, commonly known as Assembly Bill (AB) 1600, was enacted by the State of California in 1987 and created Section 66000 et. seq. of the Government Code. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee will be put
3. Determine how there is a reasonable relationship between:
  - A. The fee's use and the type of development project on which the fee is imposed

- B. The need for the public facility and the type of development project on which the fee is imposed
- C. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed

The purpose of this Fee Study is to demonstrate that the fees calculated herein comply with the Mitigation Fee Act. The CLSP Storm Drainage System Improvements CFF for Watershed 2 and Watershed 4 were established in accordance with The Mitigation Fee Act. The assumptions, methodologies, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be levied are summarized in subsequent chapters of this report.

**ORGANIZATION OF REPORT**

The remainder of this report has been organized into the following chapters:

Chapter 2	Provides a brief summary of the land uses planned for CLSP
Chapter 3	Provides an explanation of the fee methodology used to calculate the fees in this Fee Study
Chapters 4-7	Provide details of the fee calculations for the CLSP WS2 and WS4 Storm Drainage System Improvement CFFs, as well as the Reimbursement Fees for Entitlement Costs and Prior Developer Account Open Items Costs
Chapter 8	Discusses the nexus findings for the WS2 and WS4 CFFs
Chapter 9	Summarizes the CLSP Fees and estimated the credits and reimbursements due the Developer
Chapter 10	Addresses implementation of the fee program, future fee adjustments, and administrative duties required by the fee law

## 2. Land Uses in CLSP

CLSP abuts the northern boundary of Mosssdale Village and includes 1,521 gross acres that are currently planned for 5,144 residential units and approximately 4.7 million square feet of commercial space. The 5,144 units include 4,870 single family residential (“SFR”) units and 274 multifamily residential (“MFR”) units. Saybrook is the primary developer in CLSP. Saybrook estimates that their project will include a total of 1,850 residential units, including 1,576 SFR and 274 MFR units.

**Table 3.0  
CLSP Land Use Summary**

Key	Land Use	Acres
VR-CL	Variable Density Residential-CL	703.1
HR-CL	High Density Residential-CL	28.3
R/MU-CL	Residential / Mixed Use-CL	45.2
OC/VR WWTP-CL	Office-Commercial/Residential/ Wastewater Treatment Plant-CL	67.0
OC-CL	Office Commercial-CL	239.7
NC-CL	Neighborhood Commercial-CL	12.6
SPC-CL	Specialty Commercial-CL	7.9
P-SP/NC-CL	Public/Semi-Public/Neigh. Comm'l - CL	11.1
HS-CL	High School-CL	50.0
K-8-CL	K-8 School-CL	54.6
CP-CL	Community Park-CL	70.0
NP-CL	Neighborhood Park-CL	45.0
OS-CL	Levee, Open Space, River-CL	93.8
n/a	Major Roads-CL	92.7
<b>CLSP Gross Acreage</b>		<b>1521.0</b>

Source: Central Lathrop Specific Plan

Table 3.1 identifies the net acreage in the CLSP area. The total net acreage does not include public land uses, parks and open space, or major/existing roadways. Several updates to the net acreage have occurred since the CLSP was adopted and these changes have been incorporated into Table 3.1. For example, an 18-acre site that was previously planned for a K-8 school was rezoned to Variable Density Residential; the City also rezoned 12.56 acres of park land to residential development; and 5.76 acres that were planned for Residential Mixed Use were developed as the City’s Generation Center. After incorporating these zoning changes, the total net acreage in the CLSP area equals 1,128.6 acres.

**Table 3.1  
CLSP Net Acreage Summary**

<b>Land Use</b>		<b>Acreage (Net)<sup>1</sup></b>
Variable Density Residential	VR <sup>2</sup>	747.0
High Density Residential	HR	28.3
Residential (Mixed Use)	R(MU) <sup>3</sup>	26.1
Office/Commercial (Mixed)	OC/VR	67.0
Office/Commercial	OC/VR	239.7
Neighborhood Commercial	NC	12.6
Specialty Commercial	SPC	7.9
<b>CLSP Net Acreage<sup>1</sup></b>		<b>1128.6</b>

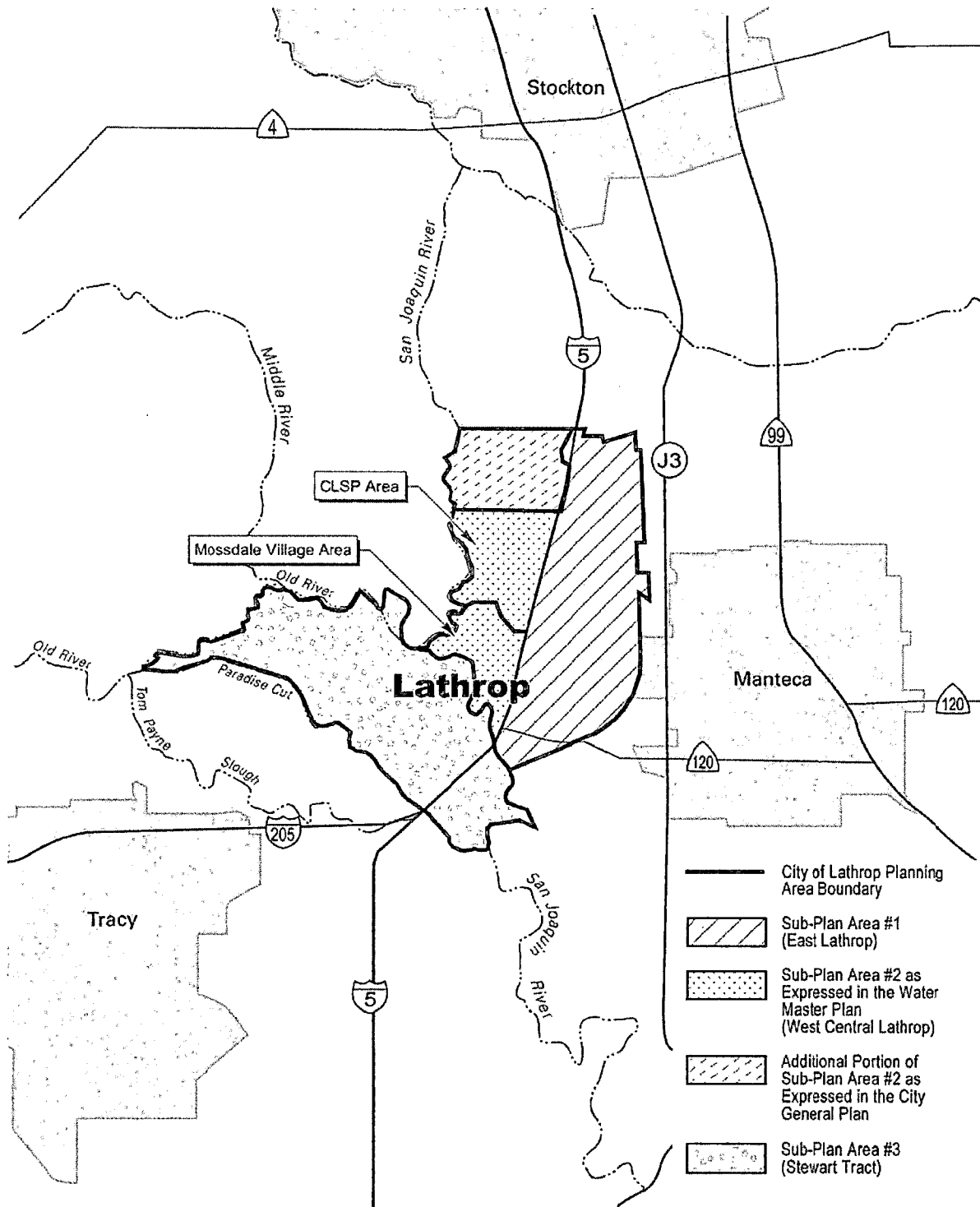
<sup>1</sup> Net acreage does not include public uses, parks and open space, or major/existing roadways.

<sup>2</sup> Variable Density Residential acreage includes a formerly planned 18-acre K-8 schoolsite that was rezoned to VR; 13.34 acres that were planned for Mixed Use Residential, but are developed as Variable Density Residential; and 12.56 acres that were rezoned from park land to residential development.

<sup>3</sup> Residential Mixed Use acreage excludes 19.1 acres that were planned for R(MU); 13.34 acres were developed as Variable Density Residential and an additional 5.76 acres were developed as the Lathrop Generations Center.

Source: Central Lathrop Specific Plan; MacKay & Somps

**Exhibit 1 – Map of Central Lathrop Specific Plan**



### 3. *FEE METHODOLOGY*

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When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that a logical and thorough consideration was applied in the process of determining how the fees relate to the impacts from new development. Various findings pursuant to the impact fee statute must be made to ensure that a reasonable relationship exists between the fee amount and the impact caused by development on which the fee will be levied. Following is a discussion of the method used in this Fee Study to allocate facilities costs to development and determine the fees in the fee program.

#### **FEE METHODOLOGY**

The plan-based fee methodology is used in this Fee Study. This methodology is used for facilities that must be designed based on future demand projections within a geographic location. Typically, a formal plan such as a specific plan, facilities needs assessment, or master plan identifies and supports the level of facilities required to serve the plan area. This plan would typically consider the existing facilities already in place and determine what additional facilities would be necessary to accommodate new development. For example, the need for transportation-related improvements depends specifically on the projected number of trips that must be accommodated on specific roadways. An analysis of existing facilities, geographic constraints, and current levels of service must be completed in order to identify the future facility needs. This information is analyzed in conjunction with a projection of the amount and location of future development in the plan area to determine the adequacy of existing facilities and the demand for new improvements that will be required. Depending on the level of existing facilities, the plan-based fee methodology may allocate planned facilities costs to either future development only or to future and existing development. The WS 2 and WS 4 Fees were calculated based on the plan-based methodology. The steps to calculate a fee under the plan-based fee methodology include the following:

- Step 1* Identify facilities and estimate future demand for facilities at build out of the plan area
- Step 2* Estimate the cost of facilities needed to serve the future development in the plan area
- Step 3* Subtract revenues available from alternative funding sources, if any, to identify a net facilities cost that will be allocated to future development.

- Step 4** Select cost allocation factor that will be used to allocate facility costs on a proportional impact basis; apply cost allocation factor to each of the land use categories based on their relative service demand or impact on each type of facility; this Fee Study uses net acres to allocate costs in WS 2 and WS 4
- Step 5** Divide the facilities cost by the net acres in each watershed area to determine the facilities fees

### **CITY PLANNING FEES**

The Entitlement Fee and the Prior Developer Account Open Items Fee are City planning fees and not development impact fees. These fees will be adopted by the City Council pursuant to Section 65456 of the California Government Code. This Section of the Government Code allows the City of Lathrop impose a specific plan fee upon persons seeking governmental approvals which are required to be consistent with the specific plan. The law states that the fees shall be established so that, in the aggregate, they defray, but do not exceed the costs of preparation, adoption, and administration of the specific plan and associated environmental quality documents.

**4. STORM DRAINAGE SYSTEM IMPROVEMENTS – WATERSHED 2 CFF**

Section 7.05.4. of the DA states that Saybrook shall provide storm drain facilities adequate to accommodate the storm water runoff from the areas that it develops. Section 5.05.3 requires the City to establish a finance mechanism to allocated development its fair share project costs and reimburse Saybrook for any oversizing of facilities. All developable acres in WS 2 will be subject to the WS 2 CFF. This section of the report identifies the land acreage, costs, and the CFF rate required to fund the reimbursement of storm drainage infrastructure costs for Watershed 2.

**WATERSHED 2 FACILITIES AND COSTS**

Storm Drain System Improvements for WS 2 were constructed by the Prior Developer and/or Saybrook and consist of various size pipelines, manholes, 1/4 of the total pump station cost and costs associated with right-of-way acquisition, contingencies, and design, plan check, bonding, staking, and inspection. The total cost was \$6,321,210 in 2016. This cost was inflated using the ENR 20-City CCI to \$6,714,716 in 2019 dollars. Furthermore, 1/4 of additional pump station costs (Table 4), equal to \$792,000 were added to the pump station cost. Table 5 on the following page shows the total cost of WS 2 facilities is \$7,506,716.

**Table 4  
Additional Pump Station Costs**

2017 - Saybrook Contact to Auburn	\$270,000
Change Orders to Auburn Contract	\$2,834,548
<b>Total Amount Paid to Auburn by 2017 Saybrook Contract</b>	<b>\$3,104,548</b>
Sale of Equipment to Crow Holdings (City ordered Removal)	(\$254,625)
Amount Paid to TESCO by SFA	\$91,950
Amount Paid to GENERAC by SFA	\$23,214
Amount Paid to SHAPE by SFA	\$28,965
Amount Paid to CRUMP by SFA	\$120,971
Amount Paid to Rain for Rent by SFA	\$14,931
Amount Paid to ARNAUDO by SFA	\$39,000
<b>Total Paid outside of Auburn Contract by SFA</b>	<b>\$64,407</b>
<b>Total Additional Cost Beyond 2006 Contract (2019 \$)</b>	<b>\$3,168,955</b>
<b>1/4 of Additional Cost added to DA Pump Station Cost (rounded)</b>	<b>\$792,000</b>

Sources: City of Lathrop; Saybrook, LLC



**Table 5  
Watershed 2 Costs**

<b>Item</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>QTY</b>	<b>Item Sub-Total</b>
<b>A. Storm Drain System WS2</b>				
54" SD Pipe	LF	\$ 150	1699	\$ 254,850
72" SD Pipe	LF	\$ 220	3347	\$ 736,340
90" SD Pipe	LF	\$ 350	3737	\$ 1,307,950
Manholes	EA	\$ 5,000	33	\$ 165,000
SD Pump Station for WS2 (1/4 of total cost)	LS	\$ 1,750,000	1	\$ 1,750,000
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$ 4,214,140</b>
Right of Way Acquisition	SF	\$2.00		\$ -
Contingencies		30%		\$ 1,264,242
Design / Plan Check / Bonding / Staking Inspection		20%		\$ 842,828
<i>TOTAL WS2 (2016 Dollars)</i>				<i>\$ 6,321,210</i>
<i>TOTAL WS2 (2019 Dollars)</i>				<i>\$ 6,714,716</i>
<i>1/4 of Additional Costs For Pump Station</i>				<i>\$ 792,000</i>
<b>TOTAL WS2:</b>				<b>\$ 7,506,716</b>

*Source: MacKay & Samps; Goodwin Consulting Group*

#### **WATERSHED 2 FEE SERVICE AREA**

WS 2 has 160.3 total net acres; ownership and acreage for each parcel are shown in Table 6 on the following page. The total net acreage excludes parcels that are owned by the City (191-200-20, 191-200-22), a parcel zoned as a future park (191-200-25), and estimated acreage of public roads. The area is planned for variable and high density residential and office/commercial.

#### **WS2 CFF FEE**

The WS2 Fee was calculated on a per-developable acre basis by dividing the total cost of WS2, (\$7,506,716), by the net acreage in the Watershed 2, 160.3 acres. This calculation results in a per-acre fee of \$46,829.

**Table 6  
Watershed 2 Ownership and Acreage**

<b>Watershed 2</b>		
<b>APN</b>	<b>Owner</b>	<b>Net Acreage</b>
191-200-04	Cotton	1.0
191-200-10	Alamanor Shores	3.0
191-200-11	Alamanor Shores	2.6
191-200-14 & 15	Alamanor Shores	1.5
191-200-19	Lathrop Land Acquisition	8.4
191-200-20	City of Lathrop /1	0.8
191-200-21	Lathrop Land Acquisition	17.0
191-200-22	City of Lathrop /1	0.9
191-200-23	Lathrop Land Acquisition	10.8
191-200-24	Lathrop Land Acquisition	15.3
191-200-25	Lathrop Land Acquisition /2	4.5
191-200-27	Lathrop Land Acquisition	6.4
191-200-28	Lathrop Land Acquisition	11.0
191-200-29	Lathrop Land Acquisition	0.9
191-200-30	Lathrop Land Acquisition	1.0
191-200-31	Lathrop Land Acquisition	1.8
191-200-32	Lathrop Land Acquisition	1.7
191-200-33	Lathrop Land Acquisition	1.5
191-200-34	Lathrop Land Acquisition	7.9
191-200-35	Lathrop Land Acquisition	8.9
191-200-36	Lathrop Land Acquisition	8.8
191-200-37	Lathrop Land Acquisition	1.1
191-200-38	Lathrop Land Acquisition	1.1
191-200-39	Lathrop Land Acquisition	0.8
191-200-40	Lathrop Land Acquisition	1.0
191-210-07	Lathrop Land Acquisition	14.4
191-210-08	Lathrop Land Acquisition	18.7
191-210-17	Lathrop Land Acquisition	13.7
<b>Total Net Acreage /3</b>		<b>160.3</b>

1. Total Net Acreage excludes acreage associated with parcels that are owned by the City of Lathrop.
2. Total Net Acreage excludes acreage associated with parcels that are planned as a future park.
3. Total Net Acreage excludes 24.9 acres estimated for public roads.

*Source: MacKay and Somps; Goodwin Consulting Group*

## 5. **STORM DRAINAGE SYSTEM IMPROVEMENTS – WATERSHED 4 CFF**

This section of the report identifies the land acreage, costs, and the CFF rate required to fund the reimbursement of storm drainage infrastructure costs for Watershed 4.

### WATERSHED 4 FACILITIES AND COSTS

Storm Drain System Improvements for WS 4 were constructed by the Prior Developer and/or Saybrook and consist of various size pipelines, manholes, 1/4 of the total pump station cost and costs associated with right-of-way acquisition, contingencies, and design, plan check, bonding, staking, and inspection. The total cost was \$5,286,045 in 2016. This cost was inflated using the ENR 20-City CCI to \$5,615,110 in 2019 dollars. Furthermore, 1/4 of additional pump station costs (Table 3 in prior chapter), equal to \$792,000 were added to the pump station cost. Table 7 shows the total cost of WS 4 facilities is \$6,407,110.

**Table 7  
Watershed 4 Costs**

Item	Unit	Unit Cost	QTY	Item Sub-Total
<b>A. Storm Drain System WS4</b>				
54" SD Pipe	LF	\$ 150	457	\$ 68,550
60" SD Pipe	LF	\$ 175	270	\$ 47,250
72" SD Pipe	LF	\$ 220	3839	\$ 844,580
84" SD Pipe	LF	\$ 280	640	\$ 179,200
90" SD Pipe	LF	\$ 350	1627	\$ 569,450
Manholes	EA	\$ 5,000	13	\$ 65,000
SD Pump Station for WS4 (1/4 of total cost)	LS	\$ 1,750,000	1	\$ 1,750,000
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$ 3,524,030</b>
Right of Way Acquisition	SF	\$2.00		\$ -
Contingencies		30%		\$ 1,057,209.00
Design / Plan Check / Bonding / Staking Inspection		20%		\$ 704,806.00
<b>TOTAL WS4 (2016 Dollars)</b>				<b>\$ 5,286,045</b>
<b>TOTAL WS4 (2019 Dollars)</b>				<b>\$ 5,615,110</b>
<b>1/4 of Additional Costs For Pump Station</b>				<b>\$ 792,000</b>
<b>TOTAL WS4:</b>				<b>\$ 6,407,110</b>

Source: MacKay & Samps; Goodwin Consulting Group

## **WATERSHED 4 FEE SERVICE AREA**

WS 4 has 180.9 total net acres; ownership and acreage for each parcel are shown in Table 8 on the following page. The total net acreage excludes parcels that are owned by the City, a parcel zoned as a future park, and estimated acreage of public roads. The area is planned for variable density residential, mixed-use residential, neighborhood commercial, and office/commercial.

## **WS 4 FEE**

The WS 4 Fee was calculated on a per-developable acre basis by dividing the total cost of WS 4, (\$6,407,110), by the net acreage in the Watershed 4, 180.9 acres. This calculation results in a per-acre fee of \$35,418.

**Table 8  
Watershed 4 Ownership and Acreage**

<b>Watershed 4</b>		
<b>APN</b>	<b>Owner</b>	<b>Net Acreage</b>
191-210-09	Lathrop Land Acquisition	19.5
191-210-10	Lathrop Land Acquisition	19.0
191-220-10	Saybrook CLSP LLC (B)	2.3
191-220-11	Saybrook CLSP LLC	10.5
191-220-12	Saybrook CLSP LLC	1.0
191-220-13	Saybrook CLSP LLC	13.9
191-220-14	Dos Reis Ranch (A) /1	49.6
191-220-14	Dos Reis Ranch (B)	4.5
191-220-32	TAA	24.3
191-220-54	City of Lathrop /2	0.7
191-220-55	City of Lathrop /2	0.1
191-220-56	City of Lathrop /2	0.02
191-220-57	City of Lathrop /2	1.0
191-220-58	City of Lathrop /2	1.7
191-220-59	Dos Reis Ranch	2.8
191-220-60	Dos Reis Ranch (A)	33.5
<b>Total Net Acreage /3</b>		<b>180.9</b>

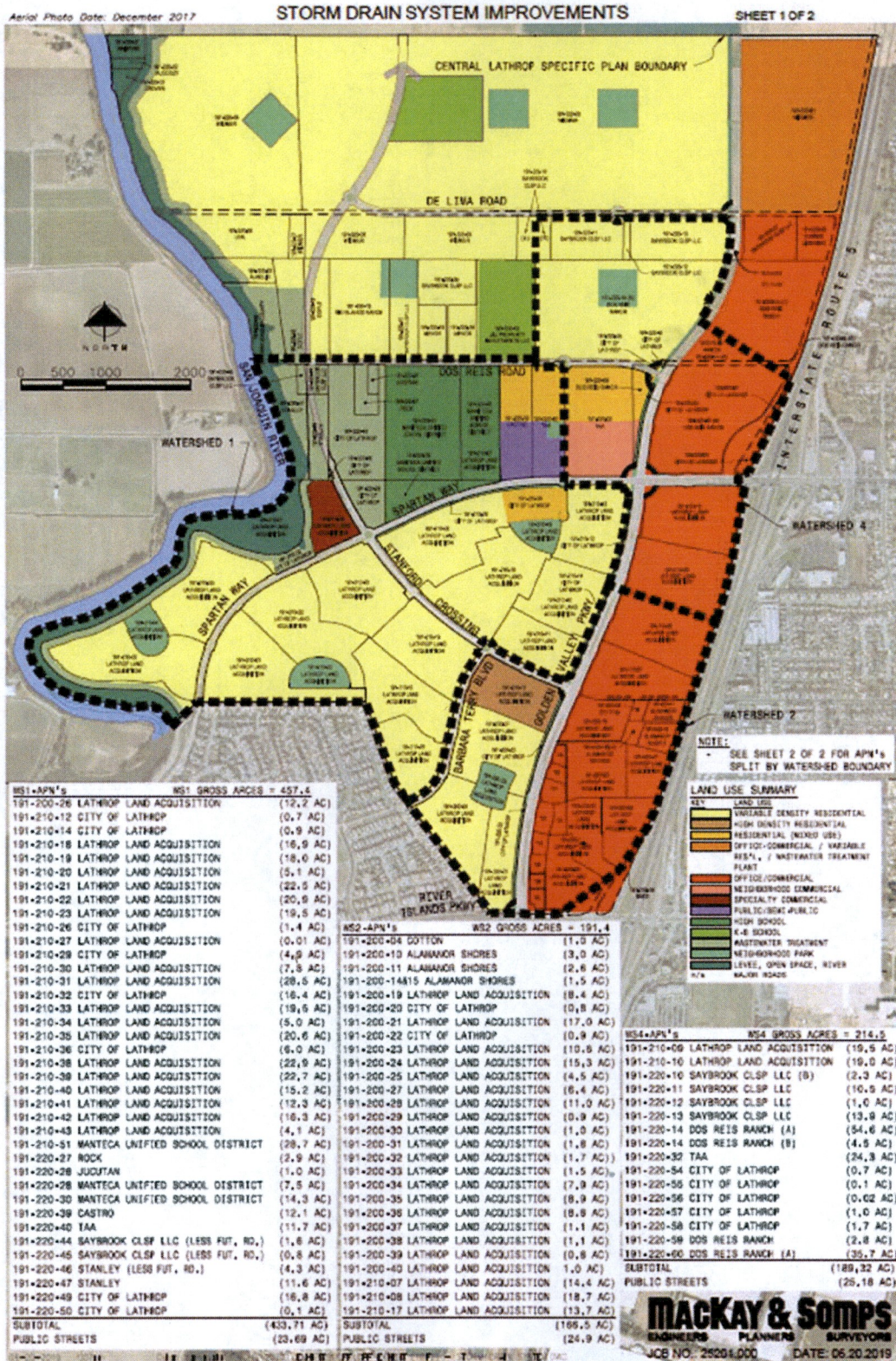
1. Total Net Acreage is reduced by 5.0 acres, to estimate the portion of the parcel that is planned for a future park.
2. Total Net Acreage excludes parcels that are owned by the City of Lathrop.
3. Total Net Acreage excludes 25.2 acres estimated for public roads.

*Source: MacKay and Somps; Goodwin Consulting Group*

**WS 2 AND WS 4 BOUNDARIES**

Exhibit 2 on the following pages shows the boundaries of WS2 and WS 4.

## Exhibit 2 – WS 2 and WS 4 Boundaries

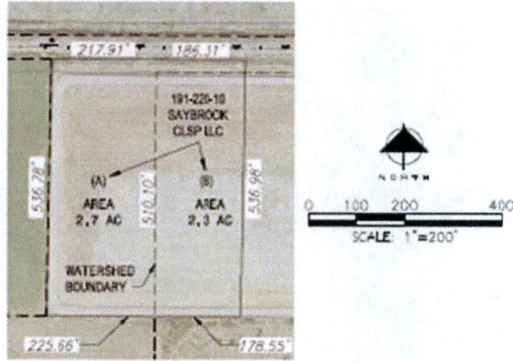


## Exhibit 2 – WS 2 and WS 4 Boundaries (Continued)

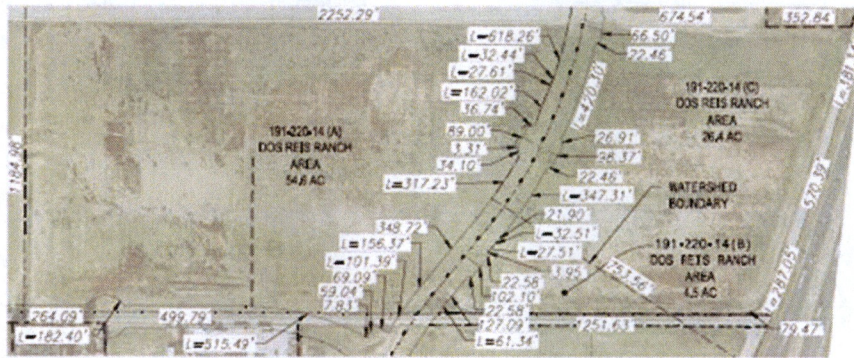
Aerial Photo Date: December 2017

### STORM DRAIN SYSTEM IMPROVEMENTS

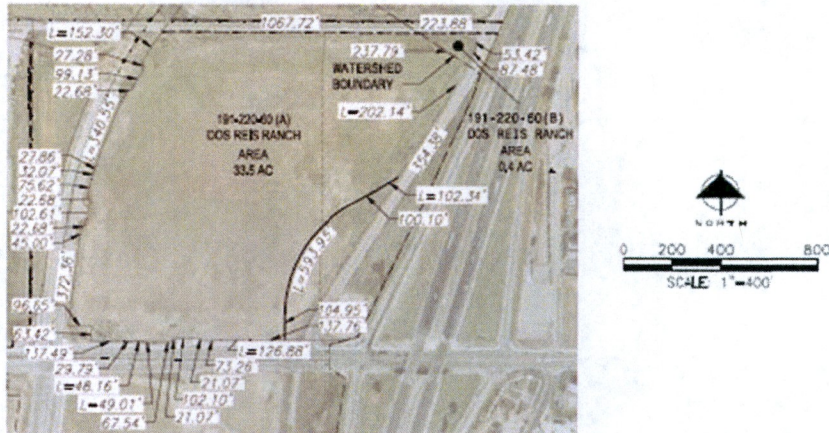
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**191-220-10**



**191-220-14**



**191-220-60**

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**MACKAY & SOMPS**  
ENGINEERS PLANNERS SURVEYORS  
JOB NO.: 25201.000 DATE: 06.20.2019

**6. CITY FEE FOR REIMBURSEMENT OF ENTITLEMENT COSTS**

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The Entitlement Fee is a City planning fee pursuant to Section 65456 of the California Government Code. The amount of the fee shall be equal to each owner's fair share, based on the total developable acreage of the property, of the cost of preparing, adopting, and/or certifying, administering, and defending the CLSP, the CLSP EIR, and all other related documents and approvals benefitting the property. The total net acreage of the CLSP Fee Area is 1,128.6 acres.

**REIMBURSEMENT OF ENTITLEMENT COSTS – CITY FEE CALCULATION**

The estimated total paid by the Prior Developer and/or Saybrook for entitlements was \$3,400,000, in 2016 dollars. This cost is inflated by the ENR 20-City CCI and is \$3,611,656 in 2019 dollars. The total cost is divided by the total net acreage of the CLSP Area to calculate a fee of \$3,200 per acre. This fee will apply to all development in the entire CLSP area; however, Saybrook will receive fee credits and reimbursement since they and/or the Prior Developer funded these costs.



## ***7. CITY FEE FOR REIMBURSEMENT OF PRIOR DEVELOPER ACCOUNT OPEN ITEMS***

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The Fee for reimbursement of Prior Developer Account Open Items is a City planning fee levied in accordance with Section 65456 of the California Government Code. Fee revenues will reimburse the City for staff time spent on the entitlement process for CLSP.

### **CITY FEE CALCULATION**

The total estimated expense for City staff time was estimated to be \$190,864 in 2016 dollars. This cost is inflated by the ENR 20-City CCI and is \$202,746, in 2019 dollars. The total net acreage of the CLSP area is 1,128.6. The total cost was divided by the total net acreage of the CLSP area to calculate a fee of \$180 per acre. This fee will be applied to all development in the entire CLSP area.

## **8. NEXUS FINDINGS**

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Development in the CLSP will create a need for public facilities. The CFF program will provide funding for public facilities in accordance with the policies and goals set forth by the City. As required pursuant to the Mitigation Fee Act, the CFFs calculated in this Fee Study meet the nexus requirements of the law, as outlined below.

### **NEXUS TEST**

#### **Purpose of the Fees**

The purpose of the CFF fees is to provide funding for the Storm Drainage System infrastructure identified in this Fee Study.

#### **Use of Fee**

CFF revenue will be used to fund storm drainage infrastructure that has been identified by the City as necessary to serve new development in the CLSP.

#### **Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.**

Residential and non-residential development will generate additional demand for the infrastructure and facilities identified in this Fee Study. The facilities, infrastructure improvements, and capacity enhancements included in this Fee Study will ensure that the City will maintain the desired level of service standards that are identified for the facility categories included in this Fee Study.

#### **Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.**

CFF revenue collected will reimburse the Developer for the storm drainage facilities that have already been constructed and oversized for other development. These facilities will serve development in the CLSP and the proposed fees in this Fee Study are a fair-share cost allocation based on the impact that future development will have on these facilities and improvements. Separate CFF accounts will be established to ensure that fee revenue is applied to the infrastructure and facilities for which it is collected.

**Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.**

A reasonable relationship between the amount of each CFF and the cost of the public facility, or portion thereof, is established in this Fee Study through the proportionate allocation of costs based on the amount of developable acreage. As a result, each property is allocated its fair share of the cost based on its impact.

By assigning the demand for infrastructure and facilities based on the developable acreage of each parcel and quantifying that demand in the calculation of the CFFs, a reasonable relationship is established between the amount of the fee and the cost of the facilities attributable to properties in the CLSP area.

## **9. FEE SUMMARY AND ESTIMATED CREDITS AND REIMBURSEMENTS**

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### **FEE SCHEDULE**

Table 9 on the following page summarizes the proposed CLSP Fees and identifies the areas that will be subject to the fees.

The Entitlement Fee is a City planning fee and equals \$3,200 per net acre of development and will be levied throughout the CLSP area. Because Saybrook and/or the Prior Developer funded these costs, Saybrook will receive fee credits for its development in CLSP and also reimbursement from other developers in the CLSP area.

The Prior Developer Account Open Items fee is a City planning fee and equals \$180 per net acre of development and will also be levied throughout the CLSP area. The City of Lathrop funded these costs and therefore will receive reimbursement from all development in the CLSP area.

The WS 2 Fee is a capital facilities fee pursuant to Government Code 66000. The WS 2 Fee is \$46,829 per net acre of development and will be levied only in the Watershed 2 area. Because Saybrook and/or the Prior Developer funded these costs, Saybrook will receive fee credits for its development in WS 2 and also reimbursement from other developers in the WS 2 area.

The WS 4 Fee is also a capital facilities fee pursuant to Government Code 66000. The WS 4 Fee is \$35,418 per net acre of development and will be levied only in the Watershed 4 area. Because Saybrook and/or the Prior Developer funded these costs, Saybrook will receive fee credits for its development in WS 4 and also reimbursement from other developers in the WS 4 area.

**Table 9 - CLSP Fee Summary**

Reimbursable Item	Reimbursable			CLSP (Per Acre)	WS2 Area (Per Acre)	WS4 Area (Per Acre)
	Costs (2019 \$)	Net Acreage <sup>1</sup>	Fee Area			
1 Entitlement Fee	\$3,611,656	1,128.6	CLSP	\$3,200	-	-
2 Prior Developer Account Open Items Fee	\$202,746	1,128.6	CLSP	\$180	-	-
3 Storm Drainage Sys Improvements - WS2 Fee	\$7,506,716	160.3	WS2	-	\$46,829	-
4 Storm Drainage Sys Improvements - WS4 Fee	\$6,407,110	180.9	WS4	-	-	\$35,418
<b>Total</b>	<b>\$17,728,228</b>			<b>\$3,380</b>	<b>\$46,829</b>	<b>\$35,418</b>

1. Net acreage of CLSP excludes acreage associated with public uses, parks and open space, and major/existing roadways.

Net acreages for WS2 and WS4 do not include acreage owned by the City of Lathrop, or intended for parks, roadways, or other public uses.

Sources: MacKay & Soms; City of Lathrop

**ESTIMATED CREDITS AND REIMBURSEMENTS FOR SAYBROOK**

Table 10 below shows an estimate of the credits and reimbursements that Saybrook will be due based on the estimated net developable acres owned or controlled by the Developer compared to the total estimated net developable acreage in the CLSP area. As CLSP area develops, these numbers may change if the number of developable acres changes in comparison to the numbers in this Fee Study.

**Table 10 - Estimated Credits and Reimbursements for Saybrook**

Reimbursable Item	Reimbursable Costs (2019 \$)	Total Net Acreage <sup>1</sup>	Saybrook Net Acreage <sup>2</sup>	Others Net Acreage <sup>3</sup>	Estimated Saybrook Credits	Estimated Saybrook Reimbursements
2 Storm Drainage Sys Improvements - WS2	\$7,506,716	160.3	152.2	8.1	\$7,127,400	\$379,316
3 Storm Drainage Sys Improvements - WS4	\$6,407,110	180.9	66.2	114.7	\$2,344,669	\$4,062,441
<b>Total</b>	<b>\$17,526,000</b>				<b>\$10,885,000</b>	<b>\$6,641,000</b>

1. Net acreage of CLSP land excludes all land designated for public uses, parks and open space, and major/existing roadways.

Saybrook is assumed to develop 39% of total net acreage in the CLSP.

2. Includes parcels owned by Saybrook CLSP and Lathrop Land Acquisition.

3. Includes parcels owned by developers other than Saybrook CLSP and Lathrop Land Acquisition.

Sources: MacKay & Soms; City of Lathrop

## **10. FEE PROGRAM ADMINISTRATION**

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### **FEE IMPLEMENTATION**

According to the California Government Code, prior to levying a new fee or increasing an existing fee, a public agency must hold at least one open and public meeting. At least 10 days prior to this meeting, the agency must make data on facility costs and funding sources available to the public. Notice of the time and place of the meeting, and a general explanation of the matter, are to be published in accordance with Section 6062a of the Government Code, which states that publication of notice shall be posted over a 10-day period in a newspaper regularly published once a week or more. Two publications, with at least five days intervening between the dates of the first and last publication, not counting such publication dates, are sufficient. The Fee Study and fees established herein will be adopted through a City ordinance and resolution. Once the fee program is adopted by the Lathrop City Council, it shall become effective no sooner than sixty days after the final legislative action.

### **FEE ADJUSTMENTS**

The CLSP Fees will be adjusted in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in land uses or development plans. In addition to such adjustments, each year the CLSP Fees will be adjusted by the change in the Engineering News Record 20-City CCI over the prior calendar year. This Fee Study adjusted costs in this report based on the ENR 20-City CCI value of 11,186 for December 2018.

### **ANNUAL ADMINISTRATIVE DUTIES**

The Government Code requires a public agency to report, every year and every fifth year, certain financial information regarding their impact fees. Within 180 days after the last day of each fiscal year the public agency must make the following information available for the past fiscal year:

- (a) A brief description of the type of fee in the account or fund
- (b) The amount of fee revenue
- (c) The beginning and ending balance of the account or fund
- (d) The amount of fee revenue collected and interest earned
- (e) An identification of each public improvement on which fees were expended and

- the amount of expenditures on each improvement, including the total percentage of the cost of public improvement that was funded with fees
- (f) An identification of an approximate date by which time construction on the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement
  - (g) A description of each interfund transfer or loan made from the account or fund, when it will be repaid and at what interest rate
  - (h) The amount of any refunds made once it is determined that sufficient monies have been collected to fund all projects

The public agency must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

#### **FIFTH-YEAR ADMINISTRATIVE DUTIES**

For the fifth year following the first deposit into the fee account and every five years thereafter, the public agency must make the following findings with respect to any remaining funds in the fee accounts:

- (a) Identify the purpose to which the fee is to be put
- (b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- (c) Identify all sources and amounts of funding anticipated to complete financing incomplete improvements
- (d) Designate the approximate dates on which funding is expected to be deposited into the appropriate accounts or funds

As with the annual report, the five-year report must be made public within 180 days after the end of the public agency's fiscal year and must be reviewed at the next regularly scheduled public meeting. The public agency must make these findings; otherwise the law states that the City must refund the fee revenue to the then current owners of the development project.

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