

PUBLIC FACILITIES FEE STUDY

CITY OF GILROY

OCTOBER 2004

FINAL REPORT



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EXECUTIVE SUMMARY

The purpose of this report is to update the public facility fee imposed by the City of Gilroy. The report summarizes an analysis of the need for public facilities to accommodate new development in the City. The report documents a reasonable relationship between new development, the fee, and facilities to be funded.

Introduction

The City of Gilroy has been experiencing significant growth and the consequent need to provide public facilities to serve new development. The City's development impact fee program provides a major funding source for the expansion of public facilities for this purpose. The City's current impact fee program currently includes separate fees for the following five facility types:

- ◆ Fire
- ◆ Libraries
- ◆ Police
- ◆ General public facilities
- ◆ Parks and recreation

This report updates these five fees based on current development projections and updated facility master plans.

In addition, this report proposes to combine the five separate impact fees into a single public facilities fee. The purpose of combining these fees into a single fee is to simplify administration of a fee program that has become increasingly complex as the City has grown.

Mitigation Fee Act

This report supports adoption of a public facilities fee in compliance with the *Mitigation Fee Act (California Government Code Section 66000 et seq.)*. The report substantiates the findings required by the *Act*.

Service Population Projections

City public facilities serve residents and workers (employment). Consequently, this analysis defines the service population for facilities based on residents and workers.

Table E.1 provides the 2004 service population with a projection for the planning horizon for this study, 2038.

Table E.1: Public Facilities Service Population

	Residents	Workers	Service Population
Existing (2004)	45,800	16,610	49,000
New Development (2004-2038)	<u>33,800</u>	<u>13,060</u>	<u>36,300</u>
Total (2038)	79,600	29,670	85,300
Facility Demand Factor	1.00	0.19	

Note: Service population is calculated by adding residents to workers weighted by the demand factor shown at the bottom of the table.

Sources: Table 3.3; MuniFinancial.

Facility Needs and Standards

Facility demand standards are used to determine new development’s need for new facilities. These standards are based on the City’s existing inventory of facilities, plus planned facilities for 2038, allocated per capita to the 2038 service population. These standards represent the facilities needed to implement the City’s long-range policy objectives for the delivery of municipal services. The master plans used as a basis for this analysis were reviewed by the City Council in September 2003 and adopted in May 2004. The cost and timing of construction for planned facilities are shown in the City’s *Capital Improvement Budget*.

Facility cost standards are based on the demand standards and used to determine new development’s fair share of the total cost of planned facilities. **Table E.2** summarizes the facility demand and cost standards for land, buildings, and other public facilities used to determine the public facilities fee.

Table E.2: Facilities Standards

Facility Type	Facility Demand Standards	Facility Cost Standards
Land	8.60 acres per 1,000 capita	\$ 3,586 per capita
Buildings	5,528 sq. ft. per 1,000 capita	1,880 per capita
Other Facilities	\$ 1,639,000 per 1,000 capita	<u>1,639</u> per capita
Total		\$ 7,105 per capita

Sources: Tables 5.1 and 5.3; MuniFinancial.

Facility Costs To Serve Growth

Based on the growth in service population from 2004 to 2038, and the facility cost standard, **Table E.3** presents the total cost of new facilities that will be needed to accommodate growth. The total amount in the table represents new development's fair share of the City's existing and planned facilities for 2038.

Table E.3: Total Cost of Facilities To Serve Growth

Cost Standard (\$/ capita)	\$ 7,105
Service Population Growth (2004-2038)	<u>36,300</u>
Total Cost of Facilities To Serve Growth	\$ 257,912,000

Sources: Table 6.1; MuniFinancial.

Fee Schedule

The fee is calculated to fully fund new development's share of total planned facilities costs shown in **Table E.3**, minus interest earnings on fund balances. The fee schedule includes an administrative charge for *Capital Improvement Budget* (CIB) program administration costs allocated to new development. **Table E.4** presents the proposed public facilities fee schedule.

Comparison to Existing Fee Program

The City is currently charging fees based on the FY 03-04 CIB for the five facility categories included in this study. These fees are projected to increase over time in real dollars to fully fund the CIB. The fees developed based on this analysis would remain flat over time in real dollars, only increasing to account for cost inflation. **Table E.5** compares the current and proposed fee programs by land use type.

Table E.4: Public Facilities Fee

Land Use	Facility Fee	Admin. Charge ¹	Total Fee
<i>Residential (per dwelling unit)</i>			
Single Family	\$ 19,116	\$ 526	\$ 19,642
Multifamily	16,193	446	16,639
<i>Nonresidential (per thousand square feet)</i>			
Commercial	\$ 2,778	\$ 78	\$ 2,856
Industrial	1,234	34	1,268

¹ Share of citywide overhead costs for Capital Improvement Budget allocated to new development.

Sources: Table 7.5; MuniFinancial.

Table E.5: Fee Comparison

	Current	FY 2037-38
	(Per DU or KSF)	
<i>Single Family (per du)</i>		
FY 03-04 CIB (current)	\$ 19,380	\$ 42,520
MuniFinancial (proposed)	<u>19,642</u>	<u>19,642</u>
Increase/(Decrease)	\$ 262	\$ (22,878)
	1%	(54%)
<i>Multifamily (per du)</i>		
FY 03-04 CIB (current)	\$ 15,750	\$ 32,320
MuniFinancial (proposed)	<u>16,639</u>	<u>16,639</u>
Increase/(Decrease)	\$ 889	\$ (15,681)
	6%	(49%)
<i>Commercial (per ksf)</i>		
FY 03-04 CIB (current)	\$ 4,220	\$ 7,610
MuniFinancial (proposed)	<u>2,856</u>	<u>2,856</u>
Increase/(Decrease)	\$ (1,364)	\$ (4,754)
	(32%)	(62%)
<i>Industrial (per ksf)</i>		
FY 03-04 CIB (current)	\$ 860	\$ 1,950
MuniFinancial (proposed)	<u>1,268</u>	<u>1,268</u>
Increase/(Decrease)	\$ 408	\$ (682)
	47%	(35%)

Note: "Du" is per dwelling unit. "Ksf" is per thousand square feet of building area.

"FY 03-04 CIB (current)" are fees currently being collected by the City.

"MuniFinancial (proposed)" are the fees calculated by this study.

Source: Tables 7.7 and 7.8; MuniFinancial.

Implementation

The public facilities fee would be collected at time of building permit issuance. To implement the fee the City should do the following:

- ◆ Appropriately notice and hold a public hearing and then adopt an implementing ordinance and resolution for the proposed fee schedule including an automatic inflation adjustment;
- ◆ Deposit all fee revenues into a new public facility fee account and credit interest earned on fund balances to the account;
- ◆ Use the CIB to program fee revenues to specific capital projects that expand the City's ability to deliver fire, general, library, parks and recreation, and police services to accommodate new development;
- ◆ Adjust the fee annually for inflation based on a project cost index such as the *Engineering News Record* Construction Cost Index and possibly a land cost index;
- ◆ Comply with annual and five-year statutory reporting requirements;
- ◆ Identify sources of revenues in addition to the public facilities fee to complete all capital projects (see next subsection).

Adjusting the fees annually for inflation is particularly important so that the City avoids falling behind the purchasing power of its the public facilities fee.

Additional Funding Sources

The facility standards shown in Table E.2 are higher than the City's existing standards. Consequently, the CIB includes facilities to correct the existing deficiency. The public facilities fee cannot fund facilities to correct deficiencies so the CIB includes additional funding for this purpose.

Table E.6 shows the source of additional funding identified to correct existing deficiencies. Identified sources include existing fund balances, grants, and transfers from the General Fund. Funding equal to about 21 percent of total CIB costs remains to be identified. The City will need to secure this additional funding from sources other than the proposed public facilities fee to fully implement the currently planned CIB projects. The City can reasonably anticipate securing this level of funding over the 35-year planning horizon for the CIB.

Table E.6: Additional Capital Improvement Funding

2004-2038		
Existing Fund Balances ¹	\$ 4,951,000	1%
General Fund Transfers ²	3,565,000	1%
Grants ³	31,119,000	8%
Other Sources To Be Identified	<u>80,700,000</u>	<u>21%</u>
Subtotal Additional Funding	\$ 120,335,000	32%
Public Facilities Fee ⁴	<u>257,912,000</u>	<u>68%</u>
Total Planned Facilities Costs	\$ 378,247,000	100%

¹ Fund balances for existing public facility fees as of June 30, 2002. These fees will no longer be collected with adoption of the proposed public facilities fee. Fund balances will be used to fund planned facilities according to the original intended use of those fees.

² Includes economic development incentives.

³ Includes grants and proceeds from state bond funds.

⁴ Includes interest on future facility fee fund balances.

Sources: Tables 8.1; MuniFinancial.

CHAPTER 1: INTRODUCTION

The City of Gilroy has been experiencing significant growth and the consequent need to provide public facilities to serve new development. The City's development impact fee program provides a major funding source for the expansion of public facilities for this purpose. The City's current impact fee program currently includes separate fees for the following five facility types:

- ◆ Fire
- ◆ Libraries
- ◆ Police
- ◆ General public facilities
- ◆ Parks and recreation

This report updates these five fees based on current development projections and updated facility master plans adopted by the City Council in May 2004.

In addition, this report proposes to combine the five separate impact fees into a single public facilities fee. The purpose of combining these fees into a single fee is to simplify administration of a fee program that has become increasingly complex as the City has grown.

Chapter 2 provides a statement of findings required by the State statute that governs the development impact fees. The following chapters document steps required to calculate the public facilities fee:

1. Estimate new development for the planning horizon of 2038 (Chapter 3).
2. Identify the City's existing inventory of facilities, and the facilities planned through 2038 (Chapter 4).
3. Calculate facility standards based on existing and planned facilities in 2038 and the City's 2038 service population (Chapter 5).
4. Determine new development's fair share of planned facilities costs based on facility standards (Chapter 6).
5. Allocate costs per unit of development to determine the fee schedule, and identify program implementation issues. (Chapter 7).
6. Identify the funding required in addition to public facilities fee revenue to fully fund planned facilities (Chapter 8).

Public Facilities Financing In California

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- ◆ The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- ◆ Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- ◆ Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way". This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Approach

Public facilities fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in any development impact fee study include:

1. Prepare growth projections;
2. Identify facility standards;
3. Determine the amount and cost of facilities required to accommodate new development based on facility standards and growth projections;
4. Calculate the public facilities fee by allocating the total cost of facilities per unit of development.

As described in the chapter outline of this report, above, the approach used in this study includes a step between #1 and #2 to inventory existing facilities and identify planned facilities. This data provides a basis for the facility standards used in this study. Finally, because fee revenues are insufficient to fully fund all planned facilities, this study adds a final step that identifies additional funding for this purpose.

Types of Facility Standards

The key public policy issue in development impact fee studies is the identification of facility standards. Facility standards determine new development's total need for new facilities and each development project's fair share of those needs. Standards also ensure that new development does not fund deficiencies associated with existing development.

The types of standards that may be used in a development impact fee study include:

- ◆ *Demand standards* determine the amount of facilities required to accommodate growth, for example park acres per thousand residents, traffic level of service, or gallons of water per day per dwelling unit.

- ◆ *Design standards* determine how a facility should be designed to meet expected demand, for example park improvement requirements, street intersection design, and water storage needs.
- ◆ *Cost standards* determine the cost per unit of demand based on the estimated cost of facilities, for example cost per capita, cost per vehicle trip, or cost per gallon of water per day.

Determining Facility Standards

The most commonly accepted approaches to determining a facility standard are described below.

- ◆ The **existing inventory method** uses a facility standard based on the ratio of existing facilities to the existing service population. Under this approach new development funds the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual capital improvement plan and budget process.
- ◆ The **master plan or system method** calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.
- ◆ The **planned facilities method** calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

Public Facilities Fee For the City of Gilroy

This study uses the master plan or system method described above to determine facility standards. The facility standard for this method is based on a citywide standard incorporating all existing and planned facilities designed to serve all existing and projected development in 2038. All of the facilities to be funded by the public facility fee are part of a system that benefits both existing and new development, such as parks,

libraries, fire stations, and city hall expansions. Consequently, this study needed to determine new development's fair share of planned facilities. The master plan method provided the ability to do that.

The master plan method ensures an equitable distribution of planned facility costs between existing and new development. The standards used in this analysis are higher than the City's existing inventory standards resulting in a deficiency associated with existing development. Some of the planned facilities will correct this deficiency. The fee documented in this report clearly identifies new development's fair share of planned facility costs and the cost of the deficiency (see Chapter 8). The City must fund the facilities needed to correct the deficiency with a source other than public facilities fees.

The master plan facility standard represents a policy decision by the City primarily driven by the list of planned facilities documented in this report. A smaller amount of planned facilities (fewer and/or less costly ones) would result in a lower master plan standard and a lower fee. A larger amount of planned facilities would cause the opposite result.

The City has the flexibility to alter the list of planned facilities shown in this report as conditions change. If the overall cost of planned facilities in this report related to the amount of anticipated development is altered significantly then the City should update this fee program to incorporate those changes.

CHAPTER 2: *MITIGATION FEE ACT FINDINGS*

Public facilities fees, are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees, the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act*, contained in *California Government Code* Sections 66000 through 66025, establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The four statutory findings required for adoption of the public facilities fees documented in this report are presented in this chapter and supported in detail by the report that follows. Case law suggests that the fifth finding, under Government Code Section 660001(b) has been held only to apply to specific ad hoc fees that are imposed on individual projects, not to the setting of development fees generally. All statutory references are to the *Act*.

Purpose of Fee

For the first finding the City must:

Identify the purpose of the fee. (§66001(a)(1))

The policy of the City of Gilroy is that new development will not burden existing development with the cost of public facilities required to accommodate growth. The purpose of the public facilities fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee advances a legitimate interest of the City by enabling the City to provide municipal services to new development.

Use of Fee Revenues

For the second finding the City must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged.
(§66001(a)(2))

The public facilities fee will fund expanded facilities to serve new development. All planned facilities will be located within the City of Gilroy. These facilities include:

- ◆ Land for park and recreation facilities, public safety facilities, libraries, and general government facilities;
- ◆ Public buildings to provide park and recreation, public safety, library, and general government services;
- ◆ Capital equipment, furnishings, vehicles, and services required to place into service public land and buildings needed to accommodate new development; and
- ◆ Financing costs associated with the above.

Planned facilities are identified in this report and the City's *Capital Improvement Budget* (CIB). This report provides the size and cost estimate for each planned facility. The CIB provides the timing for construction of the facility. The CIB is annually updated and adopted by the City Council. More detailed descriptions of certain planned facilities, including their specific location if known at this time, are included in various facility master plans and other City planning documents.

Planned facilities to be funded by the fee are described in Chapter 4, *Existing and Planned Facilities*, and in more detail in Appendix A. Summary tables from the CIB are shown in Appendix B.

Benefit Relationship

For the third finding the City must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
(§66001(a)(3))

The City will restrict fee revenues to the acquisition of land, construction of public buildings, and purchase of related equipment, furnishings, vehicles, and services that serve new development. Public facilities funded by the fee will provide a citywide network of services accessible to the additional residents and workers associated with new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

The planned facilities that will be funded by the fee are described in Chapter 4, *Existing and Planned Facilities*, and Appendix A.

Burden Relationship

For the fourth finding the City must:

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. (§66001(a)(4))

Service population provides an indicator of the demand for the facilities needed to accommodate growth. Service population is calculated based on residents associated with residential development and employment associated with nonresidential development. To calculate service population, one worker is weighted less than one resident based on an analysis of the relative demand for public facilities in 2038 by land use type. This weighting ensures a reasonable relationship between the need for the fee and the type of development (residential versus nonresidential) on which the fee is imposed.

The need for the public facilities to be funded by the fee is based on the facility standards identified in this report and the growth in citywide service population projected through 2038. Facility standards represent the level of service that the City plans to provide its residents and businesses in 2038. Standards are based on the City's total inventory of public facilities in 2038 (existing plus planned) allocated across the City's total service population in 2038.

By calculating standards based on all facilities planned for 2038 and the associated service population, new development will only be responsible for its fair share of those facilities. The proposed public facilities fee will not unfairly burden new development with the cost of facilities associated with serving existing development.

The facility standards are as follows:

- ◆ 8.60 acres of land per 1,000 capita, or \$3,586 per capita;
- ◆ 5,528 square feet of public building space per 1,000 capita, or \$1,880 per capita; and
- ◆ \$1,639,000 of related capital equipment, furnishings, vehicles, and services per 1,000 capita, or \$1,639 per capita.

The total cost to achieve these standards is \$7104 per capita.

See Chapter 3, *Service Population Projections*, for a description of how service population and growth projections are calculated. Facility standards are described in Chapter 5, *Facility Standards*.

Proportionality

For the fifth finding the City must:

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.
(§66001(b))

This reasonable relationship between the public facility fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated

size of the service population that the project will accommodate. The total fee for a specific project is based on its size as measured by dwelling units or building square feet. The fee schedule converts the estimated service population that a development project will accommodate into a fee based on the size of the project. Larger projects of a certain land use type will have a higher service population and pay a higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the public facility fee for a specific development project and the cost of the facilities attributable to that project.

See Chapter 3, *Service Population Projections*, for a description of how service population is determined for different types of land uses using occupancy density factors. See Chapter 7, *Fee Schedule and Implementation*, for a presentation of the public facilities fee schedule.

CHAPTER 3: SERVICE POPULATION PROJECTIONS

This chapter summarizes estimates of the City's existing and future service population based on projections of growth. Occupancy density factors that convert the size of a development project into an estimate of service population are presented at the end of this chapter.

Land Use Categories

Measuring the impact of growth requires land use types for summarizing different types of new development. The major land use types used in this analysis are defined below based on the City's *General Plan* land use categories. Several sub-types are defined as well for implementation of the traffic facilities fee only.

- ◆ **Single family:** Residential development at densities less than 8.0 units per acre. This category generally includes all development in the Rural, Hillside, and Low Density land use categories, plus detached single family development in the Neighborhood District category, unless the density is equal to or greater than 8.0 units per acre.
- ◆ **Multifamily:** Residential development at densities equal to or greater than 8.0 units per acre. This category generally includes all development in the Medium Density and High Density land use categories, plus attached single family and multifamily development in the Neighborhood District category, unless the density is less than 8.0 units per acre.
- ◆ **Commercial:** Neighborhood Commercial, Professional Office, General Services Commercial, Visitor Serving Commercial, and Downtown Commercial land use categories.
- ◆ **Industrial:** Campus Industrial, Industrial Park, and General Industrial land use categories.

Development in other land use categories not listed above is anticipated to predominantly include projects for municipal facilities. These categories include park and recreation facility, public/quasi-public facility, and schools. Municipal facilities are exempt from facility fees because they serve new development.

Some developments may include more than one land use category, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the public facilities fee would be calculated separately for each land use category.

The City should have the discretion to impose public facilities fees based on the estimated facility demand of a proposed development if the project would vary substantially from the range of development densities anticipated under each land use

category. The City should also have the discretion to impose fees on projects by public agencies other than the City and by private development within the predominantly public land use categories discussed above. Development density is typically measured in dwelling units per acre, residents per unit, building square feet per acre, or workers per building square feet. For these development projects, either the fee should be based on one of the four land use categories defined above that most closely represents the probable occupant density of the project, or it should be based on a project-specific demand factor derived from estimated densities.

Growth Projections

This fee analysis uses a planning horizon of 2004 to 2038, the same horizon as the City's Capital Improvement Budget (CIB). This horizon approximates build out under the current General Plan. This time horizon is reasonable because many of the City's planned facilities are being constructed to service all planned development.

Table 3.1 summarizes current and future estimates for population, workers, dwelling units, and building square feet. The projection is based on information provided by the City of Gilroy and published data from the California Department of Finance and the Association of Bay Area Governments (ABAG). ABAG projections are based on a regional economic input/output and land use model. They are used for a wide variety of planning studies by government agencies throughout the region.

The projections were developed using the following assumptions and approach:

- ◆ **Residents:** Residents are estimated based on dwelling units and the occupancy density factors explained in the next section of this chapter.
- ◆ **Dwelling units:** City staff provided dwelling unit projections for 2038 based on the same projections used for capital facility planning in its CIB. The 2038 projections represent substantial build out of the current General Plan.
- ◆ **Workers:** Current ABAG projections extend to a 2025 planning horizon. Employment projections for the present analysis are based on a linear trend of the ABAG projections using least squares regression analysis. ABAG's employment based on industrial classification is allocated to land use categories and public employment is not included. The 2038 projections represent development of approximately one-half of the City's remaining nonresidential land supply.
- ◆ **Building Square Feet:** Building square feet are estimated based on employment and the occupancy density factors explained in the next section of this chapter.

Table 3.1: City of Gilroy Growth Projections

	2004	2038	2004-2038 Increase
Residential			
<u>Residents</u>			
Single Family	32,400	55,900	23,500
Multifamily	<u>13,400</u>	<u>23,700</u>	<u>10,300</u>
Total	45,800	79,600	33,800
<u>Dwelling Units</u>			
Single Family	9,010	16,203	7,193
Multifamily	<u>4,660</u>	<u>8,375</u>	<u>3,715</u>
Total	13,670	24,578	10,908
Nonresidential			
<u>Workers</u>			
Commercial	11,930	20,980	9,050
Industrial	<u>4,680</u>	<u>8,690</u>	<u>4,010</u>
Subtotal	16,610	29,670	13,060
Other ¹	<u>4,420</u>	<u>7,870</u>	<u>3,450</u>
Total	21,030	37,540	16,510
<u>Building Square Feet (000s)</u>			
Commercial	NA	NA	3,620
Industrial	NA	NA	<u>3,610</u>
Total			7,230

Note: "NA" indicates that these estimates were not needed for this analysis. Population and dwelling units based on Gilroy *General Plan*. Employment based on Association of Bay Area Government (ABAG) projections interpolated for 2003 and extrapolated to 2038. ABAG projections by industrial classification allocated to land use types using factors estimated from the Natelson study and prior work of the consultant.

¹ Includes public employment and employment not on commercial and industrial lands.

Sources: State of California, Department of Finance, *E-5 City/County Population and Housing Estimates, 2004, Revised 2001-2003, with 2000 DRU Benchmark*. Sacramento, California, May 2004; Association of Bay Area Governments, *Projections 2002*; The Natelson Company, Inc., *Employment Density Summary Report*, prepared for the Southern California Association of Governments, October 31, 2001. Table IV-1, p. 8; City of Gilroy *General Plan*; MuniFinancial.

Table 3.2 presents the ratio of jobs to housing in the City. The ratio is anticipated to remain nearly constant through the planning horizon.

Table 3.2: City of Gilroy Jobs/Housing Ratio

	2004	2038
Employment	21,030	37,540
Dwelling Units	13,670	24,578
Jobs/Housing Ratio	1.54	1.53

Sources: Table 3.1, MuniFinancial.

Occupancy Densities

Average occupancy density factors estimated for new development by land use category are shown in **Table 3.3**. These factors are used to relate the amount of residents or workers to the size of a development project. Occupancy density factors were estimated based on the following assumptions and approach:

Table 3.3: Estimated Land Use Densities

	2004-2038
<i>Residents Per Dwelling Unit</i>	
Single Family	3.27
Multifamily	2.77
<i>Bldg. Sq. Ft. Per Worker</i>	
Commercial	400
Industrial	900

Note: Residential densities based on City of Gilroy *General Plan* projections and estimates by MuniFinancial. Nonresidential factors based on Natelson data for Orange County recalculated by MuniFinancial.

Source: Association of Bay Area Governments, *Projections 2002*; The Natelson Company, Inc., *Employment Density Summary Report*, prepared for the Southern California Association of Governments, October 31, 2001. Table 6-A, p. 19; MuniFinancial.

- ◆ **Residential land uses:** Occupancy densities are based on the change in estimates of average densities for all units (single and multifamily) from 2004 to 2038. MuniFinancial estimated separate densities for single and multifamily units to balance with the overall average. Multifamily unit densities are typically less than single family unit densities; however, the spread between the two has been declining in many communities due to the lack of affordable single family housing. Our estimate reflects this trend.

- ◆ **Nonresidential land uses:** Average employment densities can vary substantially depending on the specific type of business and location. The nonresidential density factors are based on the most comprehensive study available that used sample land use and employment data from the six-county Los Angeles region. The density estimates used here reflect estimates typically found in planning studies of suburban development.

Service Population

This report uses service population as a reasonable indicator of demand for municipal services, and therefore the demand for the public facilities required to provide those services. Service population projections have the following two uses in the fee analysis:

- ◆ Total service population in 2038 is used to calculate the City's facility standards based on the amount of existing and planned facilities in 2038; and
- ◆ The growth in service population from 2004 to 2038 is used as a reasonable measure of the facilities needed to accommodate new development in terms of both amount and estimated cost.

Service population is calculated using the population and worker projections from Table 3.1. The service population for municipal services is divided into two broad classes, residents living in the City and businesses located in the City. The two classes are summed into a single measure in two steps:

- ◆ The demand for municipal services from businesses is measured by workers; and
- ◆ Businesses typically demand fewer municipal services than residents on a per worker basis, so service demand per worker is equated to one resident using a weighting factor of less than one.

Table 3.4 provides the current service population with a projection for the year 2038. Service population is calculated by adding residents to workers with one worker weighted at 0.19 of one resident. The facility demand factor indicates that one worker generates a facility demand equal to 0.19 of one resident. This factor is based on surveys of user demand by land use type weighted by:

- ◆ The amount of development in 2038; and
- ◆ The amount of facilities planned to serve that development.

Table 3.4: Public Facilities Service Population

	Residents	Workers¹	Service Population²	
Existing (2004)	45,800	16,610	49,000	57%
New Development (2004-2038)	<u>33,800</u>	<u>13,060</u>	<u>36,300</u>	<u>43%</u>
Total (2038)	79,600	29,670	85,300	100%
Facility Demand Factor	1.00	0.19		

¹ Workers only include commercial and industrial employment.

² Service population is calculated by adding residents to workers weighted by the demand factor shown at the bottom of the table.

Sources: Tables 3.1 and A.13; MuniFinancial.

See Appendix A, Tables A.12 and A.13, for more detail on the calculation of facility demand factors.

CHAPTER 4: EXISTING AND PLANNED FACILITIES

This chapter summarizes the City’s existing and planned public facilities. The sum of existing and planned facilities provides a basis for calculating facility standards that determine new development’s need for these facilities (see Chapter 5). Planned facilities indicate how the City will use fee revenues to benefit new development. Facilities are described based on three types:

- ◆ Land;
- ◆ Buildings; and
- ◆ Other public facilities.

For each category the City’s existing inventory of facilities is described separately from the planned facilities required to serve the 2038 service population.

Land

Existing Inventory

The City owns approximately 497 acres of land for public facilities summarized in **Table 4.1** that includes:

- ◆ 119 acres of parkland improved with landscaping, play apparatus, and various other park amenities;
- ◆ 133 acres of unimproved parkland;
- ◆ 223 acres of open space; and
- ◆ 22 acres of land improved with public buildings.

The City also has joint use agreements with the local school district that provide an additional 72 acres of land for recreation programs. To be conservative in the fee calculation, the City has not included joint-use facilities in the existing facility inventory for the proposed public facilities fee. Including the joint-use facilities would have resulted in raising the facility standard and increasing the public facilities fee. See Table A.8 for a list of joint use facilities.

Table 4.1: Existing Land Inventory

Facility	Acres
Improved Parkland	
Butcher Park	0.10
Christmas Hill Park	65.87
Del Rey Park	3.00
El Roble Park	3.50
Forest Street Park	0.78
Las Animas Veterans Park	25.58
Miller Park	4.14
Rainbow Park	2.25
Renz Park	0.52
San Ysidro Park	9.25
Uvas Levee	2.12
Wheeler Community Center & Tot Lot	1.50
Subtotal	118.61
Open Space	
Gilroy Golf Course	92.00
Uvas Creek Park Preserve	125.00
Uvas Staging Area	2.21
Babbs Creek Park Reserve	4.00
Subtotal	223.21
Unimproved Parkland	
Carriage Hills Park	3.00
Christmas Hill Park	31.60
Farrell Avenue Park	6.00
Gilroy Sports Park	78.90
Las Animas Veterans Park	3.00
Los Arroyos Park	2.10
Sunrise Park	8.00
Subtotal	132.60
Other Public Facilities Land	
Gilroy City Hall	3.40
Gilroy Senior Center	0.09
Gilroy Youth Center	0.90
Willey Cultural Center	0.35
Corporation Yard	3.40
Downtown Parking Lot	0.41
Downtown Parking Lot	0.36
Downtown Parking Lot	0.48
Downtown Parking Lot	0.29
Downtown Parking Lot	0.20
Old City Hall	0.58
City Museum	0.14
Visitor's Bureau	0.45
Main Police Station	2.10
Shooting Range	1.75
New Police Facility Land	1.89
Chestnut Fire Station	1.40
Las Animas Fire Station	0.75
Sunrise Fire Station	1.20
Library	2.00
Subtotal	22.14
Total Existing Facilities - Land	496.56

Sources: Table A.1; City of Gilroy; MuniFinancial.

Planned Facilities

Table 4.2 lists the City’s planned land acquisition and improvement projects to accommodate the City’s 2038 service population and the size of each project. The “Existing Park Improvements” shown in the table are projects such as landscaping, turf, athletic fields, play structures, and other active recreation area improvements located at existing parks. These projects do not include buildings or other structures. See Table A.2 for a list of existing parks with planned improvements.

Table 4.2: Planned Land Acquisition & Improvement Projects

Facility	Acres
Downtown Pocket Park	0.01
Farrell Park	3.64
Performing & Visual Arts (land)	2.30
Aquatics Facility	6.00
Gilroy Sports Park I & II	1.87
Murray Ave Park	3.00
Hecker Pass Park	3.00
Glen Loma Ranch Parks	6.00
Youth Center	1.23
Bicycle Track	3.00
Trail	20.40
Downtown Plaza	1.50
New Park Acquisition & Improvements	
Neighborhood Park	4.00
Neighborhood Park	4.00
Neighborhood Park	4.00
Neighborhood Park	4.00
Neighborhood Park	4.00
Glenview Mini Park	1.50
First Street Mini Park	1.50
North Side Community Park	40.00
Llagas Community Park	40.00
Gilroy Sports Park	75.37
Police Station Addition	0.34
Additional Civic Center Land	0.86
Additional Corp Yard Site	1.35
4th and 5th Fire Station	2.00
Fire Training Facility	2.19
Library Addition	0.37
Total Planned Facilities - Land	237.43

Sources: Table A.2; City of Gilroy, FY 2003-04 Capital Improvement Budget; MuniFinancial.

Buildings

Existing Inventory

The City owns approximately 151,000 square feet of building space summarized in **Table 4.3** that includes:

- ◆ 86,000 square feet of general office space;
- ◆ 45,000 square feet of specialized buildings for public safety and historic preservation; and
- ◆ 20,000 square feet of sheds and garages.

The City also has joint use agreements with the local school district that provide an additional 139,000 square feet of building space for recreation programs. To be conservative in the fee calculation, the City has not included joint-use facilities in the existing facility inventory for the proposed public facilities fee. Including the joint-use facilities would have resulted in raising the facility standard and increasing the public facilities fee. See Table A.8 for a list of joint use facilities.

Planned Facilities

Table 4.4 lists the planned public facility building projects to accommodate the City's 2038 service population and the size of each project.

Other Public Facilities

Other public facilities include all other facilities that cannot be categorized as either land or buildings. This category includes capital equipment, furnishings, vehicles, and services related to the acquisition of land and construction of buildings. Because the types of facilities in this category are so varied, facilities are measured in terms of their replacement value in current (2003) dollars.

Existing Inventory

The City's inventory of other public facilities has a replacement value of \$41,000,000 in 2003 dollars. **Table 4.5** lists the facilities in this inventory.

Planned Facilities

Table 4.6 lists the City's planned other public facilities projects to accommodate the City's 2038 service population and the cost of each project. All projects listed represent one-time costs necessary for placing into service the planned projects shown in Tables 4.2 and 4.4. No ongoing costs for operations, maintenance, or other activities are included in Table 4.6.

Table 4.3: Existing Building Inventory

Facility	Building Square Feet
<i><u>Office Buildings and Recreation Centers</u></i>	
Christmas Hill Park	
Ranch Site Temp. Environ Ed Center	1,920
Gilroy Golf Course Rental House	1,440
Gilroy Senior Center	10,850
House on 7351 Hanna St (storage)	1,099
Las Animas Veterans Park Recreation Bldg.	1,792
Las Animas Veterans Park Recreation Bldg.	400
San Ysidro Park Bldg.	1,813
Wheeler Community Center	15,334
Willey Cultural Center	2,251
City Hall & Annex	30,215
City Museum	4,240
Visitor's Bureau	864
Neighborhood House	960
Library	12,700
Subtotal	85,878
<i><u>Sheds/Garages</u></i>	
Christmas Hill Park Ranch Site Trailer/Office Bldg	696
Gilroy Golf Course Club House	2,160
Corporation Yard	11,565
Police Garage	754
Evidence Trailer	504
Police Sheds (2)	224
Police Trailers (2)	256
Shooting Range Trailer	1,440
Other Police Buildings	1,500
Chestnut Shed	660
Las Animas Shed	100
Subtotal	19,859
<i><u>Special Use Facilities</u></i>	
Chestnut Fire Station	6,958
Las Animas Fire Station	5,428
Old City Hall	12,883
Main Police Station	17,665
Gilroy Train Depot	1,970
Subtotal	44,904
Total Existing Facilities - Buildings	150,641

Sources: Table A.4; City of Gilroy; MuniFinancial.

Table 4.4: Planned Public Building Projects

Facility	Building Square Feet
Senior Center Expansion	5,500
Willey Cultural Center Expansion	1,000
Gilroy Youth Center	5,732
Wheeler Community Center	2,200
Indoor Recreation and Sports Facility	14,316
Performing & Visual Arts (building)	28,000
Aquatics Facility	42,500
Environmental Center	10,500
Sunrise Community Center	4,500
New Police Station	48,970
Police Station Addition	5,357
City Hall Annex	17,665
City Hall Additions	25,840
New Corp Yard Building Improvements	9,811
New Fire Station Construction	25,674
Fire Training Facilities	6,000
Existing Fire Station Improvement	3,613
Headquarters Relocation	2,090
Library Expansion	48,812
Library Addition	<u>12,790</u>
 Total Planned Facilities - Buildings	 320,870

Sources: Table A.5; City of Gilroy, FY 2003-04 Capital Improvement Budget;
MuniFinancial.

Table 4.5: Existing Other Public Facilities Inventory

Facility	Inventory	Type	Unit Cost	Total Cost
Christmas Hill Park Amphitheater	1	lump sum	\$ 1,700,000	\$ 1,700,000
Gavilan Sports Complex ²	8.3	acres	200,000	1,660,000
Las Animas Veterans Skateboard Park	1	lump sum	399,000	399,000
Gilroy Golf Course Improvements	47.0	acres	350,000	16,450,000
Vehicles (excluding Fire Department)	90	vehicles	27,000	2,389,000
Vehicles (Fire Department)	6	vehicles	467,000	2,800,000
Furnishings	1	lump sum	3,628,000	3,628,000
Communications/Dispatch	1	lump sum	2,500,000	2,500,000
Training/Equipment	98	personnel	64,000	6,234,000
Library volumes (books, etc.)	135,000	volumes	24	<u>3,240,000</u>
Total Existing Facilities - Other Public Facilities				\$ 41,000,000

¹ Value discounted for planned improvements included in Capital Improvement Budget (CIB).

² Land is owned by Gavilan College. Unit cost only reflects City-funded improvements for sports complex.

Sources: Table A.7; City of Gilroy; MuniFinancial.

Table 4.6: Planned Other Public Facilities Projects

	Total Cost
CIB Administration ¹	\$ 8,996,000
Equipment/Furniture	12,591,000
Vehicles (Fire Department)	2,087,000
Civic Center Site Improvements	19,675,000
Materials and Services	7,555,000
Financing Costs	47,838,000
Other	<u>85,000</u>
Total Planned Facilities - Other Facilities	\$ 98,827,000

Note: All projects represent one-time costs necessary for placing into service the planned facilities shown in Tables 4.2 and 4.4. No ongoing costs for operations, maintenance, or other activities are included.

¹ Personnel costs for Capital Improvement Budget (CIB) administration.

Sources: Table A.7; City of Gilroy, FY 2003-04 Capital Improvement Budget; MuniFinancial.

CHAPTER 5: FACILITY STANDARDS

Facilities standards determine new development's need for new facilities. As explained in Chapter 1, this study uses the **master plan** or **system** method for calculating standards. The standards are based on all existing and planned public facilities allocated across the City's service population in 2038. The standards represent the level of service that the City plans to provide its residents and businesses in 2038. Applying these standards to the projected amount of new development determines the amount of facilities needed to accommodate growth.

This approach to calculating facility standards ensures that new development will only be responsible for its fair share of total facility needs. The approach ensures that the amount of facilities to serve new development is not artificially increased, and new development unfairly burdened, should the City desire to fund a higher level of facilities per capita compared to the City's existing facility inventory per capita.

The City has three types of facility standards that together determine the need for public facilities. These facility standards are based on the facility types described in Chapter 4:

- ◆ Land;
- ◆ Buildings; and
- ◆ Other public facilities.

Table 5.1 shows the calculation of the facility standard for each of the three facility types for the proposed public facilities fee and the maximum justified fee. The calculation for the maximum justified fee includes the joint-use facilities valued at \$18.6 million. City staff provided data for existing facilities. Data from planned facilities was taken from recently updated master plans provided to the City Council in September 2003 and adopted in May 2004. These master plans are also consistent with the cost and programming of projects in the City's *Capital Improvement Budget*. These master plans include:

- ◆ Citygate Associates, *Master Plan of Fire Services*.
- ◆ Edward J. Gee & Associates, *Master Plan for Gilroy Policy Facility*.
- ◆ Fields Devereaux Architects & Engineers, *Library Facilities Master Plan*.
- ◆ Bellinger Foster Steinmetz, *Parks and Recreation System Master Plan*.
- ◆ Fields Devereaux Architects & Engineers, *Civic Center Facilities Master Plan*.
- ◆ Fields Devereaux Architects & Engineers, *Corporate Yard Facilities Master Plan*.
- ◆ WLC Architects, *Gilroy Civic Center Master Plan*.

Table 5.1: Facility Demand Standards

	Public Facilities Fee	Maximum Justified Fee
<u>Land (acres)</u>		
Existing Inventory	496.56	496.56
Planned Facilities	237.43	237.43
Total Land	733.99	733.99
2038 Service Population	85,300	85,300
Acres Per 1,000 Capita	8.60	8.60
<u>Buildings (sq. ft.)</u>		
Existing Inventory	150,641	150,641
Planned Facilities	320,870	320,870
Total Sq. Ft.	471,511	471,511
2038 Service Population	85,300	85,300
Building Sq. Ft. Per 1,000 Capita	5,528	5,528
<u>Other Public Facilities (current cost)</u>		
Existing Inventory	\$ 41,000,000	\$ 41,000,000
Existing Joint-use Facilities	N/A	18,600,000
Subtotal	\$ 41,000,000	\$ 59,600,000
Planned Facilities	98,827,000	98,827,000
Total Other Public Facilities	\$ 139,827,000	\$ 158,427,000
2038 Service Population	85,300	85,300
Other Facilities Cost Per 1,000 Capita	\$ 1,639,000	\$ 1,857,000

Sources: Tables 3.3, 4.1 through 4.6, and A.8; MuniFinancial.

Unit Costs

Unit costs are used to determine the total cost of facilities required to accommodate growth. Unit costs are based on the current **replacement value of the existing inventory** of public facilities plus the **estimated cost of planned facilities** expressed in today's (2004) dollars. Thus, in the same way that the facility standards represent average per capita facility demand in 2038, unit costs represent average costs across all existing and planned facilities in 2038. This approach ensures that the cost of facilities to serve new development is not artificially increased, and new development unfairly

burdened, should the unit cost of new facilities be higher than the unit value of existing facilities.

The unit costs used to estimate facility values and costs for land and buildings are shown in **Table 5.2**. Unit costs for “other public facilities” included in the program were shown in Tables 4.5 and 4.6 in the last chapter. Refer to Appendix Tables A.1 through A.7 for a detailed list by facility of all cost estimates used in this analysis. All values and costs are expressed in constant (2004) dollars.

Table 5.2: Land and Buildings Unit Costs

Facility Type	Unit Cost	Unit
<i>Land</i>		
Unimproved Land (existing and planned)	\$ 411,000	per acre
Improved Land (existing and planned)	705,000	per acre
Open space and trails (existing and planned)	35,000	per acre
Average (existing and planned)	417,000	per acre
<i>Buildings</i>		
Sheds and Garages (existing and planned)	\$ 140	per sq. ft.
Office Buildings (existing and planned)	200	per sq. ft.
Special Use Facilities		
Recreation Centers and Libraries (existing)	200	
Recreation Centers and Libraries (planned)	200 to 468	per sq. ft.
Police Station (planned)	548	per sq. ft.
Fire Facilities (existing)	265	per sq. ft.
Fire Facilities (planned)	350 to 409	per sq. ft.
Historic Buildings (existing)	269 to 841	per sq. ft.
Average (existing and planned)	340	per sq. ft.

Sources: Tables A.1 through A.6; MuniFinancial.

Facility Cost Standard

The demand standards in Table 5.1 need to be reduced to a single cost standard to calculate the cost of facilities to serve growth. The unit costs in Table 5.2 provide the link to do that. **Table 5.3** shows that new development must contribute **\$7,105** per capita to fund its fair share of the facilities needed to serve the City’s service population in 2038. Using this standard to calculate the public facilities fee ensures that new development is not unfairly burdened by funding planned facilities required to correct deficiencies and that serve existing development. New development would contribute \$7,323 for the maximum justified fee.

Table 5.3: Facility Cost Standard

	Demand Standard & Unit Cost	Proposed Fee Cost Standard (\$/capita)	Maximum Justified Fee Cost Standard (\$/capita)
<u>Land</u>			
Facility Demand Standard (acres/1,000 capita)	8.60		
Average Unit Cost	\$ 417,000		
Cost per Capita		\$ 3,586	\$ 3,586
<u>Buildings</u>			
Facility Demand Standard (sq. ft./1,000 capita)	5,528		
Average Unit Cost	\$ 340		
Cost per Capita		1,880	1,880
<u>Other Public Facilities</u>			
Facility Demand Standard & Cost Per Capita		1,639	1,857
Total Cost per Capita		\$ 7,105	\$ 7,323

Sources: Tables 5.1 and 5.2; MuniFinancial.

CHAPTER 6: FACILITY COSTS TO SERVE GROWTH

The amount of facilities needed to serve new development is based on the per capita cost standard shown in Table 5.3 applied to the growth in service population from new development between 2004 through 2038. The proposed public facilities needed to serve growth equal \$258 million as shown in **Table 6.1**.

Table 6.1: Total Cost of Facilities To Serve Growth

	Public Facilities Fee	Maximum Justified Fee
Cost Standard (\$/capita)	\$ 7,105	\$ 7,323
Service Population Growth (2004-2038)	<u>36,300</u>	<u>36,300</u>
Total Cost of Facilities To Serve Growth	\$ 257,912,000	\$ 265,825,000

Sources: Tables 3.3 and 5.3; MuniFinancial.

The allocation of this total cost to individual development projects through a schedule of proposed public facilities fees is discussed in the next chapter.

Funding from new development is insufficient to fully fund planned facilities for 2038. The remaining funding is discussed in Chapter 8.

CHAPTER 7: FEE SCHEDULE & IMPLEMENTATION

This chapter develops the fee schedule that will be applied to development projects, discusses implementation issues, and compares the proposed fees with current fees.

Public Facilities Fee Schedule

The public facilities fee is calculated such that total fee revenue plus interest earnings on fund balances fully funds new development's share of total planned facilities costs shown in Table 6.1. The purpose of the public facilities fee schedule is to:

- ◆ Fairly allocate growth-related facilities costs to the estimated amount of new development; and
- ◆ Provide a simple method for landowners, developers, City staff, and the public to calculate the public facility fee for a specific development project.

Allocation of facility costs to a specific development project is based on the estimated service population of the project. This approach ensures a reasonable relationship between the public facility fee and the cost of the facilities attributable to the project. Larger projects have a higher service population and pay a higher fee. Smaller projects have a lower service population and pay a lower fee.

The fee schedule is generated in four steps:

1. Credit revenues associated with new development, such as interest earnings on fund balances, against the total cost of facilities required to serve new development.
2. Calculate the cost per capita based on the growth in service population.
3. Calculate program administration costs per capita.
4. Convert the total per capita cost (facilities plus program administration) to a fee per dwelling unit or building square feet.

The City will establish a new restricted Public Facility Fee Fund to account for fee revenues. State law requires that local agencies credit interest earned on development impact fee fund balances to the same restricted fund. Interest earnings are based on the timing of capital spending in the City's *Capital Improvement Budget* (CIB), the availability of other revenues, and interest rates.

The public facility fee per capita taking into account the credit from interest earnings is shown in **Table 7.1**.

Table 7.1: New Development Cost Per Capita

	Proposed Fee	Maximum Justified Fee
Facilities Costs To Serve Growth	\$ 257,912,000	\$ 265,825,000
Credit for Interest on Future Fund Balances ¹	<u>(45,685,000)</u>	<u>(47,056,000)</u>
Net Costs Allocated to Public Facilities Fee	\$ 212,227,000	\$ 218,769,000
Service Population Growth (2004-2038)	<u>36,300</u>	<u>36,300</u>
Cost Per Capita	\$ 5,846	\$ 6,027
Cost Per Resident	\$ 5,846	\$ 6,027
Cost Per Worker ¹	1,111	1,145

¹ Based on a weighting of workers to residents shown in Table 3.3.

² Maximum justified fee credit for interest based on percent increase of facilities to serve growth between proposed fee and maximum justified fee.

Sources: Tables 3.3, 6.3, and A.11; City of Gilroy, FY 2003-04 Capital Improvement Budget; MuniFinancial.

The fee schedule also includes a program administration charge. This charge represents citywide overhead costs applied to all programs such as legal counsel, finance, and human resources. Other program administration costs include revenue collection, annual and five-year statutory accounting requirements, justification analyses such as the current study, CIB management costs, and other Community Department costs associated with administration of the fee program.

The City has a standard overhead charge of 6.75 percent on direct program costs. For the purposes of the CIB and the proposed public facilities fee, the City will fund 76 percent of program administration costs from the General Fund. The City will allocate to new development and the proposed public facilities fee the remaining 24 percent. This approach is conservative because 24 percent is less than new development's share of total 2038 service population (see Table 3.3).

The cost per capita for program administration is shown in **Table 7.2**. **Table 7.3** presents the cost per capita for the maximum justified program administration cost assuming the full 6.75 percent on direct program costs.

The public facilities fee schedule is based on the cost per capita and the occupancy density factor by land use category (residents per dwelling unit for residential development and workers per 1,000 square feet of building space for nonresidential development). Using these density factors the fee schedule converts the estimated service population that a development project will accommodate into a fee based on the size of the project. The total fee for a specific project is based on its size as measured by dwelling units or building square feet.

Table 7.4 provides the program administration charge schedule. **Table 7.5** presents the public facilities fee schedule including the administration charge. The table compares the proposed public facilities fee schedule to the maximum justified fee schedule .

Table 7.6 provides an estimate of total revenues to be generated by the proposed public facilities fee including the administrative charge. Total revenues available to fund planned facilities is slightly different from the amount show in Table 7.1 because of rounding.

Table 7.2: CIB Administration Costs, 2004-2038

	Proposed Fee
Costs Subject To Citywide Overhead Charge	
Class 41 - Personnel	\$ 8,996,000
Class 42 - Materials and Services	7,555,000
Class 43 - Capital Outlay	<u>313,858,000</u>
Total	\$ 330,409,000
Citywide Overhead Charge ¹	<u>6.75%</u>
Total CIB Program Administration Cost	\$ 22,303,000
Credit For City Contribution To Administration Cost ²	<u>(16,470,000)</u>
Administration Cost Allocated To New Development Service Population Growth (2004-2038)	\$ 5,833,000 <u>36,300</u>
Cost Per Capita	\$ 161
Cost Per Resident	\$ 161
Cost Per Worker ³	31

Note: "CIB" is the City of Gilroy Capital Improvement Budget.

¹ Standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support. For the CIB, includes costs for revenue collection, revenue and cost accounting, and mandated public facility fee reporting. Also includes Community Development Department costs for fee justification analyses, CIB management costs, and other departmental costs associated with administration of the CIB.

² These costs are not in the CIB. The City will absorb these costs in the General Fund.

³ Based on a weighting of workers to residents shown in Table 3.3.

Sources: Tables 3.3 and A.10; City staff; MuniFinancial.

Table 7.3: Maximum Justified CIB Administration Costs

	Maximum Justified Fee
Total Facilities	\$ 604,195,000
Citywide Overhead Charge ¹	<u>6.75%</u>
Total CIB Program Administration Cost	\$ 40,783,000
2038 Service Population	<u>85,300</u>
Cost Per Capita	\$ 478
Cost Per Resident	\$ 478
Cost Per Worker ²	91

Note: "CIB" is the City of Gilroy Capital Improvement Budget.

¹ Standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support. For the CIB, includes costs for revenue collection, revenue and cost accounting, and mandated public facility fee reporting. Also includes Community Development Department costs for fee justification analyses, CIB management costs, and other departmental costs associated with administration of the CIB.

² Based on a weighting of workers to residents shown in Table 3.3.

Sources: Tables 3.3 and A.9; City staff; MuniFinancial.

Table 7.4: CIB Administration Charge

Land Use	Density ¹	Proposed Fee		Maximum Justified Fee	
		Admin Costs per Capita	Total Admin Charge ²	Admin Costs per Capita	Total Admin Charge ²
<i>Residential (per dwelling unit)</i>					
Single Family	3.27	\$ 161	\$ 526	\$ 478	\$ 1,563
Multifamily	2.77	161	446	478	1,324
<i>Nonresidential (per 1,000 square feet)</i>					
Commercial	400	\$ 31	\$ 78	\$ 91	\$ 228
Industrial	900	31	34	91	101

Note: "CIB" is the City of Gilroy Capital Improvement Budget.

¹ Persons per dwelling unit for residential land uses and square feet per employee for nonresidential land uses.

² Fee per dwelling unit for residential and per 1,000 bldg square feet for nonresidential.

Sources: Tables 3.2, 7.2 and 7.3; FY 2003-04 Capital Improvement Budget; MuniFinancial.

Table 7.5: Public Facilities Fee

Land Use	Density ¹	Costs per Capita	Facility Fee	Admin. Charge ²	Total Fee ³	Difference ⁴
<u>Proposed Fee</u>						
Residential						
Single Family	3.27	\$ 5,846	\$ 19,116	\$ 526	\$ 19,642	
Multifamily	2.77	5,846	16,193	446	16,639	
Nonresidential						
Commercial	400	\$ 1,111	\$ 2,778	\$ 78	\$ 2,856	
Industrial	900	1,111	1,234	34	1,268	
<u>Maximum Justified Fee</u>						
Residential						
Single Family	3.27	\$ 6,027	\$ 19,708	\$ 1,563	\$ 21,271	\$ 1,629
Multifamily	2.77	6,027	16,695	1,324	18,019	1,380
Nonresidential						
Commercial	400	\$ 1,145	\$ 2,863	\$ 228	\$ 3,091	\$ 235
Industrial	900	1,145	1,272	101	1,373	105

¹ Persons per dwelling unit for residential land uses and square feet per employee for nonresidential land uses.

² Program administration costs.

³ Fee per dwelling unit for residential and per 1,000 bldg square feet for nonresidential.

⁴ Represents difference between the proposed public facilities fee and the maximum justified fee.

Sources: Tables 3.2, 7.1, and 7.4; FY 2003-04 Capital Improvement Budget; MuniFinancial.

Table 7.6: Public Facilities Fee Revenue

Land Use	New Development 2004-2038 ¹	Proposed Fee	Total Fee Revenue
<i>Residential</i>			
Single Family	7,193 x	\$ 19,642 =	\$ 141,285,000
Multifamily	3,715 x	16,639 =	61,814,000
<i>Nonresidential</i>			
Commercial	3,620 x	\$ 2,856 =	\$ 10,339,000
Industrial	3,610 x	1,268 =	<u>4,577,000</u>
Total Fee Revenue			\$ 218,015,000
Administrative Charge			<u>(5,833,000)</u>
Net Fee Revenue For Planned Facilities			\$ 212,182,000
Net Costs Allocated To Public Facilities Fee (Table 7.1)			<u>212,227,000</u>
Difference Due To Rounding			(45,000) (0.02%)

¹ Dwelling units for residential and thousands of square feet for nonresidential.

Sources: Tables 3.1, 7.1, 7.2, and 7.5; MuniFinancial.

Comparison to Existing Fee Program

The City is currently charging fees based on the FY 03-04 CIB for the five facility categories included in this study. These fees are projected to increase over time in real dollars to fully fund the CIB. The fees developed based on this analysis would remain flat over time in real dollars, only increasing to account for cost inflation. **Table 7.7** compares the CIB fees currently charge with the proposed fee programs by land use type.

Table 7.8 compares the fees that the CIB project will be charged in FY 2037-38 with the proposed fees by land use type. The CIB fees are projected to increase over time while the proposed fees would remain constant. Both sets of fees would be adjusted for cost inflation.

Table 7.7: Fee Comparison - Current (As Of FY 2003-04) Versus Proposed

	Parks	Police	Fire	Public Facilities	Library	Total
<u>Single Family (per du)</u>						
CIB FY 03-04 (current)	\$ 10,340	\$ 2,890	\$ 1,240	\$ 3,100	\$ 1,810	\$ 19,380
MuniFinancial (proposed)			--- Not Applicable ---			19,642
Increase/(Decrease)						262 1%
<u>Multifamily (per du)</u>						
CIB FY 03-04 (current)	\$ 7,380	\$ 4,690	\$ 1,790	\$ 600	\$ 1,290	\$ 15,750
MuniFinancial (proposed)			--- Not Applicable ---			16,639
Increase/(Decrease)						889 6%
<u>Commercial (per ksf)</u>						
CIB FY 03-04 (current)	\$ -	\$ 2,680	\$ 690	\$ 850	\$ -	\$ 4,220
MuniFinancial (proposed)			--- Not Applicable ---			2,856
Increase/(Decrease)						(1,364) (32%)
<u>Industrial (per ksf)</u>						
CIB FY 03-04 (current)	\$ -	\$ 120	\$ 140	\$ 600	\$ -	\$ 860
MuniFinancial (proposed)			--- Not Applicable ---			1,268
Increase/(Decrease)						408 47%

"MuniFinancial" represents fees developed by MuniFinancial for the current study, and unlike the CIB fees, would not vary in real dollars by fiscal year.

Sources: City of Gilroy, *Capital Improvement Budget*; Table 7.5; MuniFinancial.

Table 7.8: Fee Comparison - Current (Projected For FY 2037-38) Versus Proposed

	Parks	Police	Fire	Public Facilities	Library	Total
<u>Single Family (per du)</u>						
CIB FY 37-38 (current)	\$ 25,870	\$ 4,300	\$ 2,800	\$ 7,600	\$ 1,950	42,520
MuniFinancial (proposed)			--- Not Applicable ---			19,642
Increase/(Decrease)						(22,878) (54%)
<u>Multifamily (per du)</u>						
CIB FY 37-38 (current)	18,460	6,980	4,030	1,460	1,390	32,320
MuniFinancial (proposed)			--- Not Applicable ---			16,639
Increase/(Decrease)						(15,681) (49%)
<u>Commercial (per ksf)</u>						
CIB FY 37-38 (current)	-	3,970	1,560	2,080	-	7,610
MuniFinancial (proposed)			--- Not Applicable ---			2,856
Increase/(Decrease)						(4,754) (62%)
<u>Industrial (per ksf)</u>						
CIB FY 37-38 (current)	-	180	310	1,460	-	1,950
MuniFinancial (proposed)			--- Not Applicable ---			1,268
Increase/(Decrease)						(682) (35%)

"MuniFinancial" represents fees developed by MuniFinancial for the current study, and unlike the CIB fees, would not vary in real dollars by fiscal year.

Sources: City of Gilroy, *Capital Improvement Budget*; Table 7.5; MuniFinancial.

Implementation

This section identifies tasks that the City should complete when implementing a fee program.

Council Adoption

The City Council should adopt the proposed fee schedule in compliance with *California Government Code* Sections 66016 through 66018. The City should:

- ◆ Send a notice of a public hearing at least 14 days prior to the hearing to any party that has submitted a written request for such a notice. Have this report and all supporting documentation such as the updated facility master plans available for review by the public at least 10 days prior to the hearing;
- ◆ Hold the public hearing to consider adoption of the fee schedule;
- ◆ Adopt an implementing ordinance to establish the City's authority to impose the proposed fee and automatically adjust the fee annually for inflation, and adopt a resolution to set the fee based on the proposed fee schedule;
- ◆ Begin collecting the fee no sooner than 60 days following adoption of the ordinance and resolution.

Fee Accounting

The City should deposit all fee revenues into a new restricted public facility fee account. Interest earned on fund balances should be credited to the fund.

Programming Revenues

The City should annually update the CIB to program all existing fund balances and projected fee revenue to specific capital projects. The City should only use fee revenues for projects that expand the City's ability to deliver fire, general, library, parks and recreation, and police services to accommodate new development. Use of the CIB in this manner documents a reasonable relationship between new development and the use of fee revenues. Programming all fund balances and fees to specific projects also ensures that the City will not violate the statutory limitation against holding undesignated fee revenues longer than five years.

The City should update its facility master plans as its needs change. The City may alter the scope of the planned projects, or substitute new projects as long as the project continues to represent an expansion of the City's general public facility capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the City should revise the fee accordingly.

Identify Non-fee Revenue Sources

The City should identify non-fee revenue sources necessary to fully fund the CIB (see Chapter 8 for more discussion). The City should take any actions necessary to secure

those funds. The City will need to identify the source and timing of these revenues every five years as part of statutory reporting requirements (see *Reporting Requirements*, below).

Inflation Adjustment

The City should adjust the fee annually for inflation in the cost of projects to be funded by the fee. A construction cost index should be based on a reputable and easily identifiable source such as the *Engineering News Record*.

Reporting Requirements

The City should comply with the annual and five-year reporting requirements of *Government Code 66000* et seq. Annually the City must identify the fee revenues received and for what purposes they were expended. For facilities to be funded with a combination of impact fees and other revenues, every five years the City must identify the source and amount of the other revenues. The City must also identify when the other revenues are anticipated to be available to fund the project.

CHAPTER 8: ADDITIONAL FUNDING SOURCES

The City's *Capital Improvement Budget* (CIB) includes funding sources in addition to revenues from facility fees paid by new development. These funding sources would be used to fully fund the CIB and would not be used to reduce the obligation of new development to pay facility fees. These additional funding sources include:

- ♦ **Existing facility fee fund balances:** These fund balances were accumulated from prior unspent facility fees. These funds are in separate restricted accounts for the City's current park, police, fire, public, and library facilities fees. The new public facilities fee documented in this report will replace these existing fees. These existing fund balances will remain in their restricted accounts and will only be used to fund the types of facilities for which they were originally intended as shown in Tables 4.2, 4.4, and 4.6.
- ♦ **Grants:** These revenues include County funds and State grants for libraries, Proposition 12 grants, regional agency contributions, and developer exactions for parks. These grants have either been awarded or applied for but not awarded.
- ♦ **Transfers:** Transfers from the City's General Fund for primarily to subsidize the public facilities fee on specific projects as an economic development incentive.
- ♦ **Other Sources To Be Identified:** The City will need to identify additional revenue sources to fully fund the CIB through the 2038 planning horizon. These additional sources could include, for example, additional grants or General Fund transfers and voter approved taxes, charges, or assessments. These funding sources are explained in more detail below.

Table 8.1 summarizes estimated revenues for funding the CIB. The table shows that \$120 million in funding in addition to public facilities fee revenue is needed to fully fund the CIB. This amount represents the cost of increasing facility standards for existing (2004) development to levels planned for 2038. This amount can also be considered the cost of correcting existing deficiencies based on facility standards planned for 2038. New development is not responsible for this share of the CIB costs.

As shown in Table 8.1 revenue to fund about \$81 million or 21 percent of total CIB costs has yet to be identified. This is not an unreasonable amount to expect the City to identify over the 35-year planning horizon of the CIB. To comply with state law every five years following adoption of the public facilities fee the City will need to identify (1) what revenue sources will provide funding to complete the CIB, and (2) when this revenue is anticipated.

Table 8.1: Additional Capital Improvement Funding

	2004-2038	
Existing Fund Balances ¹	\$ 4,951,000	1%
General Fund Transfers ²	3,565,000	1%
Grants ³	31,119,000	8%
Other Sources To Be Identified	<u>80,700,000</u>	<u>21%</u>
Subtotal Additional Funding	\$ 120,335,000	32%
Public Facilities Fee ⁴	<u>257,912,000</u>	<u>68%</u>
Total Planned Facilities Costs	\$ 378,247,000	100%

¹ Fund balances for existing public facility fees as of June 30, 2002. These fees will no longer be collected with adoption of the proposed public facilities fee. Fund balances will be used to fund planned facilities according to the original intended use of those fees.

² Includes economic development incentives.

³ Includes grants and proceeds from state bond funds.

⁴ Includes interest on future facility fee fund balances.

Sources: Tables 6.1, A.10, and A.11; MuniFinancial.

The following sections summarize the potential alternative funding sources and financing mechanisms available for both capital and operating and maintenance expenses in addition to development impact fees. Any of these alternatives could be used to fund the “Other Sources to be Identified” in Table 8.1.

General and Special Taxes

The California Constitution distinguishes between general taxes and special taxes. General taxes, those taxes whose revenues are used for general governmental purposes, require a majority approval by voters to institute or increase. The resulting revenues accrue to a City’s General Fund and thus compete with other programs for available dollars. Although future City revenues will grow as the City’s population grows, the demands for services will also increase. These demands may limit the ability to dedicate or allocate General Fund revenues to needed capital facilities.

Special taxes are defined as those taxes whose revenues are dedicated to uses specified in the ballot measure adopting the tax. Special taxes require a two-thirds vote of the electorate to implement. Polling indicates that special taxes usually fair better in elections, even with the higher approval hurdle, because voters prefer to restrict the use of new revenues to desired purposes.

Property Taxes

Until Proposition 13 passed in 1978, property tax was the main source of revenue for local governments. Proposition 13 froze property taxes for homeowners at their 1976

level and limited the increase to no more than 2 percent annually. As properties re-sell, the new property tax can be no more than 1 percent of the acquisition value, and then cannot increase more than 2 percent annually.

In 1986, voters approved an amendment to Proposition 13 to permit property tax rate increases above the one percent level with two-third-voter approval, but only to support general obligation bonds. These bonds are one of the lowest cost sources of public financing because their reliance on property tax revenue makes them highly secure investments. General obligation bonds can only be used for capital facilities or land acquisition costs and not for maintenance or operations.

Parcel Taxes

Parcel taxes are levied as a flat rate on each parcel of land regardless of property value. Different rates may apply to broad categories of land uses such as single-family residential, multi-family residential, and nonresidential. Under Proposition 13 parcel taxes are considered to be special taxes requiring approval by two-thirds of voters.

Excise Taxes

An excise tax is an “activity tax” levied on the availability or privilege of using certain services or facilities and is not levied on property. The primary purpose of an excise tax is to raise revenue and not to regulate. Excise taxes are levied as a percent of the transaction value. Examples of excise taxes and the types of transactions upon which the tax is levied are listed below:

- ◆ Admissions tax (theater tickets charges)
- ◆ Construction tax (construction value)
- ◆ Parking tax (parking charges)
- ◆ Payroll tax (payroll amount)
- ◆ Property transfer tax (real estate sales)
- ◆ Sales tax (retail transactions)
- ◆ Transient occupancy tax (hotel and motel room charges)
- ◆ Utility user’s tax (utility bills)

An excise tax may be either a special or a general purpose tax depending on whether or not revenues are dedicated to specified uses, as discussed above.

Assessments

Assessments are charges levied against real property by cities and counties to finance the construction or maintenance of public improvements. Assessments must be levied in proportion to the special benefit received by the property from the facilities or services funded by the assessment. Special benefit to the assessed property must be in addition

to general benefits available to the public at large. The need to demonstrate a special benefit to the property, and to charge in proportion to the special benefit received, distinguishes assessments from taxes (the latter does not have these restrictions).

There are many different enabling acts in state law that allow local government to form a variety of assessment districts, each with its own restriction on the types of public services and facilities that can be funded. Many districts can issue bonds to fund capital facilities with repayment secured by the assessment.

With passage of Proposition 218 assessments must now be approved by a majority vote of property owners that would pay the assessment. Votes are weighted by the amount of the assessment assigned to each parcel. Most assessment districts are formed as part of the development process with the developer agreeing to place the assessment on the property in return for public financing of needed infrastructure. In addition, with increasing service demands combined with constraints on local government revenues, many agencies have received voter approval from existing residents and businesses for assessments to fund facilities and services.

Property-related Fees and Charges

Property-related fees and charges as defined by Proposition 218 are levied against real property as an incident of property ownership. Primary examples include charges for utility services including solid waste collection, storm drain, water, and wastewater. Revenues can only be used for the purpose for which the fee or charge was imposed. The fee or charge for a property must not be any greater than the cost of the service to that property. Fees can only be charged for those services readily available to the property and cannot be charged for potential future use (“standby” charges).

With several exceptions, Proposition 218 requires that property-related fees and charges be approved by a majority of property owners. There is no weighting of votes based on the projected amount of the charge as there is with special assessments, described above. The exceptions to the voter requirement are for water, wastewater, and solid waste collection charges. Thus, storm drain is a key property-related service that must have any fees or charges approved by property owner vote. Electric service is exempt under Proposition 218 from any of these requirements.

Community Facilities District Special Tax (Mello-Roos)

A Community Facilities District (CFD) special tax (also known as a “Mello Roos” tax) is a special tax levied on properties in a CFD to pay for public facilities and services that benefit district properties. CFD special taxes can be used for a wide range of facilities and services, including parks, schools, police, and fire services. CFD special tax revenues can either fund operating and maintenance activities, or be used to secure bonds for capital facilities. As a special tax the amount paid by a property does not have to coincide with benefits received or cost of service, like an assessment or a property-related fee or charge.

Approval of a CFD requires an election of two thirds of the registered voters in the designated area. However, the majority of districts to date have been formed under a provision that permits approval by the owners of two-thirds of the land if the district contains less than 12 voters. As with assessment districts, to facilitate new development these CFD districts are formed as part of the development process with the developer agreeing to place the special tax on the property in return for public financing of needed infrastructure.

Land and Public Facility Dedications

Dedications are imposed on developers by either cities or counties for the privilege of developing land in the jurisdiction. Dedications may be set by ordinance, such as a parkland dedication ordinance, or negotiated on a project-by-project basis based on adopted subdivision standards. It is common for developers to dedicate rights-of-way for land needed for public improvements such as streets, parks, and utility corridors. Developers may also build facilities designed to meet public engineering standards, such as roads or park improvements, and dedicate the facility to the local agency. In any case the dedication must have a reasonable relationship, or “nexus”, to the impacts of the development project.

Dedications can be used as a partial alternative to, or in combination with, impact fees. For example, a developer can be required to construct an “oversized” road to accommodate future growth. The fees generated from future development can be used to pay back the developer for all or a portion of the oversizing.

Development Agreements

A development agreement offers a means to overcome the “nexus” requirement of dedications and exactions. As a contract between the jurisdiction and a developer, there is more flexibility in imposing dedications and exactions where no strong nexus can be shown. Development agreements between public agencies and developers provide developers with assurance that the land use regulations for a project will not be changed in the future, and specify the commitments of both the public and private sector parties to financing, impact mitigation, phasing and other elements of the development program.

Grants/Other Governmental Sources

There are a variety of grant programs and other funding sources available to fund facilities. Most of these programs experience a great deal of competition. **Tables 8.2 and 8.3** present current examples of grants that the City of Gilroy has applied for or been awarded.

Table 8.2: Grant Applications Status - Awarded

Fund Source Project	\$ Applied	\$ Awarded	Project Status	
			A - Application	D - Design C - Construction
<u>METROPOLITAN TRANSPORTATION COMMISSION (MTC) TRANSPORTATION FOR LIVABLE COMMUNITIES (TLC) CAPITAL GRANT APPLICATION</u> Monterey Street Streetscape Improvements: Sixth to Seventh Streets	\$1,474,000	\$1,474,000	C	Project substantially complete. Staff to compile punch list items.
<u>CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT PROGRAM (CMAQ)</u> Monterey Operational Improvement Project: Third to Fifth Streets & Ninth Street	\$417,000	\$417,000	C	Project in construction. Project under redesign due to failure to recognize the age of current system.
<u>CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT PROGRAM (CMAQ)/SURFACE TRANSPORTATION PROGRAM (STP) MATCH</u> Monterey Operational Improvement Project: Third to Fifth Streets & Ninth Street	\$53,000	\$53,000	C	Project in construction. Project under redesign due to failure to recognize the age of current system.
<u>AB 2928</u> Payment Management	\$300,000	\$300,000	C	Awarded FY 03/04. Project in progress.
<u>TRANSPORTATION DEVELOPMENT ACT - TIER 1 (VTA)</u> Uvas Trail extensions to Sports Park	\$363,000	\$363,000	D	Awarded 2000/2001. In design.
<u>HISTORICAL PROJECT FUNDING GRANT - SANTA CLARA COUNTY</u> Historical Gilroy Museum: renovation and public access (elevator for ADA access)	\$75,000	\$43,000	D	Approved June 2003. In design.
<u>SAFE NEIGHBORHOOD PARKS, CLEAN WATER, CLEAN AIR AND COASTAL PROTECTION</u> Playground Renovation: Forest Street Park Major Playground Renovation Oaks Playground Renovation at Las Animas Veterans Park	\$364,000	\$364,000	D	Submitted application June 2003. In design.
<u>REGIONAL SIGNAL TIMING PROGRAM (MTC)</u> Signal Timing Improvements along Leavesley Road, Monterey Street, and Tenth Street corridors	\$31,500	\$31,500	D	Awarded March 2004. Currently working with design consultant.
<u>TETAP (MTC)</u> Left-turn phasing at five signalized intersections Collision Database analysis	\$50,000	\$15,000	D	Funds awarded for Collision Database analysis only due to limited funds available and number of applications received. Consultant "Scope of Work" is being prepared.
<u>TRANSPORTATION DEVELOPMENT ACT - ARTICLE 3 (VTA)</u> ADA ramp project	\$67,000	\$67,000	D	In design.
<u>P-TAP (MTC)</u> Update of Pavement Management System, primarily MTC StreetSaver software	\$22,132	\$22,132	D	Matching funds of \$2867.50 to be sent to MTC.
<u>CALIFORNIA PARKS BOND 2000</u> Gilroy Sports Park Community Center	\$400,000	\$377,600	A	Gym was ineligible project for grant. Sports Park Community Center selected as eligible project.
<u>INTELLIGENT TRANSPORTATION SYSTEMS (ITS) (VTA)</u> Traffic Signal System Upgrade Event Management System Adaptive Signal Timing Program Flood Watch Camera Installations	\$4,048,000 940,000 1,130,000 <u>547,000</u> \$6,665,000		NA	* Projects incorporated in VTA's VTP 2030 - Valley Transportation Plan 2030 - planning document, as projects eligible for future funding, when available. Another grant application will need to be submitted for construction when a future "call for projects" is solicited. Please Note: "\$ Applied" not including in final total.
<u>LOCAL STREETS & COUNTY ROADS (LS&CR) (VTA)</u> Gilman Road-Arroyo Circle Arroyo Improvements Uvas Park Drive Roadway Extension Mantelli Drive Corridor Improvements First Street / HWY 152 Roadway Widening Farrell Avenue Bridge Widening Citywide Sidewalk Improvements Citywide Class II and III Bicycle Route Improvements	\$5,605,000 1,774,000 1,584,000 929,000 1,174,000 1,450,000 <u>564,000</u> \$13,080,000		NA	* Projects incorporated in VTA's VTP 2030 - Valley Transportation Plan 2030 - planning document, as projects eligible for future funding, when available. Another grant application will need to be submitted for construction when a future "call for projects" is solicited. Please Note: "\$ Applied" not included in final total.
Total Current Fund Awarded	\$3,616,632	\$3,527,232		Difference of \$ 89,400 between "Applied" and "Awarded"

Source: City of Gilroy; MuniFinancial

Table 8.3: Grant Applications Status - Applied

Fund Source Project	\$ Applied	\$ Awarded	Project Status	
			A - Application	D - Design C - Construction
<u>BICYCLE TRANSPORTATION ACCOUNT (BTA) (CAL TRANS)</u>			Pending	A Applications submitted to Caltrans December 2003.
South Santa Teresa Trail	\$1,800,000			
Debell/Uvas Creek Park Trail	1,662,000			
Ronan Channel Trail & Class III Bike Routes	<u>1,800,000</u>			
	\$5,262,000			
<u>MURRAY-HADEN URBAN PARKS</u>	\$2,000,000	Pending	A	Applied in January 2004. Application in review. Grant requires city match.
Youth Center Grant				
<u>CALIFORNIA STATE LIBRARY</u>	\$12,700,000	Pending	A	Cycle 3 application submitted January 16, 2004. Application in review. State grant award notice anticipated September/October 2004.
<u>2000 BOND CONSTRUCTION GRANT</u>				
Gilroy Library: new construction				
<u>SAFE ROUTES TO SCHOOL (SR2S) PROGRAM FUNDS (CALTRANS)</u>		Pending	A	Two applications in review. Applications submitted to Caltrans February 2004.
Tenth Street-Princevalle Street improvements	\$451,096			
Pedestrian Improvements	<u>499,508</u>			
	\$950,604			
<u>TRANSPORTATION DEVELOPMENT ACT - ARTICLE 3 (VTA)</u>	\$121,277	Pending	A	Applications submitted to VTA April 16, 2004. Funds are guaranteed.
Maintenance of Uvas Trail				
Class I trail at Uvas and Santa Teresa (under-crossing at Third Street)				
Class II and III maintenance				
<u>FEDERAL SURFACE TRANSPORTATION PROGRAM (VTA)</u>	\$288,978	Pending	A	Application submitted to VTA July 13, 2004.
Rossi Lane: Luchessa Avenue to End				
Murray Avenue at Tomkins Court				
<u>METROPOLITAN TRANSPORTATION COMMISSION (MTC)</u>	\$2,685,578	Pending	A	Application submitted to MTC July 16, 2004. Draft of recommended projects due October 2004.
<u>TRANSPORTATION FOR LIVABLE COMMUNITIES (TLC)</u>				
<u>CAPITAL GRANT APPLICATION</u>				
Monterey Street Streetscape Improvements: Fourth to Sixth Streets				
Total Current Funds Applied	\$24,030,569			

Source: City of Gilroy; MuniFinancial

Private Sources

The City, either independently or working in concert with a non-profit entity, can solicit donations and grants from private individuals and corporations. Although such grants and donations may not generate large sums, a program to solicit donations and grants will be valuable to create public awareness and involvement in other forms of funding (e.g., special taxes, etc.).

APPENDIX A: FACILITY COSTS AND DEMAND FACTORS

This appendix provides detailed information regarding:

- ◆ Unit values and total values for each existing facility, and unit costs and total costs for each planned facility project;
- ◆ A summary of total existing facility values and planned facility costs; and
- ◆ The calculation of the service population demand factor for nonresidential land uses.

Values and Costs By Facility

Tables A.1 and A.2 summarize the existing and planned land acreage and unit costs. The unit costs include the value of the land and any related land improvements. Table A.2 includes planned improvements in existing parks (facilities without any land costs listed). The values for existing facilities in Table A.1 have been discounted for the cost of these planned improvements. **Table A.3** summarizes the existing and planned land facilities and calculates an average cost per acre.

Table A.1: Existing Public Facilities Land Inventory and Value

Facility	Unit Cost			Inventory	Gross Replacement Value (Current \$)	Discount for Planned Improvements ¹	Net Value
	Land	Improvements	Total				
Improved Parkland							
Butcher Park	\$ 411,000	\$ 294,000	\$ 705,000	0.10	\$ 71,000	\$ -	\$ 71,000
Christmas Hill Park	411,000	294,000	705,000	65.87	46,438,000	-	46,438,000
Del Rey Park	411,000	294,000	705,000	3.00	2,115,000	(200,000)	1,915,000
El Roble Park	411,000	294,000	705,000	3.50	2,468,000	(212,000)	2,256,000
Forest Street Park	411,000	294,000	705,000	0.78	550,000	(366,000)	184,000
Las Animas Veterans Park	411,000	294,000	705,000	25.58	18,034,000	-	18,034,000
Miller Park	411,000	294,000	705,000	4.14	2,919,000	(275,000)	2,644,000
Rainbow Park	411,000	294,000	705,000	2.25	1,586,000	-	1,586,000
Renz Park	411,000	294,000	705,000	0.52	367,000	(7,000)	360,000
San Ysidro Park	411,000	294,000	705,000	9.25	6,521,000	(265,000)	6,256,000
Uvas Levee	411,000	294,000	705,000	2.12	1,495,000	-	1,495,000
Wheeler Community Center & Tot Lot	411,000	294,000	705,000	1.50	1,058,000	-	1,058,000
Subtotal				118.61	\$ 83,622,000	\$ (1,325,000)	\$ 82,297,000
Open Space							
Gilroy Golf Course	\$ 35,000	\$ -	\$ 35,000	92.00	\$ 3,220,000	\$ -	\$ 3,220,000
Uvas Creek Park Preserve	35,000	-	35,000	125.00	4,375,000	-	4,375,000
Uvas Staging Area	35,000	-	35,000	2.21	77,000	-	77,000
Babbs Creek Park Reserve	35,000	-	35,000	4.00	140,000	-	140,000
Subtotal				223.21	\$ 7,812,000	\$ -	\$ 7,812,000
Unimproved Parkland							
Carriage Hills Park	\$ 411,000	\$ -	\$ 411,000	3.00	\$ 1,233,000	\$ -	\$ 1,233,000
Christmas Hill Park	411,000	-	411,000	31.60	12,988,000	-	12,988,000
Farrell Avenue Park	411,000	-	411,000	6.00	2,466,000	-	2,466,000
Gilroy Sports Park	411,000	-	411,000	78.90	32,428,000	-	32,428,000
Las Animas Veterans Park	411,000	-	411,000	3.00	1,233,000	-	1,233,000
Los Arroyos Park	411,000	-	411,000	2.10	863,000	-	863,000
Sunrise Park	411,000	-	411,000	8.00	3,288,000	-	3,288,000
Subtotal				132.60	\$ 54,499,000	\$ -	\$ 54,499,000
Other Public Facility Land							
Gilroy City Hall	411,000	-	411,000	3.40	\$ 1,397,000	-	1,397,000
Gilroy Senior Center	411,000	-	411,000	0.09	37,000	-	37,000
Gilroy Youth Center	411,000	-	411,000	0.90	370,000	-	370,000
Willey Cultural Center	411,000	-	411,000	0.35	145,000	-	145,000
Corporation Yard	411,000	-	411,000	3.40	1,397,000	-	1,397,000
Downtown Parking Lot	411,000	-	411,000	0.41	169,000	-	169,000
Downtown Parking Lot	411,000	-	411,000	0.36	148,000	-	148,000
Downtown Parking Lot	411,000	-	411,000	0.48	197,000	-	197,000
Downtown Parking Lot	411,000	-	411,000	0.29	119,000	-	119,000
Downtown Parking Lot	411,000	-	411,000	0.20	82,000	-	82,000
Old City Hall	411,000	-	411,000	0.58	238,000	-	238,000
City Museum	411,000	-	411,000	0.14	58,000	-	58,000
Visitor's Bureau	411,000	-	411,000	0.45	185,000	-	185,000
Main Police Station	411,000	-	411,000	2.10	863,000	-	863,000
Shooting Range	411,000	-	411,000	1.75	719,000	-	719,000
New Police Facility Land ²	411,000	3,205,000	3,616,000	1.89	6,834,000	-	6,834,000
Chestnut Fire Station	411,000	-	411,000	1.40	575,000	-	575,000
Las Animas Fire Station	411,000	-	411,000	0.75	308,000	-	308,000
Sunrise Fire Station	411,000	-	411,000	1.20	493,000	-	493,000
Library	411,000	-	411,000	2.00	822,000	-	822,000
Subtotal				22.14	\$ 15,156,000	\$ -	\$ 15,156,000
Miscellaneous Yearly Park Improvement³						\$ (2,250,000)	\$ (2,250,000)
Total Existing Facilities - Land				496.56	\$ 161,089,000	\$ (3,575,000)	\$ 157,514,000

Note: N/A represents improvements to land owned by the City. The value of existing improved land for facilities with additional planned projects has been discounted.

¹ Value discounted for planned improvements included in Capital Improvement Budget (CIB).

² Includes costs for relocating homes to enable redevelopment.

³ Existing inventory discounted to allow for additional improvements budgeted in CIB.

Sources: City of Gilroy; MuniFinancial.

Table A.2: Planned Public Facilities Land Inventory and Value

Facility	Unit Cost		Total	Inventory	Value
	Land	Improvements			
Downtown Pocket Park	\$ 411,000	\$ -	\$ 411,000	0.01	\$ 6,000
Farrell Park	169,100	-	169,100	3.64	616,000
Performing & Visual Arts (land)	1,420,630	-	1,420,630	2.30	3,267,000
Aquatics Facility	411,000	-	411,000	6.00	2,466,000
Gilroy Sports Park I & II	100,000	-	100,000	1.87	187,000
Murray Ave Park	411,000	294,000	705,000	3.00	2,115,000
Hecker Pass Park	411,000	294,000	705,000	3.00	2,115,000
Glen Loma Ranch Parks	411,000	294,000	705,000	6.00	4,230,000
Youth Center	411,000	-	411,000	1.23	506,000
Bicycle Track ¹	411,000	191,667	602,667	3.00	1,808,000
Trail	50,000	35,000	85,000	20.40	1,734,000
Downtown Plaza	1,421,000	294,000	1,715,000	1.50	2,573,000
Miller Park	N/A	N/A	N/A	N/A	275,000
Forest Street Park	N/A	N/A	N/A	N/A	366,000
San Ysidro Park	N/A	N/A	N/A	N/A	265,000
El Roble Park	N/A	N/A	N/A	N/A	212,000
Renz Park	N/A	N/A	N/A	N/A	7,000
Del Rey Park Improvement	N/A	N/A	N/A	N/A	200,000
Miscellaneous Yearly Park Improvement	N/A	N/A	N/A	N/A	2,250,000
Christmas Hill Park	N/A	N/A	N/A	N/A	3,377,000
Las Animas Veterans Park	N/A	N/A	N/A	N/A	2,923,000
Sunrise Park Site	N/A	N/A	N/A	N/A	2,673,000
Farrell Avenue Park	N/A	N/A	N/A	N/A	1,070,000
Carriage Hills Park	N/A	N/A	N/A	N/A	864,000
Los Arroyos Park	N/A	N/A	N/A	N/A	940,000
Santa Teresa/Third St Park	N/A	N/A	N/A	N/A	1,985,000
New Park Acquisition & Improvements					
Neighborhood Park	411,000	294,000	705,000	4.00	2,820,000
Neighborhood Park	411,000	294,000	705,000	4.00	2,820,000
Neighborhood Park	411,000	294,000	705,000	4.00	2,820,000
Neighborhood Park	411,000	294,000	705,000	4.00	2,820,000
Neighborhood Park	411,000	294,000	705,000	4.00	2,820,000
Glenview Mini Park	1,421,000	294,000	1,715,000	1.50	2,573,000
First Street Mini Park	1,421,000	294,000	1,715,000	1.50	2,573,000
North Side Community Park	411,000	294,000	705,000	40.00	28,200,000
Llagas Community Park	411,000	294,000	705,000	40.00	28,200,000
Gilroy Sports Park	N/A	N/A	N/A	75.37	25,874,000
Luchessa Ave Staging Area	N/A	N/A	N/A	N/A	496,000
Police Station Addition	411,000	-	411,000	0.34	140,000
Purchase Police Station	N/A	N/A	N/A	N/A	2,738,000
Additional Civic Center Land	411,000	1,989,000	2,400,000	0.86	2,064,000
Additional Corp Yard Site	411,000	-	411,000	1.35	555,000
4th and 5th Fire Station	411,000	-	411,000	2.00	822,000
Fire Training Facility	411,000	-	411,000	2.19	900,000
Library Addition	411,000	-	411,000	0.37	152,000
Total Planned Facilities - Land		\$ 6,037,667		237.43	\$ 148,417,000

Note: N/A represents improvements to land owned by the City. The value of existing improved land for facilities with additional planned projects has been discounted.

¹ Improvement cost assumes lump sum cost of \$500,000 for 3 acre site.

Sources: City of Gilroy, FY 2003-04 *Capital Improvement Budget*; MuniFinancial.

Table A.3: Total Land Inventory and Value

	Value	Acres	Average Unit Cost
<i>Land</i>			
Existing	\$ 157,514,000	496.56	
Planned	<u>148,417,000</u>	<u>237.43</u>	
Total	\$ 305,931,000	733.99	\$ 417,000

Sources: Tables A.1 and A.2; MuniFinacial.

Tables A.4 and A.5 summarize the existing and land building square feet and unit costs, respectively. The value in Table A.4 has been discounted to account for future improvements to existing buildings budgeted in the CIB. **Table A.6** summarizes the existing and planned building square feet and calculates an average cost per square foot of facilities.

Table A.4: Existing Public Facilities Building Inventory and Value

	Inventory	Unit Cost	Gross Replacement Value (Current \$)	Discount for Planned Improvements ¹	Net Value
Office Buildings and Recreation Centers					
Christmas Hill Park					
Ranch Site Temp. Environ Ed Center	1,920	\$ 200	\$ 384,000	\$ -	\$ 384,000
Gilroy Golf Course Rental House	1,440	200	288,000	-	288,000
Gilroy Senior Center	10,850	200	2,170,000	-	2,170,000
House on 7351 Hanna St (storage)	1,099	200	220,000	-	220,000
Las Animas Veterans Park Recreation Bldg.	1,792	200	358,000	-	358,000
Las Animas Veterans Park Recreation Bldg.	400	200	80,000	-	80,000
San Ysidro Park Park Bldg.	1,813	200	363,000	-	363,000
Wheeler Community Center	15,334	200	3,067,000	-	3,067,000
Willey Cultural Center	2,251	200	450,000	-	450,000
City Hall & Annex ²	30,215	200	6,043,000	(761,000)	5,282,000
City Museum	4,240	200	848,000	-	848,000
Visitor's Bureau	864	200	173,000	-	173,000
Neighborhood House	960	200	192,000	-	192,000
Library	12,700	200	2,540,000	(2,540,000)	-
Subtotal	85,878		\$ 17,176,000	\$ (3,301,000)	\$ 13,875,000
Sheds and Garages					
Christmas Hill Park Ranch Site Trailer/Office Bldg	696	\$ 140	\$ 97,000	\$ -	\$ 97,000
Gilroy Golf Course Club House	2,160	140	302,000	-	302,000
Corporation Yard	11,565	140	1,619,000	-	1,619,000
Police Garage	754	140	106,000	-	106,000
Evidence Trailer	504	140	71,000	-	71,000
Police Sheds (2)	224	140	31,000	-	31,000
Police Trailers (2)	256	140	36,000	-	36,000
Shooting Range Trailer	1,440	140	202,000	-	202,000
Other Police Buildings	1,500	140	210,000	-	210,000
Chestnut Shed	660	140	92,000	-	92,000
Las Animas Shed	100	140	14,000	-	14,000
Subtotal	19,859		\$ 2,780,000	\$ -	\$ 2,780,000
Special Use Facilities					
Chestnut Fire Station	6,958	\$ 265	\$ 1,844,000	\$ -	\$ 1,844,000
Las Animas Fire Station	5,428	265	1,438,000	-	1,438,000
Old City Hall ³	12,883	269	3,466,000	-	3,466,000
Main Police Station ⁴	17,665	270	4,770,000	(2,070,000)	2,700,000
Gilroy Train Depot ⁵	1,970	674	1,327,000	-	1,327,000
Subtotal	44,904		\$ 12,845,000	\$ (2,070,000)	\$ 10,775,000
Total Existing Facilities - Buildings	150,641		\$ 32,801,000	\$ (5,371,000)	\$ 27,430,000

¹ Value discounted for planned improvements included in Capital Improvement Budget (CIB).

² Value discounted from CIB to represent future renovations to existing City Hall to house Fire HQ relocation.

³ Includes additional \$2,567,000 for historic renovation.

⁴ Value discounted from CIB to represent future renovations to become City Hall Annex.

⁵ Includes additional \$1,061,746 for historic renovation.

Sources: City of Gilroy; MuniFinancial.

Table A.5: Planned Public Facilities Building Inventory and Value

	Inventory	Unit Cost	Value
Senior Center Expansion	5,500	\$ 200	\$ 1,100,000
Willey Cultural Center Expansion ¹	1,000	296	296,000
Gilroy Youth Center	5,732	841	4,822,000
Wheeler Community Center	2,200	200	440,000
Museum Access	N/A	N/A	278,000
Indoor Recreation and Sports Facility	14,316	296	4,238,000
Performing & Visual Arts (building)	28,000	321	8,983,000
Aquatics Facility	42,500	338	14,344,000
Environmental Center	10,500	200	2,100,000
Sunrise Community Center	4,500	200	900,000
New Police Station	48,970	548	26,821,000
Police Station Addition	5,357	468	2,507,000
Police Station Addition Secured Parking	N/A	N/A	1,350,000
City Hall Annex	17,665	117	2,070,000
City Hall Additions	25,840	200	5,168,000
New Corp Yard Building Improvements	9,811	200	1,962,000
New Corp Yard Site Improvements	N/A	N/A	6,832,000
Corp Yard Facility Improvements	N/A	N/A	3,192,000
New Fire Station Construction	25,674	418	10,722,000
Fire Training Facilities	6,000	350	2,100,000
Existing Fire Station Improvement	3,613	364	1,315,000
Headquarters Relocation	2,090	364	761,000
Sunrise Temp Facility	N/A	N/A	28,000
Library Expansion	48,812	468	22,866,000
Library Addition	12,790	341	4,361,000
Addition Parking	<u>N/A</u>	<u>N/A</u>	<u>1,451,000</u>
Total Planned Facilities - Buildings	320,870		131,007,000

¹ Assumes costs for historic renovation.

Sources: City of Gilroy, FY 2003-04 *Capital Improvement Budget*; MuniFinancial.

Table A.6: Total Building Inventory and Value

	Value	Sq. Ft.	Average Unit Cost
<i>Buildings</i>			
Existing Sq. Ft.	\$ 27,330,000	150,641	
Planned Sq. Ft.	<u>131,107,000</u>	<u>320,870</u>	
Total Sq. Ft.	\$ 158,437,000	471,511	\$ 340

Sources: Tables A.4 and A.5; MuniFinancial.

Table A.7 summarizes other facilities that are existing and planned. The values have been discounted to represent future improvements to existing facilities that are budgeted in the CIB.

Table A.7: Other Public Facilities Inventory and Value

	Inventory	Type	Unit Cost	Total Cost
<i><u>Existing Facilities - Other Facilities</u></i>				
Christmas Hill Park Amphitheater	1	lump sum	\$ 1,700,000	\$ 1,700,000
Gavilan Sports Complex	8.3	acres	200,000	1,660,000
Las Animas Veterans Skateboard Park	1	lump sum	399,000	399,000
Gilroy Golf Course Improvements	47.0	acres	350,000	16,450,000
Vehicles (excluding Fire Department)	90	vehicles	27,000	2,389,000
Vehicles (Fire Department)	6	vehicles	467,000	2,800,000
Furnishings	1	lump sum	3,628,000	3,628,000
Communications/Dispatch	1	lump sum	2,500,000	2,500,000
Training & Equipment (police & fire)	98	personnel	64,000	6,234,000
Library Volumes (books, etc.)	135,000	volumes	24	<u>3,240,000</u>
Subtotal Existing Facilities - Other Facilities				\$ 41,000,000
<i><u>Planned Facilities - Other Facilities</u></i>				
CIB Administration ²	1	lump sum	\$ 8,996,000	\$ 8,996,000
Equipment and Furniture ³	1	lump sum	12,591,000	12,591,000
Vehicles (Fire Department)	5	vehicles	417,000	2,087,000
Civic Center Site Improvements	1	lump sum	19,675,000	19,675,000
Materials and Services	1	lump sum	7,555,000	7,555,000
Financing Costs	1	lump sum	47,838,000	47,838,000
Other	1	lump sum	85,000	<u>85,000</u>
Subtotal Planned Facilities - Other Facilities				\$ 98,827,000
Total Facilities - Other Facilities				\$ 139,827,000

¹ Value discounted for planned improvements included in Capital Improvement Budget (CIB).

² Personnel costs for Capital Improvement Budget administration.

³ Equipment and furniture related to Parks, Police, and Fire Master Plans.

Sources: City of Gilroy, FY 2003-04 *Capital Improvement Budget*; MuniFinancial.

Table A.8 presents the joint-use facilities inventory. These facilities were not included in the proposed public facilities fee calculation.

Table A.8: Joint-use Facilities Inventory

Facility	Sq Ft	Acres	Unit Cost	Percent Usage	Total
Gavilan College					
Theater	14,271	-	\$ 200	1%	\$ 29,000
Tennis Courts	12,000	-	200	3%	72,000
Sports Park	-	8.3	705,000	60%	3,511,000
Gymnasium	26,109	-	200	3%	157,000
Pools	750	-	100		
Gilroy High School					
Gymnasiums	21,018	-	\$ 200	28%	\$ 1,177,000
Theater	11,358	-	200	1%	23,000
Classrooms	1,061	-	200	1%	2,000
Pools	8,350	-	100	22%	184,000
Athletic Fields	-	31.3	705,000	22%	4,861,000
South Valley Jr. High					-
Gymnasiums	9,850	-	\$ 200	33%	\$ 650,000
Classrooms	1,088	-	200	2%	4,000
Pools	4,275	-	100	22%	94,000
Athletic Fields	-	16.7	705,000	22%	2,596,000
Brownell Jr. High					
Gymnasiums	6,453	-	\$ 200	3%	\$ 39,000
Classrooms	1,024	-	200	22%	45,000
Playground	-	2.3	705,000	22%	352,000
Athletic Fields	-	3.4	705,000	41%	994,000
Luigi Aprea School					
Classrooms	957	-	\$ 200	22%	\$ 42,000
Athletic Fields	-	3.9	705,000	22%	603,000
Glen View School					
Classrooms	1,053	-	\$ 200	22%	\$ 46,000
Playground	-	5.5	705,000	22%	847,000
Rod Kelly School					
Classrooms	864	-	\$ 200	22%	\$ 38,000
Playground	-	0.7	705,000	22%	104,000
Ascencio Solorsano School					
Gymnasium	14,316	-	\$ 200	70%	\$ 2,004,000
Ochoa Migrant Housing Multipurpose Room					
Room	1,900	-	\$ 200	22%	\$ 84,000
Kaiser Permanente Meeting Rooms					
Room	750	-	\$ 200	5%	\$ 8,000
Gilroy Health & Fitness					
Fitness Room	1,875	-	\$ 200	8%	\$ 30,000
Predators Archery Range					
Range	-	0.1	\$ 705,000	8%	\$ 4,000
Total Joint-use Facilities	139,322	72.18			\$ 18,600,000

Sources: City of Gilroy; MuniFinancial.

Tables A.9 summarizes the data in the previous tables to show total existing facility values and planned facility costs. The totals shown in this table will be less than the totals shown in the CIB by the amount of principal repayment on bonds and internal transfers to avoid double counting.

Table A.9: Total Existing and Planned Facilities

	Existing Inventory	Planned Facilities	Total Facilities
Land	\$ 157,514,000	\$ 148,417,000	\$ 305,931,000
Buildings	27,430,000	131,007,000	158,437,000
Other	<u>41,000,000</u>	<u>98,827,000</u>	<u>139,827,000</u>
Subtotal	\$ 225,944,000	\$ 378,251,000	\$ 604,195,000
Overhead Charges	<u>-</u>	<u>5,833,000</u>	<u>5,833,000</u>
Total	\$ 225,944,000	\$ 384,084,000	\$ 610,028,000

Note: The existing inventory excludes joint-use facilities (see Table A.8).

Sources: Tables A.3, A.6, A.7, and A.10; City of Gilroy; MuniFinancial.

Table A.10 provides a different summary based on the cost categories in the CIB. Adjustments for principal repayment and internal transfers are shown. The total differs from Table A.9 by a small amount due to rounding. Please refer to the summary CIB tables in Appendix B for further details.

Table A.10: Total Planned CIB Facilities Costs

	Fund	Total CIB Planned Facilities	Adjustment	Net CIB Planned
<u>Class 41 - Personnel</u>				
Park Facilities	410	\$ 8,996,000	\$ -	\$ 8,996,000
<u>Class 42 - Materials and Services</u>				
Park Facilities	410	\$ 3,454,000	\$ -	\$ 3,454,000
Police Facilities	434	851,000	-	851,000
Fire Facilities	437	1,035,000	-	1,035,000
Public Facilities	438	1,496,000	-	1,496,000
Library Facilities	439	719,000	-	719,000
Subtotal		\$ 7,555,000	\$ -	\$ 7,555,000
<u>Class 43 - Capital Outlay</u>				
Park Facilities	410	\$ 179,619,000	\$ -	\$ 179,619,000
Police Facilities	434	36,413,000	-	36,413,000
Fire Facilities	437	24,740,000	-	24,740,000
Public Facilities	438	44,256,000	-	44,256,000
Library Facilities	439	28,830,000	-	28,830,000
Subtotal		\$ 313,858,000	\$ -	\$ 313,858,000
<u>Class 45 - Financing Charges</u> ¹				
Park Facilities	410	\$ 18,455,000	\$ 10,165,000	\$ 8,290,000
Police Facilities	434	49,210,000	24,821,000	24,389,000
Fire Facilities	437	13,554,000	7,385,000	6,169,000
Public Facilities	438	6,159,000	1,400,000	4,759,000
Library Facilities	439	14,817,000	10,586,000	4,231,000
Subtotal		\$ 102,195,000	\$ 54,357,000	\$ 47,838,000
Subtotal Before Overhead Charges		\$ 432,604,000	\$ 54,357,000	\$ 378,247,000
<u>Class 44 - Overhead Charges</u>				
Park Facilities	410	\$ 3,346,000	\$ -	\$ 3,346,000
Police Facilities	434	718,000	-	718,000
Fire Facilities	437	451,000	-	451,000
Public Facilities	438	801,000	-	801,000
Library Facilities	439	517,000	-	517,000
Subtotal		\$ 5,833,000	\$ -	\$ 5,833,000
Total Planned Facilities		\$ 438,437,000	\$ 54,357,000	\$ 384,080,000

Note: "CIB" is the City of Gilroy FY 2004-05 *Capital Improvement Budget*. The total cost of planned facilities varies slightly from the cost shown in Table A.9 because of rounding that occurs when individual CIB projects are distributed by facility type (land, buildings, and other) and then summed again in Table A.9.

¹ Adjusted to exclude principal repayment to avoid double-counting with capital outlay costs..

Sources: City of Gilroy, *Capital Improvement Budget*; MuniFinancial.

CIB Revenues

Table A.11 presents the projected CIB revenues excluding the calculated yearly revenue shown within the CIB.

Table A.11: CIB Revenues Excluding Yearly Revenue

	Fund	Gross Revenue	Adjustment ¹	Net Revenue
<i><u>Balance Forward</u></i>				
Park Facilities	410	\$ 7,827,000	\$ -	\$ 7,827,000
Police Facilities	434	(1,668,000)	-	(1,668,000)
Fire Facilities	437	(368,000)	-	(368,000)
Public Facilities	438	285,000	-	285,000
Library Facilities	439	(1,125,000)	-	(1,125,000)
Subtotal		\$ 4,951,000	\$ -	\$ 4,951,000
<i><u>Interest on Fund Balances</u></i>				
Park Facilities	410	\$ 30,083,000	\$ -	\$ 30,083,000
Police Facilities	434	5,656,000	-	5,656,000
Fire Facilities	437	6,349,000	-	6,349,000
Public Facilities	438	7,871,000	-	7,871,000
Library Facilities	439	6,956,000	-	6,956,000
Subtotal		\$ 56,915,000	\$ -	\$ 56,915,000
Adjust For Revised Fee ²		(10,957,000)	-	(10,957,000)
Subtotal		\$ 45,958,000	\$ -	\$ 45,958,000
<i><u>Allocation By Source²</u></i>				
Public Facilities Fee Revenue		\$ 45,685,000	\$ -	\$ 45,685,000
Transfers & Other Revenue		273,000	-	273,000
<i><u>Transfer From General Fund</u></i>				
Park Facilities	410	\$ -	\$ -	\$ -
Police Facilities	434	3,105,000	-	3,105,000
Fire Facilities	437	152,000	-	152,000
Public Facilities	438	308,000	-	308,000
Library Facilities	439	-	-	-
Subtotal		\$ 3,565,000	\$ -	\$ 3,565,000
<i><u>Other Revenue</u></i>				
Park Facilities	410	\$ 4,688,000	\$ -	\$ 4,688,000
Police Facilities	434	4,546,000	-	4,546,000
Fire Facilities	437	4,358,000	3,985,000	373,000
Public Facilities	438	702,000	-	702,000
Library Facilities	439	31,396,000	10,586,000	20,810,000
Subtotal		\$ 45,690,000	\$ 14,571,000	\$ 31,119,000
Total Revenue		\$ 100,164,000	\$ 14,571,000	\$ 131,551,000

Note: "CIB" is the City's Capital Improvement Budget.

¹ Adjusted to exclude bond proceeds to avoid crediting against capital outlay costs.

² Using a cash flow model of the City's CIB, interest revenue is adjusted based on effect of revised Public Facilities Fee on projected fund balances. A small portion of interest revenue is associated with future fund balances generated by non-public facilities fee revenues (transfers and other revenue).

Sources: City of Gilroy, *Capital Improvement Budget*; MuniFinancial.

Demand Factors

Table A.12 calculates per capita facility demand factor for residential and nonresidential development by facility type. The purpose of this table is to convert raw demand factors available for the four specific land use types (single family, multifamily, commercial, and industrial) into a single weighted factor for nonresidential development. These weighted nonresidential factors by facility type are used to calculate a single weighted factor across all facility types (see below).

The raw demand factors shown in the first two columns of Table A.12 were developed as follows:

- ◆ The police and fire demand factors per dwelling unit and building square foot are based on surveys of emergency response calls in the City of Gilroy. These factors are converted to per capita estimates using the density factors shown in Table 3.2.
- ◆ The parks and libraries demand factors come from a survey conducted by the City of Phoenix because the City of Gilroy did not have site-specific data. The Phoenix study is the most extensive study that we are aware of, and the results are similar to estimates made by other cities in California.
- ◆ The demand factors for general public facilities are based on an estimate of 40 hours of service to businesses per week compared to 168 hours of service to residents ($40 / 168 = 0.24$). This is a common demand factor used by cities throughout California for facilities that serve both residential and nonresidential development when specific survey data is not available.

The demand factors for residential and nonresidential land uses by facility type in Table A.12 were developed as follows:

- ◆ The fourth column calculates an average demand factor for residential and nonresidential land uses, respectively, by weighting the factors for each specific land use type by the size of the service population in 2038 shown in the third column.
- ◆ The final column calculates a nonresidential factor by facility type based on a residential factor indexed to 1.0.

Table A.13 uses the nonresidential factors in the last column of Table A.12 to calculate a weighted average demand factor across all facility types based on total facility demand in 2038. The result shown in Table A.13 indicates that one worker generates a facility demand equal to 0.19 of one resident.

Table A.12: Demand Factors Per Capita

<u>Raw Demand Factor By Specific Land Use Type</u>		<u>Per Capita Factors Weighted for 2038 Service Population Demand Factor</u>		
<u>Per DU/KSF</u>	<u>Per Capita²</u>	<u>2038 Pop. or Workers</u>	<u>Weighted</u>	<u>Index To Resid. = 1.0</u>
<u>Parks</u>				
Single Family	1.00	55,900		
Multifamily	0.61	23,700		
Residential		79,600	0.88	1.00
Commercial	0.19	20,980		
Industrial	0.19	8,690		
Nonresidential		29,670	0.19	0.22
<u>General Public Facilities</u>				
Single Family	1.00	55,900		
Multifamily	1.00	23,700		
Residential		79,600	1.00	1.00
Commercial	0.24	20,980		
Industrial	0.24	8,690		
Nonresidential		29,670	0.24	0.24
<u>Police</u>				
Single Family	1.46	0.45	55,900	
Multifamily	2.51	0.91	23,700	
Residential			79,600	0.59
Commercial	0.12	0.05	20,980	
Industrial	0.01	0.01	8,690	
Nonresidential			29,670	0.04
<u>Fire</u>				
Single Family	0.11	0.03	55,900	
Multifamily	0.18	0.06	23,700	
Residential			79,600	0.04
Commercial	0.01	0.01	20,980	
Industrial	0.01	0.01	8,690	
Nonresidential			29,670	0.01
<u>Libraries</u>				
Single Family	1.00		55,900	
Multifamily	0.69		23,700	
Residential			79,600	0.91
Commercial	0.25		20,980	
Industrial	0.25		8,690	
Nonresidential			29,670	0.25

¹ Based on a three year average of response calls for police and fire services from 2001-2003.

Sources: *Phoenix Park and Library EDU Factors*, Hausrath Economics Group, September 1998; City of Gilroy; *2004 Demand Rates by Fee Category and Land Use*; MuniFinancial

Table A.13: Average Demand Factor

Facility	2038 Per Worker Demand	Total System Facilities
Park and Recreation Facilities	0.22	\$ 374,603,000
General Public Facilities	0.24	70,232,000
Police Facilities	0.07	81,957,000
Fire Facilities	0.01	44,873,000
Library Facilities	0.27	<u>38,359,000</u>
Total		\$ 610,024,000
Weighted Average	0.19	

Note: The total cost of existing and planned facilities is \$4,000 greater than the cost shown in Table A.9 because of rounding that occurs when individual CIB projects are distributed by facility type (land, buildings, and other) and then summed again in Table A.9.

Sources: Table A.12; City of Gilroy; MuniFinancial

APPENDIX B: CITY OF GILROY CIB SUMMARY SHEETS

On the following pages are summary tables from the City's Capital Improvement Budget (CIB) for FY 2003-04. The CIB covers a planning horizon that extends through 2038. The CIB is divided into the following five funds:

- ◆ Park Development (Fund 410);
- ◆ Police Development (Fund 434);
- ◆ Fire Development (Fund 437);
- ◆ Public Facilities Development (Fund 438); and
- ◆ Library Expansion Development (Fund 439).

CAPITAL IMPROVEMENT BUDGET SUMMARY	
2003 - 2038	
PARK DEVELOPMENT FUND	FUND 410
PROJECTS	"BUILDOUT" TOTAL
REVENUE	
Balance Forward	7,826,597
Collateralized Reserves	136,378,107
Net	505,059,661
Yearly Revenue	166,154,330
Interest	30,082,777
Other Revenue	4,688,396
Performing and Visual Arts Center (Prop 12)	377,600
Santa Teresa Staging Area (Shappel)	300,000
Uvas Trail Connection to Gilroy Sports Park (VTA)	363,120
County Historic Grant	43,000
Equity Transfer In from Fund 482	1,104,676
Youth Center Grant	2,500,000
Total Yearly Revenue	200,925,503
Total Revenue	208,752,100
EXPENDITURE	
Class 41 - Personnel Expense:	8,995,842
Class 42 - Materials and Services:	3,453,590
Class 43 - Capital Outlay:	
4310 Land:	
Parkland Acquisition:	
Downtown Pocket Park	5,839
Farrell Park	615,524
Performing & Visual Arts	3,267,449
Aquatics Facility	2,466,000
Gilroy Sports Park I & II	187,000
Murray Avenue	1,233,000
Hecker Pass	1,233,000
Glen Loma Ranch	2,466,000
Youth Center	505,530
Bicycle Track	1,233,000
Trail Right of Way	1,020,000
Downtown Plaza	2,130,945
New Park Land Acquisitions	45,361,890
Total Land	61,725,177
4330 Buildings:	
Existing Facilities:	
Senior Center Expansion	1,100,000
Willey Cultural Center Expansion	296,000
Youth Center	4,821,672
Wheeler Community Center	450,000
Museum Access	278,000
Existing Facilities Subtotal	6,945,672
New Facilities:	
Indoor Rec and Sports Fac	4,282,536
Performing & Visual Arts	8,996,473
Aquatics Facility	14,374,000
Environmental Center	2,100,000
Sunrise Park Community Center	910,275
New Facilities Subtotal	30,663,284
Total Buildings	37,608,956
4340 Improvements:	
Reimbursements	84,758
Existing Parks:	
Miller Park	275,000
Forest Street Park	366,000
San Ysidro Park	265,225
El Roble Park	212,180
Renz Park	6,902
Del Rey Park	200,000

CAPITAL IMPROVEMENT BUDGET SUMMARY	
2003 - 2038	
PARK DEVELOPMENT FUND	FUND 410
PROJECTS	"BUILDOUT" TOTAL
Yearly Park Imp	2,250,000
Existing Parks Subtotal	3,575,307
New / Underdeveloped Parks:	
Christmas Hill Park	3,377,268
Las Animas Veterans Park	3,317,561
Sunrise Park Site	2,672,840
Farrell Avenue Park	1,070,160
Carriage Hills Park	864,360
Los Arroyos Park	940,429
Santa Teresa/Third St. Park	2,585,109
Downtown Plaza	441,000
New Park Imp	30,282,000
Gilroy Sports Park	16,591,371
Bicycle Track	575,000
Luchessa Ave Staging Area	495,600
Murray Avenue Park	882,000
Hecker Pass Park	882,000
Glen Loma Ranch Park	1,764,000
New / Undeveloped Parks Subtotal	66,740,698
Trails (Right-of-Way/Imp Trust)	
Trail	714,000
Trails subtotal	714,000
Total Improvements	71,114,763
Total Class 43 - Capital Outlay	170,448,896
Class 44 - Transfers:	
4455 Overhead Charges:	
Overhead Charges to Gen. (1.75%)	3,167,724
Overhead Charges on Sports Park (1.75%)	177,884
Subtotal	3,345,608
Operating Transfers to Fund 482	896,987
Operating Transfers to Fund 515	17,558,022
Total Transfers:	21,800,617
Total Expenditure	182,898,328
Total Fund 410	204,698,945

CAPITAL IMPROVEMENT BUDGET SUMMARY	
2003 - 2038	
POLICE DEVELOPMENT FUND	FUND 434
PROJECTS	"BUILDOUT" TOTAL
Balance Forward	-1,667,832
Yearly Revenue	59,467,297
Interest	5,655,986
Transfer from General	3,104,795
Other Revenue	4,545,517
Equity Transfer In from Fund 482	1,807,442
Police Station Additions	
Pub Fac Fund Pur of Old Police Station	2,738,075
Total Yearly Revenue	72,773,595
Total Revenue	71,105,763
EXPENDITURE	
Class 42 - Materials and Services:	850,742
Class 43 - Capital Outlay:	
4310 Land:	
Police Station Addition	139,740
4320 Equipment / Furniture:	
New Staff Resources	5,594,675
4340 Improvements:	
New Police Station	2,000,000
Police Station Addition/Building	2,507,076
Police Station Addition Secured Parking	1,350,000
Total Improvements	5,857,076
Total Class 43 - Capital Outlay	11,591,491
Class 44 - Transfers:	
4455 Overhead Charges:	
Overhead Charges to Gen. (1.75%)	248,370
Overhead Charges on Police Station (1.75%)	469,374
Subtotal	717,744
Operating Transfer to Fund 482	2,390,164
Operating Transfer to Fund 515	46,819,581
Total Transfers:	49,927,489
Total Expenditure	12,442,233
Total Fund 434	62,369,722

CAPITAL IMPROVEMENT BUDGET SUMMARY	
FIRE DEVELOPMENT FUND	2003 - 2038
	FUND 437
PROJECTS	"BUILDOUT" TOTAL
REVENUE	
Balance Forward	-368,136
Yearly Revenue	40,897,379
Interest	6,349,363
Transfer from General	152,249
Other Revenue	4,357,699
Equity Transfer In from Fund 482	372,781
Fourth Fire Station	3,984,918
Total Yearly Revenue	51,756,690
Total Revenue	51,388,554
EXPENDITURE	
Class 42 - Materials and Services:	1,034,799
Class 43 - Capital Outlay:	
4310 Land:	
Land for 4th and 5th Fire Station	822,000
Land for Fire Training Facility	900,000
Total Land	1,722,000
4320 Equipment / Furniture:	
Upgrade Radio Repeater System	134,701
Safety Equip/furnishings	1,824,201
New Staff Resources	4,046,008
Total Equipment / Furniture	6,004,910
4325 Vehicles:	
Fire Engine	1,120,000
Squad	286,960
Utility Vehicle	106,045
Staff Vehicle	74,132
Off Road Fire Engine	500,000
Total Vehicles	2,087,137
4340 Improvements:	
New Fire Station Construction	7,322,000 *
Fire Training Facilities	2,100,000
Chestnut Fire Station Imp	1,315,132
Headquarters Relocation	760,760
Sunrise Temp Facility	27,899
Total Improvements	11,525,791
Total Class 43 - Capital Outlay	21,339,838
Class 44 - Transfers:	
4455 Overhead Charges:	
Overhead Charges to Gen. (1.75%)	387,684
Overhead Charges on Sunrise Station (1.75%)	63,375
Subtotal	451,059
Operating Transfer to Fund 482	399,266
Operating Transfer to Fund 515	7,804,162
Total Transfers:	8,654,487
Class 45 - Other Charges:	
4510 Bond Redemption:	
Fourth Fire Station	5,350,280
Total Loan Payments	5,350,280
Total Expenditure	27,724,917
Total Fund 437	36,379,404

CAPITAL IMPROVEMENT BUDGET SUMMARY	
2003 - 2038	
PUBLIC FACILITIES DEVELOPMENT FUND	FUND 438
PROJECTS	"BUILDOUT" TOTAL
REVENUE	
Balance Forward	284,881
Yearly Revenue	55,947,941
Interest	7,870,881
Transfer from General	308,252
Other Revenue	701,694
Equity Transfer In from Fund 482	701,694
Total Yearly Revenue	64,828,768
Total Revenue	65,113,649
EXPENDITURE	
Class 42 - Materials and Services:	1,496,245
Class 43 - Capital Outlay:	
4310 Land:	
Purchase Police Station	2,738,075
Additional Civic Center Land	2,064,000
Additional Corp Yard Site	554,850
Total Land	5,356,925
4340 Improvements:	
City Hall Annex	2,069,800
City Hall Additions	5,168,000
Civic Center Site Improvements	19,675,401
New Corp Yard Building Improvements	1,962,200
New Corp Yard Site Improvements	6,832,240
Corp Yard Facility Improvements	1,791,768
Total Improvements	37,499,409
Total Class 43 - Capital Outlay	42,856,334
Class 44 - Transfers:	
4455 Overhead Charges:	
Overhead Charges to Gen. (1.75%)	772,434
Overhead Charges for Corp Yard Imp (1.75%)	28,232
Subtotal	800,666
Operating Transfer to Fund 482	299,718
Operating Transfer to Fund 515	5,859,027
Total Transfers:	6,959,411
Total Expenditure	44,352,579
Total Fund 438	51,311,990

CAPITAL IMPROVEMENT BUDGET SUMMARY	
2003 - 2038	
LIBRARY EXPANSION DEVELOPMENT FUND	FUND 439
PROJECTS	"BUILDOUT" TOTAL
REVENUE	
Balance Forward	-1,125,215
Yearly Revenue	19,162,420
Interest	6,956,381
Other Revenue	31,395,750
County Library Bldg Resv.	5,946,265
State Library Grant	14,863,059
City Revenue Bond	2,586,426
Jt School/Com Library Land/Fac Bond	8,000,000
Internal Loan	57,514,551
Total Yearly Revenue	56,389,336
Total Revenue	
EXPENDITURE	
Class 42 - Materials and Services:	719,208
Class 43 - Capital Outlay:	
4310 Land:	
Library Addition	152,070
4330 Buildings:	
Library Exp (City Share)	22,865,981
Library Addition	4,361,390
Addition Parking	1,450,800
Total Buildings	28,678,171
Total Class 43 - Capital Outlay	28,830,241
Class 44 - Transfers:	
4455 Overhead Charges:	
Overhead Charges to Gen. (1.75%)	517,116
Class 45 - Other Charges:	
4510 Bond Redemption	
City Revenue Bond	4,484,388
Jt School/Com Library Land/Fac Bond	10,332,766
Internal Loan	
Total Class 45 - Other Charges	14,817,154
Total Expenditure	44,366,603
Total Fund 439	44,883,719