

## SUMMARY OF RESPONSIBILITIES

### *Open Space and Greenbelt Development Impact Fee*

Prepared By	Approved By
Sizing and Timing of Projects to Meet Demand	  <hr/> Michael Palombo, Economic Development Manager
Project Cost Estimate	  <hr/> Michael Palombo, Economic Development Manager
Assignment of Burden to Land Uses  <hr/> Angus N. McDonald, Angus McDonald & Associates	  <hr/> Michael Palombo, Economic Development Manager
Development Impact Fee Estimate  <hr/> Angus N. McDonald, Angus McDonald & Associates	  <hr/> Michael Palombo, Economic Development Manager
Legal Adequacy and Form	  <hr/> Charles O. Lamoree, City Attorney
Approval for Transmittal to City Council  <hr/> David Van Kirk, Assistant City Manager	  <hr/> John P. Thompson, City Manager

*Open Space and Greenbelt Development Impact Fee*

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1 **Purpose Of The Fee**

2 The City of Vacaville adopted an updated *General Plan (R-2)*<sup>\*</sup> in 1990. The City also  
3 adopted a *Planned Growth Ordinance* on September 24, 1991 and published its first *Growth*  
4 *Audit (R-3)* in 1992. Finally, the City of Vacaville adopted Ordinance No. \_\_\_ which  
5 consolidated all of Vacaville's previous Ordinances relating to Development Impact Fees  
6 into a single Ordinance. The general purpose of all of Vacaville's Development Impact  
7 Fees is to provide a means to finance the public improvements required to meet the  
8 objectives of the *General Plan* and the *Planned Growth Ordinance*.

9 The specific purpose of the *Open Space and Greenbelt* Development Impact Fee is to assure  
10 financing for a system of open space and greenbelts for the City of Vacaville. Development  
11 Impact Fees, together with other sources of financing available to the City of Vacaville, are  
12 necessary to finance public improvements to implement the open space objectives of the  
13 Vacaville *General Plan*. Development Impact Fees will assure an equitable distribution of  
14 costs between the existing City and new development in Vacaville.

15 The City of Vacaville intends to participate aggressively in State and Federal programs that  
16 may become available to finance open space. The City is not prepared to depend on State  
17 and Federal grant funding to pay for public improvement projects that are essential to the  
18 growth and development of Vacaville. Accordingly, State and Federal programs will be  
19 used for opportunities that may occur to improve services and amenities to the residents  
20 and employees in Vacaville. These potential revenue sources will not be used as a  
21 substitute for revenues that are directly under the control of the Vacaville City Council.  
22 New funding sources will be applied toward the revenues for the Impact Fee, if such funds  
23 are specifically designated for projects on the Project List.

24 The *Open Space and Greenbelt* Development Impact Fee described in the present Report  
25 is intended to finance public improvements for the period July 1, 1992 to January 1, 2010.  
26 It should be understood that Vacaville's open space system is designed to be implemented  
27 in a timely manner, over this entire planning period. The amount of open space or the cost  
28 over some arbitrarily-selected span of years during that planning period may be higher or  
29 lower than the average amount of open space added or cost incurred during the entire  
30 planning period. It is frequently necessary to preserve land parcels in their entirety rather  
31 than be able to add very small increments of capacity each year directly in response to

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32 \* Underscored numbers in parentheses refer to References listed at the end of this Development Impact  
33 Fee Report.

1 demand. Thus, the "average cost" may vary significantly from year to year, over the  
2 planning period.

3 The Development Impact Fee necessary to preserve open space is subject to revision  
4 because of several factors. These factors include the impossibility of forecasting exactly the  
5 rate and location of development in Vacaville, and variations in the cost of that portion of  
6 the open space system that will be preserved by acquisition.

7 The City of Vacaville intends to review its *Open Space and Greenbelt* Development Impact  
8 Fee resolution annually at or near the start of the fiscal year. Any change in Development  
9 Impact Fees would generally be effective on January 1 of the following year. The change  
10 in Development Impact Fees will reflect changes in the *Engineering News Record San*  
11 *Francisco Bay Area Construction Cost Index* and will also reflect any changes in costs that  
12 had occurred during the previous fiscal year. In addition, the City intends to assure that  
13 the *General Plan* remains responsive to City policy and changing development conditions  
14 in Vacaville. The City intends to review the *General Plan* on a five-year cycle. Policies in  
15 an amended *General Plan* will be incorporated into all of the City's Facilities Master Plans  
16 and into each Impact Fee Ordinance and Resolution. At the same time, a five-year  
17 forecast of growth and development for an additional five years will be added to the  
18 planning period for each Master Plan document.

19 Information about changes in the availability of State/Federal grants and loans or other  
20 sources of revenue will be incorporated into the Fee programs during the annual review.  
21 In general, adjustments to the Fee calculation will be made at the annual review if changes  
22 in other sources of revenue on a cumulative basis equal or exceed 10 percent of the cost  
23 of the projects in the *Open Space and Greenbelt* Capital Improvements Program. Should  
24 the annual cumulative outside sources of funds be less than 10 percent, the adjustment will  
25 be made at the next update.

## 26 Development Being Served

27 As noted previously, the *Open Space and Greenbelt* Development Impact Fee is designed  
28 to provide the required capacity during the period July 1, 1992 to January 1, 2010. The  
29 City of Vacaville has prepared a development forecast for this time period (R-1) that is  
30 being used for the 1992 update of all of the Development Impact Fees in Vacaville.

31 All of Vacaville's Development Impact Fees are based on the concept that public services  
32 are provided both to residents and employees in Vacaville. The capacity to provide public

1 services must be made available for both residents and employees. In general, non-  
2 residential land uses are equated to residential land uses in terms of the burden that they  
3 place on each class of public improvements (e.g., roads, water systems, sewer systems).  
4 This equivalence may be expressed in terms of Equivalent Dwelling Units (EDUs) for those  
5 services (e.g., sewer services, drainage) where land uses primarily determine the demand  
6 for capacity. Demand may be driven by "Persons Served" for those classes of public  
7 improvements (e.g., parks, police protection) where the person being served (whether  
8 resident or employee) provides the best measure of demand for capacity.

9 The concepts of EDUs and Persons Served can be used interchangeably, in mathematical  
10 terms, if assumptions about density, floor area ratio, number of employees per thousand  
11 building square feet, and residents per occupied household) are used appropriately to make  
12 the conversion from one set of units to another. The choice of the appropriate set of units  
13 to express demand depends on the nature of the service being provided.

14 In every case (i.e., whether EDUs or Persons Served is used as the primary determinant  
15 of demand for services), the Development Impact Fee that results from the calculations is  
16 expressed as a fee per EDU.

17 In the case of *Open Space and Greenbelt* system, Persons Served is used as the basic  
18 determinant of demand for additional capacity. A forecast of Persons Served by the *Open*  
19 *Space and Greenbelt* system is shown in Figure 1. This forecast is based on the City's  
20 development forecast cited previously.

## 21 Level Of Service And Timing Standard

### 22 Service Standard

23 The present Section of the Report describes Vacaville's existing Level Of Service (LOS)  
24 for the *Open Space and Greenbelt* system and the open space preservation standard that will  
25 be achieved over the planning period. The City of Vacaville's target for preserving open  
26 space land is summarized in Table 2. This exhibit conveys two separate measurements:

- 27 ● The open space preservation standard that has been achieved by 1992, the starting  
28 point for the time period that is included in the present edition of the *Open Space*  
29 *and Greenbelt* Impact Fee Report.

- 1 ● The target for open space preservation that should be achieved throughout Vacaville  
2 by January 1, 2010.

3 It should be understood that the open space preservation target for the planning period  
4 shown in Table 2, together with the estimate of increase in demand for open space that was  
5 summarized in Figure 1, was used directly to calculate the size and the timing of the *Open*  
6 *Space and Greenbelt* system. Accordingly, there is a direct relationship both between the  
7 forecast of future development and the target for LOS and the size and cost of each *Open*  
8 *Space and Greenbelt* parcel that will be preserved.

### 9 Timing Standard

10 As noted subsequently, the City of Vacaville intends to use a full range of techniques of  
11 open space preservation to implement its open space system. The selection of the  
12 technique of preservation, and the timing of preservation of individual parcels, will depend  
13 on a number of factors. Two of the most important of these factors are the future  
14 intentions of affected landowners and the market conditions that affect the potential for  
15 development of vacant land. Accordingly, the time at which individual land parcels will be  
16 preserved by one technique or another is subject to greater uncertainty than is the case with  
17 other classes of public improvements in Vacaville.

18 The City of Vacaville intends to work cooperatively with affected landowners to assure a  
19 balancing of landowner objectives and City objectives while seeking to implement the  
20 proposed system of open space and greenbelts by January 1, 2010.

### 21 Land For The Vacaville *Open Space and Greenbelt* System

22 Figure 3 illustrates one example of an *Open Space and Greenbelt* parcels that would be  
23 appropriate to serve the increased demand for open space summarized in Figure 1. Figure  
24 3 is intended only to illustrate general areas of land that would help meet the City's  
25 objectives of a system of open space and greenbelt lands. Figure 3 does not imply a  
26 commitment to purchase any particular land parcel or to preserve any particular land parcel  
27 by some of the other techniques of open space preservation that are described in  
28 subsequent paragraphs.

29 Figure 3 is referred to subsequently as the *Open Space and Greenbelt* System Capital  
30 Improvements Program (CIP).

1 **Sources Of Financing**

2 Sources of financing for open space preservation are described in the following paragraphs:

3 **Preserving Open Space To Serve New Development.** Local governmental fiscal realities in  
4 the 1990s have caused the City of Vacaville to conclude that traditional sources of financing  
5 for public improvements to serve new development are no longer available. The time when  
6 State and Federal programs were available to finance open space has passed away. The  
7 current situation is one of increasing fiscal constraints on cities throughout California.  
8 Development fees and comparable charges are the only reliable sources of financing that  
9 is within the control of the City of Vacaville to provide open space through purchase to  
10 serve new development.

- 11 ● **Development Impact Fees**, collected at or near the time of development, are used  
12 wherever practical to finance the expansion and capacity that are necessary to meet  
13 Vacaville's LOS targets and to accommodate the demand for new capacity as closely  
14 as practical to the time when development will occur.
- 5 ● **Enhancements to Development Impact Fees**, such as borrowing (with interest)  
6 between Development Impact Fee accounts or employing other comparable devices,  
7 are used if traditional Development Impact Fees, considered alone, would not  
8 produce sufficient cash in time to build each public improvement before Vacaville's  
9 Timing Standard would be exceeded.

20 Another possible enhancement to Development Impact Fees involves the use of a  
21 "two-tier" Fee. The cost in the early years of a Development Impact Fee program  
22 may exceed the average cost over the planning period, because of the necessity to  
23 build public improvements as usable segments. (For example, a freeway interchange  
24 must be constructed as a complete and usable improvement.) A two-tier Fee  
25 provides a higher average Fee in early years. The amount above the long term  
26 average is subject to a contingent reimbursement. Development projects that occur  
27 later in the planning period may be available to repay those who necessarily financed  
28 improvements in the early years of the planning period.

- 29 ● **Development-related Bond Financing** (e.g., conventional special assessment bonds  
30 or Mello-Roos Community Facilities Districts), will be considered, if conventional  
31 Development Impact Fees, or enhanced versions of these Development Impact Fees,  
32 are simply incapable of providing sufficient cash flow to fund an improvement before  
33 Vacaville's timing standard is exceeded. An example would be a sewer plant



1 expansion that cannot practically be staged in small increments and that must be  
2 available early in the planning period, because the existing capacity is already being  
3 used or is already spoken for.

4 **Open Space Preservation By Transfer Of Development Rights (TDR).** Purchase of full fee  
5 title to land is only one of a number of techniques that are available for preservation of  
6 open space lands. Other techniques for the protection and preservation of open space  
7 include, but are not limited to, development under traditional or existing land use  
8 designations such as agriculture or open space zoning or the acquisition of development  
9 rights to all or a portion of open space lands. If development rights are purchased by the  
10 City of Vacaville or transferred to another landowner who can enjoy an augmented right  
11 to develop on some other parcel of land, the open space is preserved in a productive open  
12 space use, but land ownership (i.e., all rights other than the right to develop) remain with  
13 the original landowner.

14 As one example, a study prepared for Sonoma County concluded that a market for  
15 Transferable Development Rights (TDRs) could be established. Landowners in the  
16 "sending" area could sell their development rights, but retain all other rights of ownership,  
17 including the right to engage in productive agricultural activities. Landowners in the  
18 "receiving" area who purchased development rights would receive density bonuses and other  
19 augmented rights to develop if they owned TDRs that had been purchased from  
landowners in the receiving area.

21 The City of Vacaville is exploring a full range of techniques by which open space and  
22 greenbelt areas can be permanently preserved and protected.

23 **State and Federal Grants And Loans.** In spite of the caution mentioned earlier — that  
24 exclusive dependence on State and Federal grants is no longer practical to pay for public  
25 improvements in California — Vacaville intends to participate aggressively in existing State  
26 and Federal programs and in State and Federal programs that may be approved by the  
27 Legislature, the Congress or the voters in the future. Vacaville will use these existing and  
28 future sources of revenues to fund projects that would be highly desirable but that are not,  
29 strictly speaking, required to meet established open space preservation targets and  
30 accommodate planned growth.

31 **Gifts, Bequests And Other Financing Sources.** Preservation of all the highly-desirable land  
32 parcels that are candidates for inclusion in an open space system is simply beyond the  
33 current financial capacity of the City of Vacaville. Nonetheless, the City of Vacaville  
34 intends to pursue every reasonable opportunity to find sources of financing for an enhanced  
35 open space system.

1 One example of a source of financing that would be highly desirable but that cannot be  
2 planned is the use of gifts or bequests from interested and committed citizens. In the  
3 future, desirable land parcels that would exceed Vacaville's current open space preservation  
4 target may be included in the Capital Improvements Program. If gifts, bequests or other  
5 sources of financing can be found, these parcels will be preserved.

## 6 Relationship To Land Use

7 Demand for an *Open Space and Greenbelt* system in Vacaville is generated by the land uses  
8 that are being accommodated and by the residents, employees and visitors that are being  
9 served. As discussed previously, in some cases, measures of land use (e.g., acres, building  
10 square feet, number of dwelling units) are most conveniently used to express the  
11 relationship between demand and required public facilities to meet this demand. In other  
12 cases, a measure of the population being served (i.e., a combination of residents, employees  
13 and visitors to Vacaville) presents a more convenient measure of demand. In the case of  
14 the *Open Space and Greenbelt* system, the measure of demand is Persons Served. The  
15 relationship between land use and residents served by the *Open Space and Greenbelt* system  
was summarized in Table 2.

## 17 The Development Impact Fee

18 The *Open Space and Greenbelt* Development Impact Fee was summarized in Table 2.

19 The Fee is equal to the total cost of all improvements, divided by the total number of  
20 Equivalent Dwelling Units (EDUs) that have been forecast to develop through January 1,  
21 2010. Table 4 shows an illustrative schedule for acquisition of open space and greenbelt  
22 areas. This illustration reflects the rate at which *Open Space and Greenbelt* Development  
23 Impact Fees are expected to accrue. In other words, the rate of preservation of open space  
24 by acquisition of fee title or lesser interests (e.g., acquisition only of the development rights  
25 of a parcel) is controlled by the rate at which fees would accrue. Further, it is not  
26 anticipated that acquisition of fee title to property will be necessary for all, or even a  
27 majority, of open space lands. For example, preservation and protection of open space can  
28 often be achieved through development of land by property owners in accordance with  
29 existing or traditional zoning.

30 As noted previously, the City of Vacaville intends to use a range of techniques to preserve  
31 open space. The rate at which open space and greenbelt Development Impact Fees accrue

- 1 will largely control the rate at which acquisition can be used as a technique of open space  
2 preservation.
- 3 Table 5 illustrates one potential preservation program for open space lands.

1

Figure 1

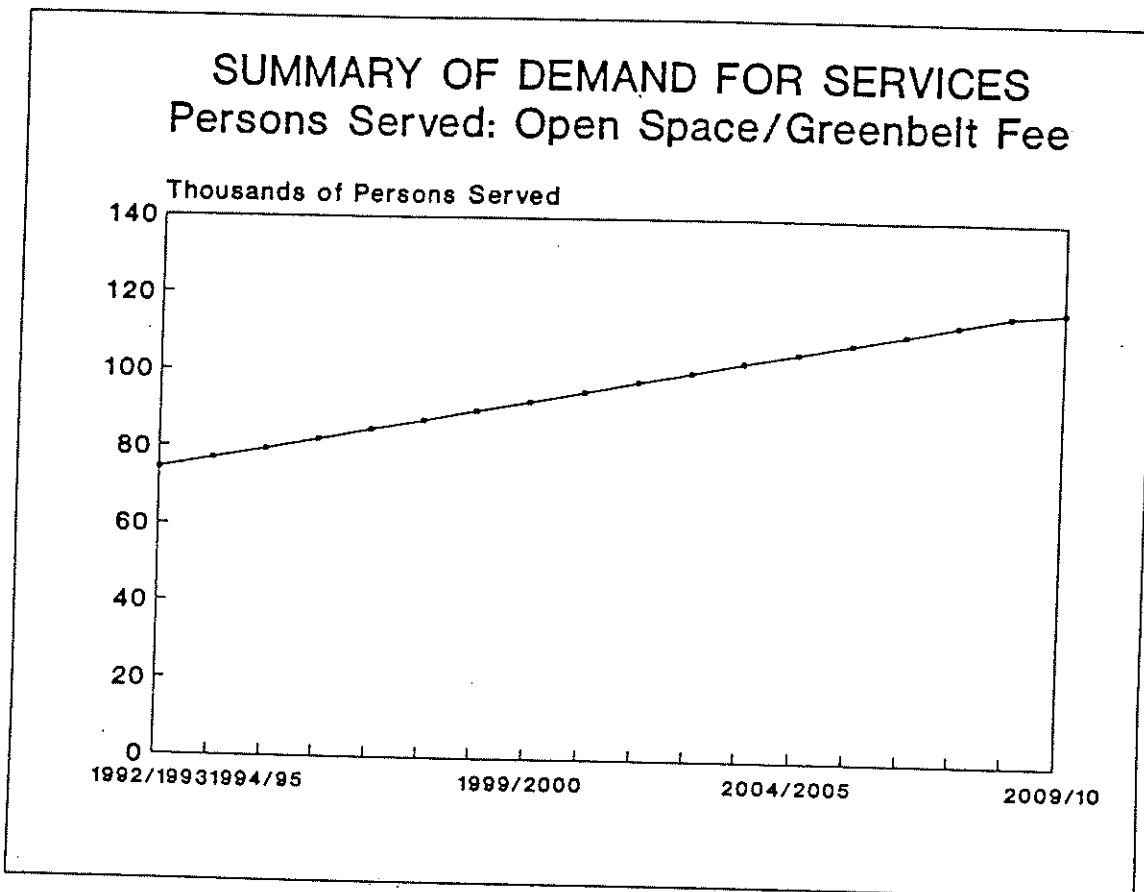


Table 2  
SUMMARY OF DEVELOPMENT IMPACT FEE  
Open Space and Greenbelt Development Impact Fee

VACAVILLE/FAIRFIELD BUFFER PRESERVATION		IMPACT FEE	
6-25-92		7-20-92	
VACAVILLE/FAIRFIELD BUFFER PRESERVATION		IMPACT FEE	
6-25-92		7-20-92	
Vacaville's Preservation Portion	1000 Acres	Current Standard	830 ac. ; 68,448 = 0.0135869 ac/capita
Current Buffer Owned	330 acres	Current Standard x Proposed Population Growth	0.0135869 x 45,068 = 612.06 ac.
Current Standard	330 ; 68,448 = 0.0048211 ac/capita	Total Proposed Open Space Acres to be Preserved	702.49 acres
Current Standard x Proposed Population Growth	0.0048211 x 45,068 = 217.37 ac	Total Acreage that could be Preserved with Impact Fees	612.00 acres
Proposed Acreage that could be Preserved with Impact Fees	217.37 acres	Total Land Cost	\$5,752,800
Total Preservation Costs Attributable to Impact Fee	\$2,043,278	Capital Development Cost - Fences	\$ 150,000
Total EDU	14,784	Subtotal	\$ 630,000
SF Fee (11,548 units) 1 EDU	\$138	Less - Cash on Hand	- \$ 630,000
Multi Family (4,704 units) .69 EDU	\$ 95	Total Preservation and Capital Costs Attributable to Impact Fee	\$5,272,800
		Total EDU	14,784
		SF Fee (11,548) 1 EDU	\$ 357
		Multi Family (4,704) .69 EDU	\$ 246

Figure 3

OPEN SPACE AND GREENBELT SYSTEM  
City of Vacaville

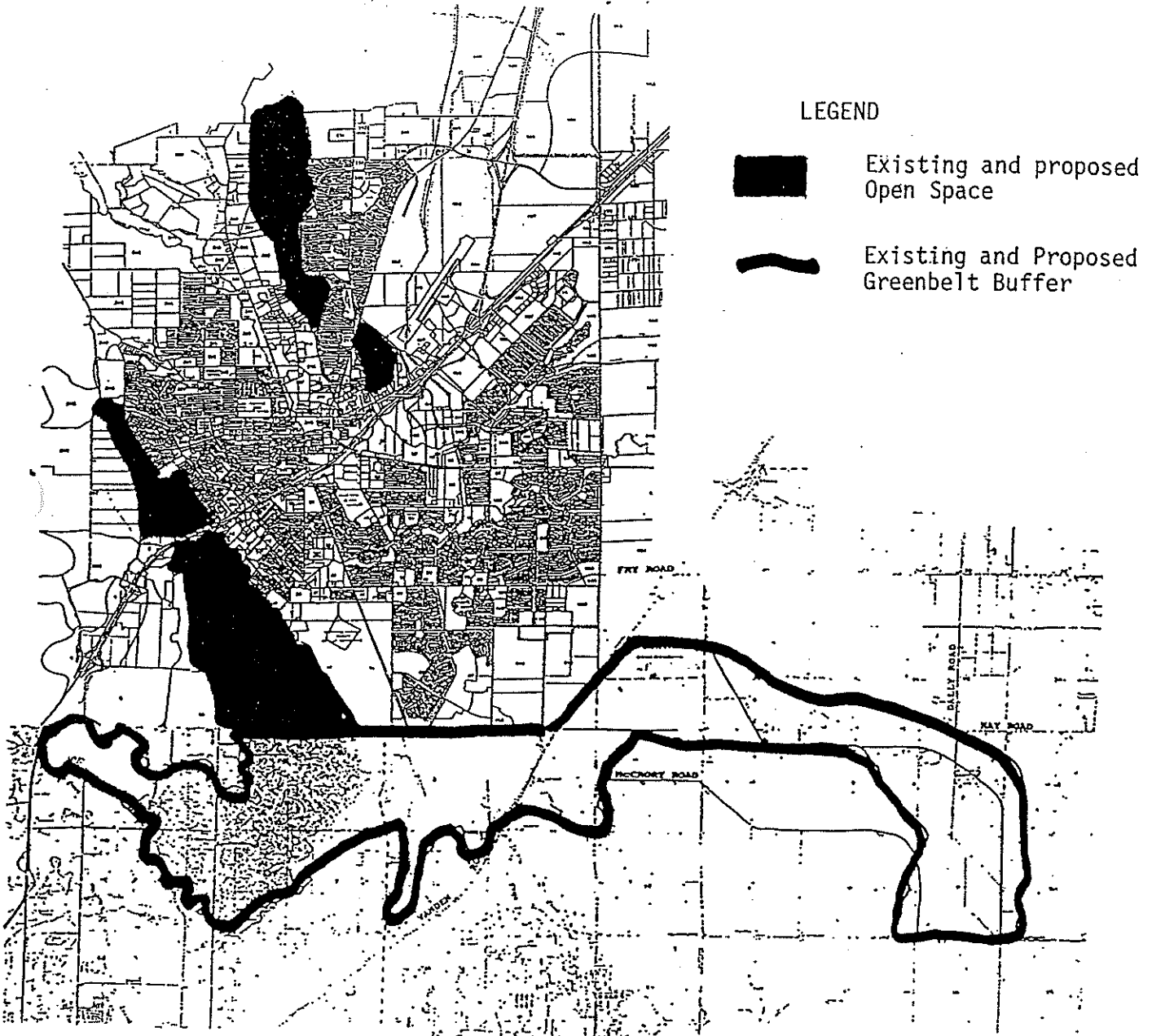


Table 4

LAND ACQUISITION SCHEDULE

BUILDOUT SUMMARY		Totals	1992/93	1993/94	1994/95	1995/96
Financing Equivalent Dwelling Units For The Time Period		14,784	1,025	834	834	834
Annual Average			1,025	834	834	834
Cumulative			1,025	1,859	2,693	3,527
DEVELOPMENT FEE SCHEDULE - CONSTANT DOLLARS						
Greenbelt Preservation			\$138	\$138	\$138	\$138
Open Space Preservation			\$357	\$357	\$357	\$357
TOTAL FEE REVENUE - CONSTANT DOLLARS						
Greenbelt Preservation		\$2,043,303	\$141,691	\$115,249	\$115,249	\$115,249
Open Space Preservation		\$5,272,800	\$365,637	\$297,404	\$297,404	\$297,404
ACRES ADDED						
Greenbelt Preservation		217.4	15.1	12.3	12.3	12.3
Open Space Preservation		612.0	42.4	34.5	34.5	34.5
BUILDOUT SUMMARY		1996/97	1997/98	1998/99	1999/00	2000/01
Financing Equivalent Dwelling Units For The Time Period		834	834	834	834	834
Annual Average		834	834	834	834	834
Cumulative		4,361	5,195	6,028	6,862	7,696
DEVELOPMENT FEE SCHEDULE - CONSTANT DOLLARS						
Greenbelt Preservation		\$138	\$138	\$138	\$138	\$138
Open Space Preservation		\$357	\$357	\$357	\$357	\$357
TOTAL FEE REVENUE - CONSTANT DOLLARS						
Greenbelt Preservation		\$115,249	\$115,249	\$115,249	\$115,249	\$115,249
Open Space Preservation		\$297,404	\$297,404	\$297,404	\$297,404	\$297,404
ACRES ADDED						
Greenbelt Preservation		12.3	12.3	12.3	12.3	12.3
Open Space Preservation		34.5	34.5	34.5	34.5	34.5
BUILDOUT SUMMARY		2001/02	2002/03	2003/04	2004/05	2005/06
Financing Equivalent Dwelling Units For The Time Period		834	834	834	834	834
Annual Average		834	834	834	834	834
Cumulative		8,530	9,364	10,198	11,032	11,866
DEVELOPMENT FEE SCHEDULE - CONSTANT DOLLARS						
Greenbelt Preservation		\$138	\$138	\$138	\$138	\$138
Open Space Preservation		\$357	\$357	\$357	\$357	\$357
TOTAL FEE REVENUE - CONSTANT DOLLARS						
Greenbelt Preservation		\$115,249	\$115,249	\$115,249	\$115,249	\$115,249
Open Space Preservation		\$297,404	\$297,404	\$297,404	\$297,404	\$297,404
ACRES ADDED						
Greenbelt Preservation		12.3	12.3	12.3	12.3	12.3
Open Space Preservation		34.5	34.5	34.5	34.5	34.5
BUILDOUT SUMMARY		2006/07	2007/08	2008/09	2009/10	
Financing Equivalent Dwelling Units For The Time Period		834	834	834	417	
Annual Average		834	834	834	417	
Cumulative		12,699	13,533	14,367	14,784	
DEVELOPMENT FEE SCHEDULE - CONSTANT DOLLARS						
Greenbelt Preservation		\$138	\$138	\$138	\$138	
Open Space Preservation		\$357	\$357	\$357	\$357	
TOTAL FEE REVENUE - CONSTANT DOLLARS						
Greenbelt Preservation		\$115,249	\$115,249	\$115,249	\$57,625	
Open Space Preservation		\$297,404	\$297,404	\$297,404	\$148,702	
ACRES ADDED						
Greenbelt Preservation		12.3	12.3	12.3	6.1	
Open Space Preservation		34.5	34.5	34.5	17.3	

Source: Angus McDonald & Associates.