

**COUNTY OF SACRAMENTO**

**SACRAMENTO PUBLIC LIBRARY  
AUTHORITY**

**LIBRARY FACILITIES IMPACT FEE  
STUDY**

**SEPTEMBER 10, 2013**

**FINAL**



**AND**

**ROBERT D. SPENCER, *URBAN ECONOMICS***

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# Executive Summary

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The following report presents an analysis of the cost of library facilities to accommodate new development within the unincorporated areas of Sacramento County. The report provides the technical documentation to support the establishment of a countywide library facilities mitigation fee (or “impact fee”) on urban development within the Urban Services Boundary of the unincorporated areas.

The County of Sacramento (“County”) retained Willdan Financial Services to perform this study to establish a countywide library impact fee program. Currently, in the unincorporated County, only developments in planned new growth areas are asked to fund their fair share of library facilities costs. The County currently has two existing plan area fee programs (Vineyard and North Vineyard Station) that charge library impact fees. Other planned new growth areas such as Elverta, Easton, Florin Vineyard and Cordova Hills are also required to have a library fee component in its plan area fee programs once the programs are in place. Up till now, fair share funding of the library facilities are only attributed by the planned growth areas but not the entire unincorporated area. The County, the Sacramento Public Library Authority, as well as the development representatives working with the County on the committee reviewing standards, fees and costs, feel that a countywide library fee charged to all urban development within the Urban Services Boundary of the unincorporated area rather than fees only in planned new growth areas is a more equitable way for the development to fund its fair share of library facilities.

The average current existing and planned fees within the County per residential unit by unit type is shown in **Table E.1** below.

**Table E.1: Average Current Existing and Planned Library Facilities Mitigation Fees**

<b>Land Use</b>	<b>Existing Fee per Dwelling Unit<sup>1</sup></b>
<i>Sacramento County (Unincorporated)</i>	
Single-Family Detached	\$ 997
2 to 4 Unit Attached	820
5 + Unit Attached	686
Mobile Homes	610
Second Residential Units	347

<sup>1</sup> Represents average of existing fees. Existing fees vary by area.

Sources: Sacramento County Public Library Authority; Willdan Financial Services.

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## Facility Standards and Allocation of Costs

This nexus analysis uses Sacramento Public Library Authority facility standards and unit costs to estimate the cost of library facilities needed to accommodate new development. The identification and use of facility standards to plan for future facilities and to examine existing facility needs ensures that new development will only fund the share of planned facilities needed to accommodate growth. Consistent with provisions of the Mitigation Fee Act, this study demonstrates that there is a reasonable relationship between new development, the amount of the fee, and facilities funded by the fee. The fair share cost of library facilities needed for existing development to achieve the same facility standards as applied to new development is also identified.

## Proposed Fee Schedule

**Table E.2** summarizes the proposed library facilities impact fee for urban residential development within the Urban Services Boundary of the unincorporated areas of the County. The following chapters will provide a detailed description of how the fee was calculated.

**Table E.2: Library Facilities Fee Schedule**

Planning Area	A	B	$C = A \times B$	$D = C \times 4\%$	$E = C + D$
	Cost per Capita	Occupant Density <sup>1</sup>	Base Fee <sup>2</sup>	Admin Charge <sup>3</sup>	Total Fee
<i>Sacramento County (Unincorporated)</i>					
Single-Family Detached	\$ 275	2.74	\$ 754	\$ 30	\$ 784
2 to 4 Unit Attached	275	2.13	586	23	609
5 + Unit Attached	275	1.78	490	20	510
Mobile Homes	275	1.76	484	19	503
Second Residential Units	275	1.00	275	11	286

<sup>1</sup>Persons per dwelling unit.

<sup>2</sup>Fee per dwelling unit.

<sup>3</sup>Administrative charge of 4.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, and mandated public reporting.

Sources: Tables: 2 and 11; Willdan Financial Services.

# 1. Introduction and Summary

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This report presents a nexus analysis of the reasonable relationship (nexus) between new urban development within the Urban Services Boundary of the unincorporated areas of Sacramento County, the library facilities necessary to accommodate that development and a fee to fund those facilities. This report provides the technical documentation to support a countywide library facilities mitigation fee (or “impact fee”) on new development within the Urban Services Boundary of the unincorporated areas.

The introduction explains the study approach and summarizes results under the following sections:

- ◆ Background and study objectives;
- ◆ Public facilities financing in California;
- ◆ Facility standards and allocation of costs;
- ◆ Organization of the report.

## Background and Study Objectives

The County retained Willdan Financial Services to perform this study to establish a countywide library impact fee that supersedes the plan area library impact fees. Impact fee programs in California must meet the requirements of the Mitigation Fee Act contained in California Government Code §66000 et seq. This report provides the necessary findings required by the Mitigation Fee Act for adoption of the countywide library impact fee to be imposed on urban development within the Urban Services Boundary of the unincorporated areas of Sacramento County presented in the fee schedule contained herein (see Chapter 5, Table 12).

## Sacramento Public Library Authority

The Sacramento Public Library Authority (“Authority”) was established through a joint powers agreement (JPA) between the cities of Sacramento and the County on August 31, 1993 when the only cities in the county were Sacramento, Folsom, Isleton and Galt. The Sacramento Public Library Authority is now governed by a JPA between the County, and all cities in the county including the Cities of Citrus Heights, Galt, Isleton, Elk Grove, Rancho Cordova and Sacramento. The purpose of the Authority is to deliver public library services that provide open access to diverse resources and ideas that inspire learning, promote reading and enhance community life for all citizens in each of the member jurisdictions.

According to the existing agreement, the individual local jurisdictions are responsible for establishment of the facilities needed for provision of library services and the Authority is responsible for all operations of those facilities. In the unincorporated areas of the County, the Authority recommends capital facilities projects and funding options, though the County ultimately decides the facilities that will be constructed.

## 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 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 impact fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide or within designated zones of benefit. Development fees need only a majority vote of the legislative body for adoption.

## Facility Standards and Allocation of Costs

This nexus analysis is based on facility standards derived from the Authority’s *Facility Master Plan* to determine the facilities needed to accommodate new development. Facility costs are based on average land costs per acre provided by Sacramento County and construction costs developed by Mack5, a consulting firm that specializes in project cost estimating. Construction and other facilities costs (technology and materials) reflect recent County Public Library construction cost experience.

The facility standards used for the nexus analysis to determine the amount of planned facilities are an increase over actual existing standards based on the Authority’s current inventory of facilities and its current service population. The report also identifies the fair share cost of planned library facilities needed to serve existing development at the same facility standards applied to new development. The identification and use of facility standards ensures that new development will only fund the share of planned facilities needed to accommodate growth. Thus, consistent with provisions of the Mitigation Fee Act this study demonstrates that there is a reasonable relationship between new development, the amount of the fee, and facilities funded by the fee.

## Organization of the Report

This impact fee report explains the library facilities impact fee calculations and provides the necessary findings required by the Mitigation Fee Act for adoption of the identified fee in the following six chapters. Chapter 2 presents the existing service population and growth projections used in the analysis. Chapter 3 explains the Sacramento Public Library Authority facility standards for various library facility components and cost estimates for those components. Chapter 4 presents existing and estimated needed library facilities and cost estimates. Chapter 5 shows the proposed library facilities fee calculations and fee schedules.

Chapter 6 contains implementation procedures for the countywide impact fees. Chapter 7 provides sample findings required by the Mitigation Fee Act.

## 2. Service Population Projections

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This chapter of the report presents the estimates of existing development and the projections of anticipated new development through 2040 within the various unincorporated areas of the County. Estimates of the existing Library service population and projections of future anticipated growth are presented. Additionally, this chapter explains the land use type and occupant density assumptions used throughout the remainder of the report and in the fee calculations.

### Growth Projections

For the purposes of this study, residents are assumed to be the primary users of libraries. Therefore, demand for library facilities in 2040 is based on the existing and projected residential population and excludes workers.

Estimates of both existing and projected resident population in the various unincorporated areas of the county are provided by the County and are based on the Sacramento Area Council of Governments (SACOG) 2008 Regional Growth Projections. These projections are the most recent available at the small area level necessary for this study. The projections are based on the estimated existing and projected population in unincorporated areas where urban development is foreseeable based on the current County General Plan, and other existing developed areas served by library facilities.

For the purpose of analyzing potential population growth, populations in rural areas of the county are not included in the analysis because there is existing service population and little, if any, growth anticipated in those areas. Specifically, the projections exclude areas such as the rural county south of Elk Grove and Wilton. In addition, development planned in unincorporated Natomas is pending the outcome of the Natomas Joint Vision process, and is also excluded from this analysis. However, all urban development within the Urban Services Boundary of the unincorporated area impacts the library system and therefore will be subject to the impact fee. The analysis for the impact of development on library facilities in this study is based on a policy-based, per capita facility standard so the fee per unit of development would not vary based on the level of existing or projected growth.

Year 2005 figures are used as a proxy for 2010 and 2035 figures are used as a proxy for a 2040 forecast to maintain the same 30-year planning horizon as the SACOG projections. More recent SACOG projections for the Sacramento region indicate a smaller growth increment than assumed in the projections used for this study. The effect on the findings of this study would be a decrease in total fee revenues and the amount of facilities needed to accommodate growth. As stated earlier, the impact of development on library facilities in this study is based on per capita facility standards and the level of projected growth would not affect the fee amounts. Thus the projections used in this study are reasonable for purposes of this analysis.

**Table 1** below summarizes the estimates of total existing and projected resident population for those unincorporated areas of Sacramento County described above. As explained in Chapter 1, the Authority plans facilities to accommodate its total service population that includes incorporated areas. However, only fees for the portion of the library facilities

needed for projected new development in the unincorporated portions of the county are calculated in this study.

**Table 1: Sacramento County Unincorporated Area Growth Projections**

	Population Growth			Dwelling Unit Growth			
	2010	2040	Growth 2010 to 2040	2010	2040	Growth 2010 to 2040	Type of Growth
Antelope	38,778	42,124	3,346	12,811	13,897	1,086	New Growth
Arden Arcade	92,102	97,271	5,169	44,034	46,930	2,896	Infill/Reuse
Carmichael	43,886	49,104	5,218	19,121	21,643	2,522	Infill/Reuse
Citrus Heights (Unincorporated)	15,298	15,702	404	6,429	6,598	169	Infill/Reuse
Cosumnes	10,601	11,805	1,204	4,122	4,633	511	New Growth
East Sacramento (Unincorporated)	10,753	14,940	4,187	4,857	7,044	2,187	Infill/Reuse
Elk Grove (Unincorporated)	151	257	106	47	89	42	New Growth
Fair Oaks	32,262	35,607	3,345	13,611	15,093	1,482	Infill/Reuse
North Highlands	75,493	102,182	26,689	28,436	39,417	10,981	New Growth
Orangevale	31,816	34,367	2,551	12,557	13,611	1,054	New Growth
Rancho Cordova (Unincorporated)	20,867	39,221	18,354	8,416	16,565	8,149	New Growth
Rancho Murietta	4,865	10,012	5,147	2,032	4,270	2,238	Infill/Reuse
Rio Linda - Elverta	23,206	38,439	15,233	8,583	14,011	5,428	New Growth
South Sacramento (Unincorporated)	80,702	98,514	17,812	27,405	33,660	6,255	Infill/Reuse
Vineyard	<u>23,524</u>	<u>134,036</u>	<u>110,512</u>	<u>8,231</u>	<u>47,892</u>	<u>39,661</u>	New Growth
Total	504,304	723,581	219,277	200,692	285,353	84,661	

Source: County of Sacramento based on SACOG 2008 Regional Growth Projections in unincorporated county where urban development is foreseeable based on current General Plan. It excludes areas such as unincorporated Natomas, the Folsom Sphere of Influence area, and the rural County south of Elk Grove and Wilton. 2005 figures are used as proxy for 2010 and 2035 figures are used as a proxy for a 2040 forecast.

## Occupant Densities

A key demographic assumption for the purpose of allocating library facilities costs across individual development projects is the number of persons per dwelling unit by type of unit. This study uses data from the U.S. Census Bureau's 2009 *American Community Survey* to estimate current population densities for the County. Because the *American Community Survey* provides a detailed survey of resident population by dwelling unit type it is used as the base for estimating persons per dwelling unit by type for the unincorporated County. The residential occupant density factors were developed from the *American Community Survey* tables B25033 and B25024. Note that the *American Community Survey* lacks data on secondary residential unit density. This study assumes 1.0 persons per secondary residential unit. Sacramento County considers 1.0 persons per secondary residential unit a reasonable estimate of occupancy density.

A summary of the population density estimates used in this study appears in **Table 2** below.

**Table 2: Residential Occupant Densities**

<b>Land Use Category</b>	<b>Occupant Density</b>
Single-Family Detached	2.74 persons per dwelling unit
2 to 4 Unit Attached	2.13 persons per dwelling unit
5 + Unit Attached	1.78 persons per dwelling unit
Mobile Homes	1.76 persons per dwelling unit
Second Residential Units <sup>1</sup>	1.00 persons per dwelling unit

<sup>1</sup> Census Bureau lacks data on secondary residential dwelling unit density. Sacramento County considers 1.0 persons per secondary residential unit a reasonable estimate of occupancy density.

Source: U.S. Census Bureau, 2009 American Community Survey, Tables B25024 and B25033.

## 3. Facility Standards and Unit Costs

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This chapter explains the Sacramento Public Library Authority standards used to determine the library facilities needed to accommodate the projected service population by 2040. This chapter also provides estimates of the unit cost of library facilities.

### Library Facility Standards

Facility standards used in this analysis are based on standards provided by the Sacramento Public Library Authority’s *Facility Master Plan*. The plan identifies three levels of facility standards that provide guidance on the amount of building space and related facilities and materials needed per resident within a library branch service area. The three levels include:

- ◆ A “threshold” standard based on 0.40 buildings square feet per capita;
- ◆ A “target” standard based on 0.50 buildings square feet per capita; and
- ◆ A “prime” standard based on 0.60 building square feet per capita.<sup>1</sup>

For the purposes of determining the library facilities impact fee the facility standard is based on a “modified” standard equal to 80 percent of the threshold standard in the *Facility Master Plan*. The reason for using the modified standard is that the threshold standard is significantly higher than the existing library facility standard based on the level of existing facilities per capita for the current unincorporated area service population. The service population for existing and planned library facilities cannot be segregated between existing and new development. So the amount of planned facilities will need to be sufficient to raise the facility standard for all residents, existing and new.

The Authority and the County will need to identify sufficient funding to achieve the modified facility standard for the entire 2040 service population. Through the impact fee new development can only fund its fair share of this total amount of planned facilities. The nexus study uses the modified standard as a conservative assumption to ensure that the Authority and the County can identify sufficient non-impact fee funding for existing development’s fair share of planned facilities.

While the impact fee is based on a lower facility standard this approach does not limit the Authority’s ability to provide facilities at standards identified in the *Facility Master Plan* should sufficient funding become available. Should funding become available beyond the levels assumed in this study then the Authority and the County could choose to increase the impact fee. In this way new development would continue to fund its fair share of planned facilities at the higher standard.

The two policy standards examined in this study for library facilities are shown in **Table 3**, below.

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<sup>1</sup> Sacramento Public Library Authority, *Facility Master Plan 2007 – 2025*, March 2007, p. 44.

**Table 3: Library Facilities Standards**

	<b>Modified Standard<sup>1</sup></b>	<b>Threshold Standard</b>
<i>Facility Standards per capita</i>		
Building	0.32 sq. ft.	0.40 sq. ft.
Land (assumes FAR = 0.25) <sup>2</sup>	1.28 sq. ft.	1.60 sq. ft.
Materials	1.40 items	1.75 items
Technology stations	0.00060 stations	0.00075 stations

<sup>1</sup> Modified Standard based on 80% of Threshold Standard identified in the Master Plan.

<sup>2</sup> FAR: Floor-Area Ratio is the ratio of building footprint to parcel size.

Source: Sacramento Public Library Authority Facility Master Plan 2007-2025.

The Authority and the County will use the facility standards presented here to plan for library facilities throughout the unincorporated area. The Authority's unincorporated system of branch libraries serves the entire area by enabling users to access the collection held at any branch. Consequently to benefit new development the Authority and the County may use impact fee revenues generated from the fee program to fund new facilities located anywhere within the Urban Services Boundary of the unincorporated area. At the same time the Authority and the County will seek to use fee revenues to deliver planned facilities in major growth areas such that most new development will have reasonably equivalent access to facilities. This provides more flexibility in funding library facilities throughout the unincorporated area compared to current funding by plan area programs only, which limits the funds to be earmarked for the library serving the plan area only.

## Costs of Library Facilities

This nexus analysis uses unit costs, e.g. costs per acre, costs per building square foot, etc., to estimate the cost of planned library facilities. Estimating the cost of a new library branch includes a number of components such as land, buildings, collections (including books, periodicals, and multi-media materials) and public use computers.

Building construction costs assume a unit cost estimate of \$702 per square foot of new library space. Mack5, a consulting firm that specializes in project cost estimating, developed this estimate based on their experience with similar projects and a review of the recent library construction projects in the County. The unit cost estimate includes site work, building construction, furniture, equipment, and project planning, design, engineering, environmental, and management services.

The unit cost for land is based on recent Authority and County experience purchasing land for library facilities.

The unit cost for the library collection of \$30 per item is based on the Authority's recent experience. Collection items include a combination of hard and soft back books, periodicals, and other media materials.

Computer costs of \$1,200 per technology workstation are also based on the Authority’s recent experience. All unit cost assumptions are summarized in **Table 4**.

**Table 4: Unit Cost Assumptions**

Item	Units	Unit Cost
Land	acres	\$ 217,800
Land	sq. ft. (land)	5
Buildings	sq. ft. (buildings)	702
Collections	volumes	30
Computers	computers	1,200

Sources: Sacramento County Public Library Authority; Mack5; Willdan Financial Services.

## 4. Existing and Planned Library Facilities

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This chapter summarizes the existing and planned library’s facilities in the unincorporated area needed to serve the 2040 unincorporated area service population based on the facility standards and unit costs presented in the prior chapter.

### Library Facilities Existing Inventory

The amount of existing library facilities will contribute to the County achieving by 2040 the facility standards presented in the prior chapter. **Table 5** summarizes the County’s existing library facility inventory (see Appendix A for detail). The table excludes leased facilities funded by ongoing operating expenditures and therefore not part of the County’s capital assets. Impact fees will solely fund capital assets. The table also excludes existing facilities that will be relocated. Relocated facilities are included as part of County’s planned facilities discussed below.

**Table 5: Existing Unincorporated Library Facilities**

Item	Units
Land	13.26 acres
Buildings	74,000 sq. ft.
Collections	634,000 items
Computers	151 computers

Sources: Table A.1; Willdan Financial Services.

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### Future Library Facilities

On behalf of the County, the Authority plans new library facilities based on the projected future library service population and guidance from adopted library facility standards. **Table 6** displays the Authority’s most current plans for new branch libraries to serve the unincorporated area as identified in the most recent *Facility Master Plan Annual Update*. The amount of land needed to site the planned buildings is estimated based on a floor-area ratio of 0.25 (0.25 square feet of floor area per 1.0 square feet of land area).

**Table 7** summarizes the Authority’s latest plans for expansion and relocation of existing library branches. These projects were also identified in the most recent *Facility Master Plan Annual Update*.

**Table 8** applies the modified and threshold library facility standards shown in Table 3 to the service population projections shown in Table 1 to determine the total facility needs in 2040 to achieve either standard.

**Table 6: Planned Unincorporated Library Facilities  
- New Branches**

<b>Branch and Asset Type</b>	<b>Amount</b>	<b>Units</b>
<u><i>Carmichael Arden</i></u>		
Land <sup>1</sup>	3.21	acres
Construction	35,000	sq. ft.
Collections	151,000	items
Computers	77	computers
<u><i>Easton Place</i></u>		
Land <sup>1</sup>	1.38	acres
Construction	15,000	sq. ft.
Collections	68,000	items
Computers	30	computers
<u><i>North Highlands</i></u>		
Land <sup>1</sup>	3.21	acres
Construction	35,000	sq. ft.
Collections	151,000	items
Computers	77	computers
<u><i>Vineyard</i></u>		
Land <sup>1</sup>	2.30	acres
Construction	25,000	sq. ft.
Collections	105,000	items
Computers	56	computers
<u><b>Total - New Branches</b></u>		
Land <sup>1</sup>	<b>10.10</b>	acres
Construction	<b>110,000</b>	sq. ft.
Collections	<b>475,000</b>	items
Computers	<b>240</b>	computers
Total		

<sup>1</sup> Additional land needs based on applying the FAR of 0.25 to building size.

Sources: Sacramento Public Library Authority - Facility Master Plan Annual Update - November, 2010; Willdan Financial Services.

**Table 9** compares the total 2040 facility needs from Table 8 with the existing facilities inventory from Table 5 to calculate the facilities needed to achieve either the modified or the threshold facility standard. The table then compares the 2040 facility needs to the sum of the planned new, expanded, and relocated facilities shown in Tables 6 and 7.

**Table 7: Planned Unincorporated Library Facilities - Expansions and Relocations**

	Amount	Units
<b>Expansions</b>		
<u>Sacramento County</u>		
Fair Oaks	20,000	sq. ft.
<b>Relocations</b>		
<u>Orangevale</u>		
Land <sup>1</sup>	1.38	acres
Construction	15,000	sq. ft.
<u>Rio Linda - Elverta</u>		
Land <sup>1</sup>	1.38	acres
Construction	15,000	sq. ft.
<u>Southgate</u>		
Land <sup>1</sup>	1.84	acres
Construction	20,000	sq. ft.
<b>Total - Expansions and Relocations</b>		
Land <sup>1</sup>	<b>4.60</b>	acres
Construction	<b>70,000</b>	sq. ft.

<sup>1</sup> Additional land needs based on applying the FAR of 0.25 to building size.

Sources: Sacramento Public Library Authority - Facility Master Plan Annual Update - November, 2010; Willdan Financial Services.

**Table 8: Total 2040 Library Facility Needs**

Item	Modified Standard	Threshold Standard
2040 Population	723,581	723,581
<u>Facilities needed to meet standards at 2040</u>		
Facility Space (Sq. Ft.)	232,000	289,000
Materials (Items)	1,013,000	1,266,000
Computer Stations	434	543

Sources: Tables 1 and 3; Willdan Financial Services.

**Table 9: Additional Library Facilities Needs**

<b>Library Facility Needs by Policy Option</b>	<b>Total Facility Needs 2040</b>	<b>Existing Facilities 2010</b>	<b>Needed Facilities 2010-2040</b>	<b>Planned Facilities To Date</b>	<b>Additional Facility Needs</b>
<i>Modified Standard</i>					
Building	232,000 sq. ft.	74,000 sq. ft.	158,000 sq. ft.	180,000 sq. ft.	(22,000) sq. ft.
Collections	1,013,000 items	634,000 items	379,000 items	475,000 items	(96,000) items
Computers	434 computers	151 computers	283 computers	240 computers	43 computers
<i>Threshold Standard</i>					
Building	289,000 sq. ft.	74,000 sq. ft.	215,000 sq. ft.	180,000 sq. ft.	35,000 sq. ft.
Collections	1,266,000 items	634,000 items	632,000 items	475,000 items	157,000 items
Computers	543 computers	151 computers	392 computers	240 computers	152 computers

Sources: Sacramento County Public Library Authority; Tables 6, 7, 8 and A.1, Willdan Financial Services.

The final column in Table 9 shows the amount of facilities needed in addition to currently planned facilities to achieve the given facility standard. Based on current planning, the Authority has planned 22,000 square feet more in projects than is needed to achieve the modified standard or 35,000 square feet less than is needed to achieve the threshold standard. So if the Authority is able to fully fund all currently planned facilities by 2040 it will surpass the modified standard but not achieve the threshold standard.

The existing library facilities will not be adequate to meet the needs of the future population based on the facility standards discussed in Chapter 3.

**Table 10** provides cost estimates for the level of needed facilities identified in Table 9 based on the unit costs described in Chapter 3. The estimated cost of needed facilities is \$127 million to achieve the modified standard and \$175 million to achieve the threshold standard. The cost estimates include the cost of five-year nexus study updates.

**Table 10: Additional Library Facilities Costs**

<b>Library Facility Needs by Policy Option</b>	<b>Facilities Needs 2010-2040</b>		<b>Unit Cost</b>		<b>Total Cost</b>
<i>Modified Standard</i>					
Land <sup>1</sup>	14.51	acres	\$ 217,800	per acre	\$ 3,160,000
Building	158,000	sq. ft.	702	per sq. ft.	110,916,000
Collections	379,000	items	30	per item	11,370,000
Computers	283	comp.	1,200	per comp.	340,000
Nexus documentation	6	studies	45,000	per study	270,000
					<u>\$ 126,056,000</u>
<i>Threshold Standard</i>					
Land <sup>1</sup>	19.74	acres	\$ 217,800	per acre	\$ 4,299,000
Building	215,000	sq. ft.	702	per sq. ft.	150,930,000
Collections	632,000	items	30	per item	18,960,000
Computers	392	comp.	1,200	per comp.	470,000
Nexus documentation	6	studies	45,000	per study	270,000
					<u>\$ 174,929,000</u>
Difference					\$ 48,873,000

<sup>1</sup> Additional land needs based on applying the FAR of 0.25 to building size.

<sup>2</sup> Assumes six nexus update studies within the planning horizon.

Sources: Tables 4 and 9; Willdan Financial Services.

# 5. Library Facilities Fee and Funding Requirements

The library facilities impact fee necessary to fund the modified facility standard is presented in this chapter. Also included are estimates of total funding requirements based on projected impact fee revenue.

## Library Facilities Impact Fee

**Table 11** shows the total per capita cost of providing the modified standard. The per capita cost components are derived from the facility standards and units costs described and presented in Chapter 3.

**Table 11: Library Facilities Cost Per Capita**

	<b>Modified Standard</b>
Average Cost per Building Sq. Ft.	\$ 702
Facility Standard (sq. ft. per capita)	<u>0.32</u>
Cost per Capita	\$ 225
Average Cost per Sq. Ft. of Land	\$ 5
Facility Standard (sq. ft. per capita)	<u>1.28</u>
Cost per Capita	\$ 6
Average Cost per Collection item	\$ 30
Facility Standard (items per capita)	<u>1.40</u>
Cost per Capita	\$ 42
Average Cost per Computer	\$ 1,200
Facility Standard (technology stations per capita)	<u>0.00060</u>
Cost per Capita	\$ 1
Cost per Nexus Study	\$ 45,000
Facility Standard (studies per capita) <sup>1</sup>	<u>0.00003</u>
Cost per Capita	\$ 1
<b>Total Cost per Capita</b>	<b>\$ 275</b>

Note: Figures have been rounded to the nearest dollar.

<sup>1</sup> Average population growth per five years increment is 36,546. Facility standard is equal to one nexus study per every 36,546 residents.

Sources: Tables 3 and 4; Willdan Financial Services.

The library facilities impact fee per dwelling unit is based on the total cost per capita multiplied by the average population density by type of unit described in Chapter 2. The total fee includes an impact fee program administrative charge of four percent (4.0%). The administrative charge funds legal, accounting, administrative support, revenue collection, revenue and cost accounting, and mandated public reporting costs.

Table 12 displays the library facilities fee schedule.

**Table 12: Library Facilities Fee Schedule**

Planning Area	A	B	C = A x B	D = C x 4%	E = C + D
	Cost per Capita	Occupant Density <sup>1</sup>	Base Fee <sup>2</sup>	Admin Charge <sup>3</sup>	Total Fee
<i>Sacramento County (Unincorporated)</i>					
Single-Family Detached	\$ 275	2.74	\$ 754	\$ 30	\$ 784
2 to 4 Unit Attached	275	2.13	586	23	609
5 + Unit Attached	275	1.78	490	20	510
Mobile Homes	275	1.76	484	19	503
Second Residential Units	275	1.00	275	11	286

<sup>1</sup>Persons per dwelling unit.

<sup>2</sup>Fee per dwelling unit.

<sup>3</sup>Administrative charge of 4.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, and mandated public reporting.

Sources: Tables: 2 and 11; Willdan Financial Services.

## Projected Impact Fee Revenue

Table 13 below estimates the impact fee revenue based on the projected population growth from Table 1 and the rates in Table 12. The table also estimates the other funding needed to achieve the modified facility standard by 2040. Table 13 adjusts the estimate of total funding needs for existing impact fee fund balances as of June 30, 2011. Note that the revenue projections and total cost of planned facilities shown in Table 13 are understated as a result of excluding growth in the Natomas area from the growth projections (see “Growth Projections” section). Based on the assumptions used in this analysis, over the 30-year planning horizon the Authority and the County will need \$64 million (current 2013 dollars) in addition to impact fee revenue to fully fund the library facilities needed to achieve the modified standard. This need for additional revenue would increase or decrease based on increases or decreases in the actual level of unincorporated area growth.

**Table 13: Non-Fee Revenue Needed**

	<b>Modified Policy Standard</b>	
Facility Standard (Cost per Capita)	\$	275
Growth 2010 to 2040 (unincorporated area)		<u>219,277</u>
Impact Fee Revenue	\$	60,301,000 48%
Existing Fund Balances <sup>1</sup>		1,566,000 1%
Non-Fee Revenue Needed	\$	<u>64,189,000 51%</u>
Total Cost of Planned Facilities	\$	126,056,000 100%

<sup>1</sup> Dedicated to fund the Vineyard Library. Fund balances current as of 6-10-11.

Sources: Sacramento County Public Library Authority; Tables 1 and 11, Willdan Financial Services.

## 6. Implementation

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### Impact Fee Program Adoption Process

Adoption of an impact fee or an update of an impact fee requires the County to follow certain procedures including holding a public meeting. Fourteen day mailed public notice is required for those registering for such notification. Data, such as an impact fee report, must be made available at least 10 days prior to the public meeting. County Counsel should provide guidance on all procedural requirements as well as any ordinance preparation and/or amendments and a fee resolution. After adoption there is a mandatory 60-day waiting period before the revised fees can go into effect.

### Establish Library Facilities Fee Impact Fee Account

The County shall establish a single new account for deposit of impact fee revenues collected that are based on this countywide nexus analysis. For existing library impact fee account balances from fees collected under the current plan area fee programs, the County should expend these revenues in a manner that is consistent with the nexus studies that supported adoption of those fees. Existing library impact fees shall not be comingled with library impact fees collected under this program.

### Identify Non-Fee Revenue Sources

The County should develop a funding plan to fully fund planned facilities. Along with impact fee revenues, non-fee funding sources will be needed to construct the facilities preliminarily identified in this report. Potential sources of revenue include state and federal grants for library facilities improvements, redevelopment area funding where applicable, existing or new general fund revenues or the use of existing or new taxes. Any new tax would require two-thirds voter approval, while new assessments or property-related charges would require majority property-owner approval.

Table 13 in Chapter 5 identified the share of funding from impact fee and non-impact fee sources needed to fully fund facilities at the modified facility standard. The Authority and County can use these funding shares as guidelines for new capital projects. Each project need not be funded at these exact percentages. However, the Authority and the County should use these funding shares to demonstrate that, on average over multiple capital projects, new development is only funding its fair share of total facility needs. Finally, the Authority and the County should re-evaluate these funding percentages if facility standards vary from the modified standard used in this nexus analysis.

### Capital Planning Process

According to the JPA the Authority's member jurisdictions are responsible for funding facilities while the Authority is responsible for operations. The Authority conducts capital planning and recommends capital facilities projects and funding options to member jurisdictions. The appropriate member jurisdiction determines the facilities to be constructed. As a member jurisdiction this process applies to the County as it works with the Authority to provide library facilities in the unincorporated area.

The Authority maintains its *Master Facility Plan* through annual updates. The County maintains and annually updates its Capital Improvements Plan (CIP) to plan for and appropriate expenditures for capital projects. Once a project identified by the Authority in its *Master Facility Plan* has full funding identified and can move towards implementation the County will integrate it into its CIP.

The County's CIP should document the commitment of all library facility fee revenues to specific projects. To the extent funded by impact fees these projects should serve residents from new development. As explained in Chapter 3 the County may use impact fee revenues generated anywhere throughout the unincorporated area to fund new facilities located anywhere throughout the area while over time delivering facilities such that most new development will have reasonably equivalent access to facilities. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues. The County should annually commit fee revenues to specific capital projects to demonstrate the need for the fee while having the flexibility to shift funding as needed based on recommendations from the Authority and changing circumstances.

## Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an automatic adjustment to the fee annually. Land is also a component of future facility costs and land values may not mirror building cost inflation. Adjustments for changes in land values can be integrated when the Library does a comprehensive update to the nexus study, at least every five years. The construction cost index can be based on the County's recent capital project experience or can be taken from any reputable source, such as the Consumers Price Index or the Engineering News-Record. Willdan recommends the use of the Engineering News-Record, Building Cost Index (ENR-BCI). To calculate prospective fee increases, each index should be weighed against its share of total planned facility costs represented by land or construction, as appropriate.

## Reporting Requirements

Subject to advice from County Counsel the County should comply with the annual and five-year reporting requirements of the Mitigation Fee Act (California Government Code §§66000 – 66025). For facilities to be funded by a combination of public fees and other revenues, identification of the source, amount, and timing of these non-fee revenues is required (see also the "Identify Non-Fee Revenue Sources:" section above).

## 7. Mitigation Fee Act Findings

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Impact fees are assessed and typically paid when a building permit is issued for a new development project by the local agency responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the Mitigation Fee Act with Assembly Bill 1600 in 1987 and subsequent amendments. The Mitigation Fee Act, contained in California Government Code §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The Mitigation Fee Act requires local agencies to document five statutory findings when adopting fees.

The five findings required by the Mitigation Fee Act to adopt the library facilities impact fee are presented below and supported by this nexus study (code references are to the California Government Code). The findings presented here are suggested findings only. The County adopted findings for existing plan area library fees at the time that those library facilities fees were initially approved by the Board of Supervisors. It is necessary to adopt new findings to accompany these countywide library facilities fees. The County may adopt findings presented here, or may choose to adopt updated or different findings.

### Purpose of Fee

For the first finding the County must:

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

County policy is that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the library facilities impact fee is to implement this policy by providing a funding source from new development for the library facilities needed to serve that development. The fees advance a legitimate interest by enabling the County to provide library facilities for new development.

### Use of Fee Revenues

For the second finding the agency must:

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

The library facilities impact fee would be available to fund new and expanded library facilities to accommodate new development. The facilities needed to accommodate new development are preliminarily identified in this report and are consistent with the Sacramento County Library Authority's policies and standards. The facilities include, but are not limited to: land acquisition, library building construction, equipment and computer purchases necessary for library functions, collection acquisition, and all capital project-related planning, design, engineering, environmental, and management costs.

## Benefit Relationship

For the third finding the agency must:

- ◆ *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed. (§66001(a)(3))*

The County will restrict fee revenue to uses described above under the “Use of Fee Revenues” finding. The County will keep fee revenue in a segregated account. Facilities funded by the fee will serve new development based on the recommendations of the Authority and action by the County. Over the 30-year planning horizon the County will use non-fee revenues to fund the fair share of new or expanded facilities needed to achieve the modified facility standard for existing (2010) development. This approach ensures a reasonable relationship between the use of fee revenue and new residential development that will pay the fees.

## Burden Relationship

For the fourth finding the agency must:

- ◆ *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed. (§66001(a)(4))*

Service population provides an indicator of the demand for library facilities needed to accommodate growth. Service population is calculated based on the number of residents associated with residential development.

The need for the fee is based on the library facilities standards identified in this report. These standards determine the facilities needed to support the 2040 service population. New development's fair share of planned facilities is based on projected new residential service population by 2040.

## Proportionality

For the fifth finding the agency must:

- ◆ *Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed. (§66001(b))*

This reasonable relationship between the library facilities impact 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 library facilities impact fee schedule when applied based on the type and number of dwelling units in a development project results in a total fee that reflects the estimated service population of the project. Larger development projects will generate a higher service population and pay a higher fee than smaller projects. Thus, the application of the fee schedule to a specific project ensures a reasonable relationship between the fee and the cost of the facilities attributable to that project.

# Appendix A

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**Table A.1** provides a detailed inventory of existing library facilities owned by the County of Sacramento.

**Table A.1: Existing Unincorporated Library Facilities (Detail)**

<b>Branch and Asset Type</b>	<b>Amount</b>	<b>Units</b>
<u><i>Arcade</i></u>		
Land	1.84	acres
Buildings	12,700	sq. ft.
Collections	77,500	items
Computers	27	computers
<u><i>Arden-Dimick</i></u>		
Land	1.34	acres
Buildings	11,900	sq. ft.
Collections	92,000	items
Computers	16	computers
<u><i>Carmichael</i></u>		
Land	3.82	acres
Buildings	20,700	sq. ft.
Collections	105,000	items
Computers	42	computers
<u><i>Fair Oaks</i></u>		
Land	2.90	acres
Buildings	12,000	sq. ft.
Collections	78,400	items
Computers	13	computers
<u><i>North Highlands - Antelope</i></u>		
Land	2.67	acres
Buildings	12,900	sq. ft.
Collections	88,400	items
Computers	18	computers

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Sources: Sacramento County Public Library Authority; Willdan Financial Services.

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**Table A.1: Existing Unincorporated Library Facilities (Detail) Continued**

<b>Branch and Asset Type</b>	<b>Amount</b>	<b>Units</b>
<i>Orangevale</i> <sup>1</sup>		
Land (leased)	-	acres
Buildings (leased)	-	sq. ft.
Collections	30,900	items
Computers	7	computers
<i>Rio Linda - Elverta</i> <sup>1</sup>		
Land (leased)	-	acres
Buildings (leased)	-	sq. ft.
Collections	39,900	items
Computers	7	computers
<i>Southgate</i> <sup>2</sup>		
Land	-	acres
Buildings	-	sq. ft.
Collections	92,300	items
Computers	15	computers
<i>Rancho Cordova</i> <sup>3</sup>		
Land	0.69	acres
Buildings	3,700	sq. ft.
Collections	29,300	items
Computers	6	computers
<b><u>Total Sacramento Unincorporated Area</u></b>		
<b>Land</b>	<b>13.26</b>	<b>acres</b>
<b>Buildings</b>	<b>74,000</b>	<b>sq. ft.</b>
<b>Collections</b>	<b>634,000</b>	<b>items</b>
<b>Computers</b>	<b>151</b>	<b>computers</b>
<b>Total</b>		

<sup>1</sup> Land and building at these branches are leased, not owned, by the Library, so they are not included in this inventory.

<sup>2</sup> This library will be relocated to a new building and location. Potential funding from sales of building and land is not included in nexus analysis because of uncertain future use and valuation.

<sup>3</sup> The branch that services both incorporated and unincorporated areas includes a total of 2.38 acres of land, 12,500 sq. ft. of building, a collection of 100,317, and 19 computers. Unincorporated area is allocated 29.2% of these totals based on the ratio of the branch's unincorporated to total service population (20,867 / 71,499 = 29.2%).

Sources: Sacramento County Public Library Authority; Willdan Financial Services.