

A scenic view of a park with a pond, a fountain, and a modern white dome structure on stilts. The dome is made of a white metal mesh and is supported by four thick white columns. It sits on a concrete platform with steps leading down to the water. To the left, a fountain sprays water into the air. The background is filled with tall, leafy trees under a clear blue sky. The water in the pond reflects the sky and the structures.

The City of Hercules Development Impact Fees

Presented by Revenue & Cost Specialists



WHAT ARE IMPACT FEES?

Development Impact Fees (DIF) are charges imposed by local governments on new development projects to help cover the cost of public infrastructure and services made necessary by that development.

The idea is to ensure that new growth "pays its fair share" of the infrastructure it requires, rather than burdening existing taxpayers.

HOW TO CREATE A DEVELOPMENT IMPACT FEE

- Establish a Land Use Database of the City
- Establish the current level of service for each infrastructure.
- Determine the impact of new development on the City's infrastructure.
- Determine the projects necessary to accommodate new development.
- Determine the project costs and distribute these costs across new development.
- Create a Master Facilities Plan.



WHAT HAPPENS IF THERE ARE NO IMPACT FEES

1. Current residents will need to subsidize the infrastructure required to accommodate new development.
2. The current Level of Service will drop for both current and future residents and businesses.



COUNTY OF EL DORADO v. SHEETZ

This ruling clarifies that all governmental exactions, whether legislatively or administratively imposed, must meet the *Nollan/Dolan* standards.

1. *Nollan v. California Coastal Commission*
2. *Dolan v. City of Tigard*

Nollan v. California Coastal Commission



**NEW
DEVELOPMENT**

**IMPACT
FEE
NEXUS**

← →



**PUBLIC
FACILITIES**

HOW A NEXUS IS DETERMINED & CALCULATED

LAW ENFORCEMENT

2023 Calls for Service to Detached Dwelling Units: 2,962

5,795 Existing Detached Dwelling Units

$2,962 \text{ Calls for Service} \div 5,795 \text{ Detached Units} = 0.511$

Call Generation Rate

One Detached Dwelling Unit Created on Average 0.511 Calls for Service in 2023

40 Detached Dwelling Units are Anticipated at Build-Out

$40 \text{ Detached Units} \times 0.511 \text{ Call Generation Rate} = 20 \text{ Anticipated Calls for Service from Detached Units}$

Total Anticipated Calls at Build-Out is 3,502

Of the 3,502 Total Calls, Detached Units Make Up 0.57% of the Total Call Volume

0.57% is Applied to the Total Project Costs Required by Law Enforcement At Build-Out

0.57% (\$9,376) is distributed to the Anticipated Detached Dwelling Units Resulting in \$234,400



NEXUS USED PER INFRASTRUCTURE

Public Safety: Calls for Service

Storm Drainage: Runoff Coefficient

General Government: Per Capita

Quality of Life: Per Capita

Dolan v. City of Tigard



**New
Development**

**Roughly
Proportional**

**\$
Impact
Fee**



**Road
Widening**

**THE INTENT BEHIND DEVELOPMENT
IMPACT FEES IS**

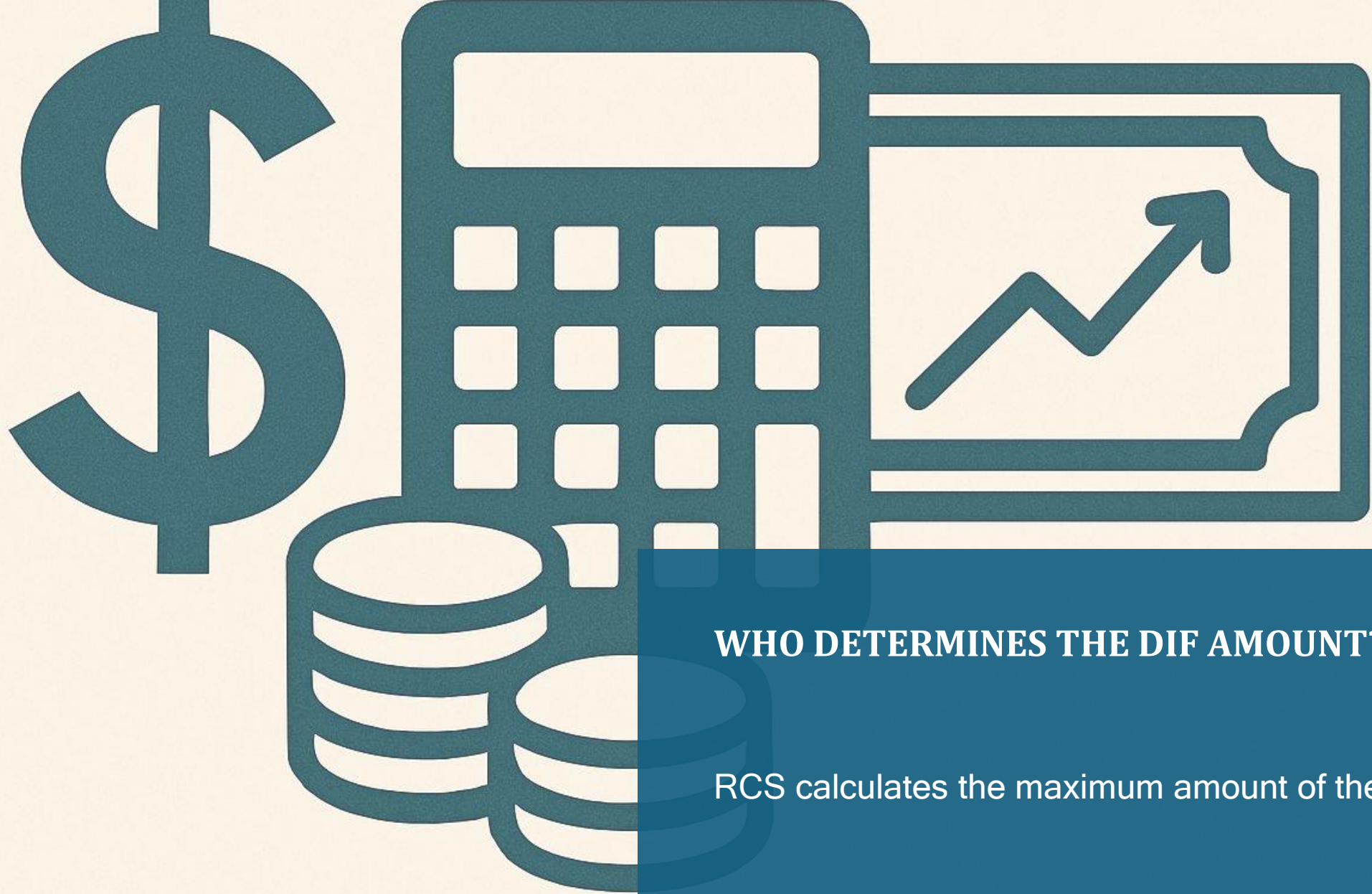


FAIRNESS



City of Hercules Impact Fees

- Law Enforcement
- Storm Drainage
- General Government
- Public Use Facilities
- Parkland and Open Space



WHO DETERMINES THE DIF AMOUNT?

RCS calculates the maximum amount of the DIF.

The City determines the appropriate amount of the DIF.

PROPOSED DEVELOPMENT IMPACT FEES

Land Use	Development Impact Fee
Detached Dwelling Unit	\$14,101
Attached Dwelling Unit	\$9,040
Commercial Lodging	\$3,295
Retail/Service/Office Uses (SF)	\$4.606
Industrial Uses (SF)	\$1.614
Institutional Uses (SF)	\$2.238

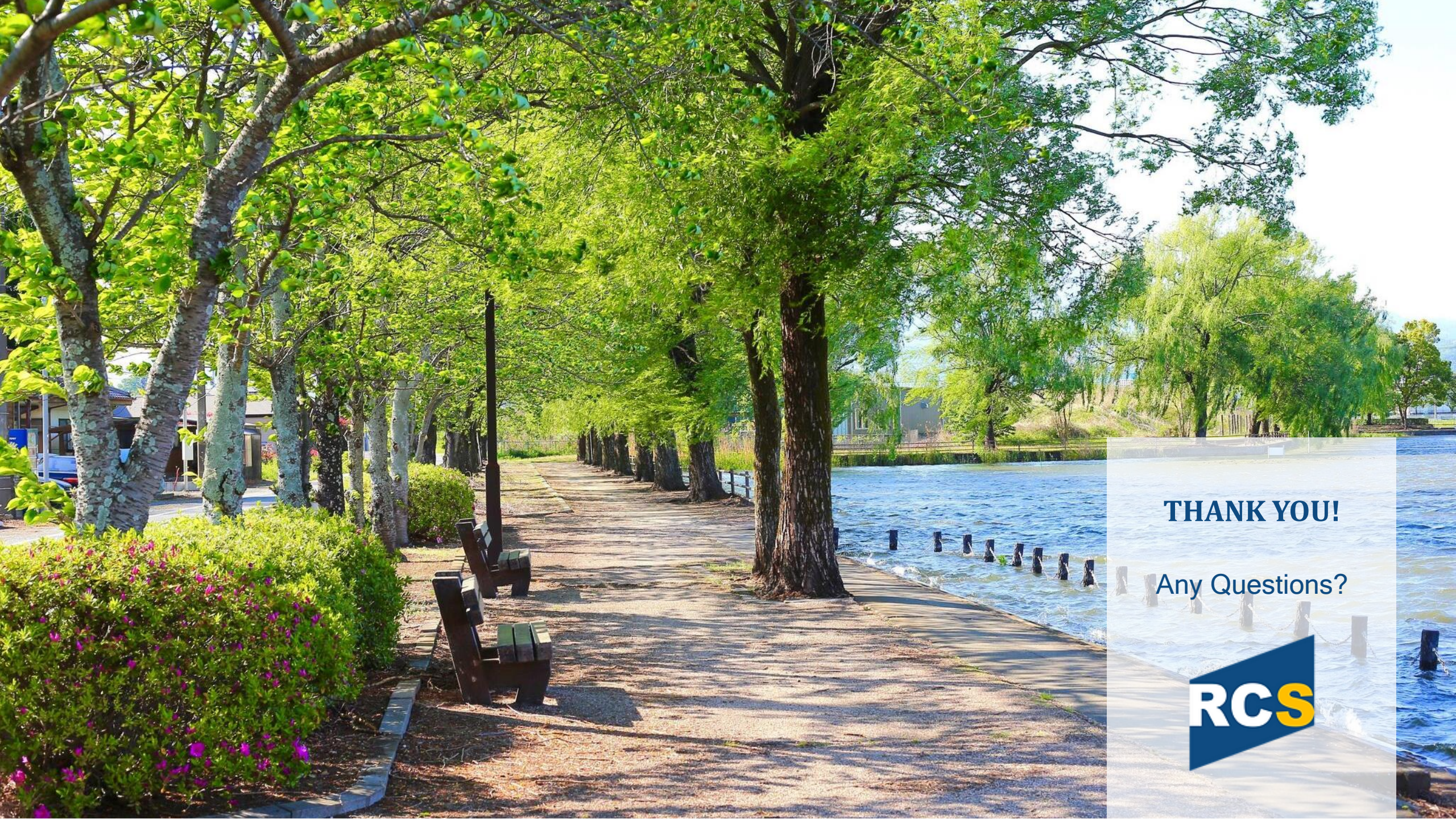
Development Impact Fees to be Updated

Land Use	Law Enforcement		General Government		Parkland	
	Current Fee	New Fee	Current Fee	New Fee	Current Fee	New Fee
Detached Dwelling Unit	\$1,522	\$234	\$858	\$148	\$1,770	\$7,706
Attached Dwelling Unit	\$950	\$249	\$538	\$148	\$1,072	\$4,986
Commercial Lodging Per Room	\$31	\$160	\$28	\$1,803	N/A	No Fee
Retail, Office & Service Per SF	\$0.51	\$2.74	\$0.28	\$1.02	N/A	No Fee
Industrial Uses Per SF	\$0.22	\$0.35	\$0.49	\$1.02	N/A	No Fee
Institutional Uses Per SF	N/A	\$0.29	N/A	\$1.02	N/A	No Fee

New Development Impact Fees		
Land Use	Storm Drainage	Public Use Facilities
Detached Dwelling Unit	\$504.00	\$5,509.00
Attached Dwelling Unit	\$93.00	\$3,564.00
Commercial Lodging Per Room	\$1,332.00	No Fee
Retail, Office & Service Uses Per SF	\$0.85	No Fee
Industrial Uses Per SF	\$0.25	No Fee
Institutional Uses Per SF	\$0.93	No Fee

Unchanged Development Impact Fees

Land Use	Public Benefit for the Bayfront Project	Fire Facilities	Transportation Facilities	Sewer Facilities	West County Sub-Regional Transportation Mitigation Fee
Single Family	\$4,000.00	\$1,886.00	\$6,204.00	\$4,857.00	\$6,964.00
Multi Family	\$2,350.00	Apartment: \$1,163 ADU: \$881	\$3,511.00	\$4,857.00	\$3,431.00
Hotel Per Room	\$0.20	\$114.00	\$2,277.00	\$1,878.00	\$4,457.00
Commercial Retail Per SF	\$0.20	\$1.00	\$8.00	\$0.62	\$8.44
Office Per SF	\$0.20	\$1.00	\$6.00	\$1.00	\$11.17
Industrial Per SF	None	\$1.00	\$6.00	\$1.00	\$7.12



THANK YOU!

Any Questions?

