City of St. Helena
Special City Council Meeting
Tuesday, May 30, 2017 @ 9:00 AM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena

PLEASE NOTE: Any person who wishes to speak regarding an item on the agenda or make a comment under the "public comment" portion of the agenda may do so, but please observe the time limit of three minutes.

Page

1. CALL TO ORDER

2. ROLL CALL
   Mayor: Alan Galbraith
   Vice Mayor: Peter White
   City Council: Paul Dohring
   Geoff Ellsworth
   Mary Koberstein

3. PUBLIC COMMENT:
   Public comments pertaining to the Budget Public Workshop meeting.
   (Please observe the time limit of three minutes.)

4. CONSENT ITEMS:

   4.1. Consideration and proposed approval of a resolution approving the SHES/SHPS Parent Teacher Group to have a mobile food vendors at Crane Park on June 8, 2017 between the hours of 10:00 am and 2:00 pm for their 5th Grade Celebration event; and waive the $200 encroachment fee. — 3 - 13

   CEQA Determination: Nota CEQA project
   Prepared By: Chrissy Cook, Administrative Assistant
   Erica Ahmann Smithies, PW Director and City Engineer
   Recommendation: Adopt
   Staff Report

   4.2. Consideration and Proposed Approval of a Resolution Approving a One Year Extension of the Marketing and Promotional Services Agreement Between the City of St. Helena and the St. Helena Chamber of Commerce for a Maximum Sum of $210,000.00 for Fiscal Year 2017/18 — 15 - 28

   CEQA Determination: Not a CEQA project
   Prepared By: April Mitts, Finance Director
   Recommendation: Adopt
   Staff Report

5. NEW BUSINESS

   5.1. Report on Development Impact Fees. This Report Provides: Descriptions of each Development Impact Fee, Identification of Public — 29 - 91

Improvements in which Fees can be Expended, Costs Which Can Be Charged to New Development, Total Costs that Must be Paid for Using Other Funds, and Balance of Each Impact Fee Account.

CEQA Determination: Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)
Prepared By: April Mitts, Finance Director
Recommendation: Receive and file

Staff Report
Attachment 1

5.2. Budget Workshop to Review Three Options for the FY 2017/18 Budget as Directed by City Council on May 2, 2017, Provide Characterization of Measure D Funds, Provide an Overview of Year-over-Year Expenses, and Seek Council Direction on FY 2017/18 Budget to be Adopted on June 13, 2017 at a Regularly Scheduled City Council Meeting. 93 - 133

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Provide staff with direction in preparing the final budget for adoption on June 13, 2017.

Staff Report
Attachment 1 - 2016 Measure D Sales Tax Fact Sheet
Budget FY 17-18 Proposed Budget Presentation
Mayor Comment

6. ADJOURNMENT

The next Regular City Council meeting is scheduled for June 13, 2017, at 6:00 p.m. in the Vintage Hall Board Room located at 465 Main Street.

This agenda was posted at City Hall, 1480 Main Street, and at Vintage Hall, 465 Main Street, St. Helena, California on May 26, 2017.

Cindy Black

Cindy Black, City Clerk

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Clerk's Office (707) 967-2792. Notification 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Report to the City Council
Council Meeting of May 30, 2017

Agenda Section: **Consent**

Subject: **Consideration and proposed approval of a resolution approving the SHES/SHPS Parent Teacher Group to have a mobile food vendors at Crane Park on June 8, 2017 between the hours of 10:00 am and 2:00 pm for their 5th Grade Celebration event; and waive the $200 encroachment fee.**

CEQA Determination: **Not a CEQA project**

Prepared By: C Cook
Chrissy Cook, Administrative Assistant

Reviewed By: Erica Ahmann Smithies
Erica Ahmann Smithies, PW Director and City Engineer

Approved By: Larry F. Pennell
Larry F. Pennell, Interim City Manager

BACKGROUND
The SHES/SHPS Parent Teacher Group has requested permission to host a 5th Grade Celebration event at Crane Park on June 8, 2017 between the hours of 10:00 am and 2:00 pm. This event will include one mobile food vendor. The St. Helena Unified School District has reserved Crane Park pads 1, 2 & 3 for this event.

DISCUSSION
Current City municipal code does not include provisions for hosting mobile food vendors at Crane Park. Staff is requesting City Council approve this item and waive the encroachment permit fee in the amount of $200.

FISCAL IMPACT
Encroachment permit fee in the amount of $200.

RECOMMENDED ACTION
Adopt the attached resolution allowing one mobile food vendors at Crane Park.

ATTACHMENTS
Encroachment Permit Application
Crane Park Permit
SHUSD Crane Park Food Truck RESO

PERMIT # ____________

CITY OF ST. HELENA
ENCROACHMENT PERMIT
APPLICATION

TO: **DEPARTMENT OF PUBLIC WORKS**
1480 MAIN STREET
ST. HELENA, CA 94574

Applicant: SHES/SHPS Parent Teacher Group
(Property Owner or Contractor)

Email: dibattista.jen@laienca.com

Phone: 707/738-0872

Job Location: Crane Park Parking Lot (Off S. Crane Ave)

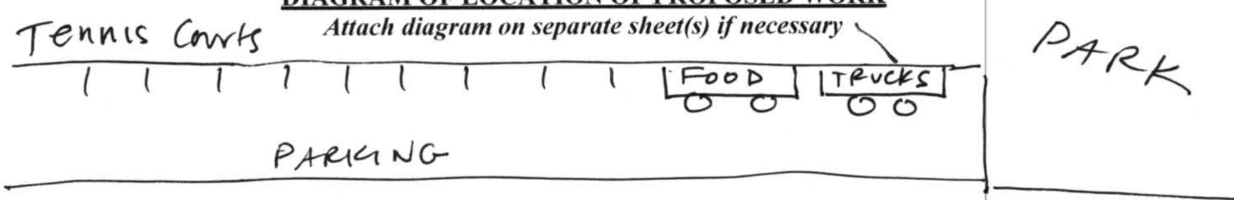
I (or we) hereby apply for an encroachment permit to carry out the following work:

Food truck parking for 5th Grade Celebration

Estimated Start Date June 8, 2017 10:00 am Estimated Completion Date June 8, 2017 2:00 pm

DIAGRAM OF LOCATION OF PROPOSED WORK

Attach diagram on separate sheet(s) if necessary



Permittee agrees to comply with all ordinances, regulations, specifications and conditions which may apply or be required as a condition of this Permit/Contract. (See insurance requirements and general and special conditions pages).

Permittee shall indemnify, defend and hold harmless The City of St. Helena and its agents, officers, officials employees and volunteers in interest from and against all claims, damages, losses and expenses including attorney fees arising out of or in connection with work performed under this Permit/Contract, except where caused by the sole negligence or willful misconduct of The City of St. Helena. This obligation of Permittee to indemnify, defend and hold harmless shall continue in effect after the completion of the project authorized under this Permit/Contract.

State Law required U.S.A. to be alerted for all underground work two (2) working days prior to start date

Applicant: Jennifer Di Battista | PTG Treasurer | 05/15/2017
Signature | Title | Date

Conditions: ____________

Approved By: ____________ ____________
Public Works Staff | Date

AIM
Association Insurance Management, Inc.
your partner for insurance and risk solutions

MEMBER CERTIFICATE OF INSURANCE

5/15/17

Thank you for purchasing your insurance from AIM. This is your Member Certificate and should be kept with your permanent records.

Insured #: CA254460

NAMED INSURED MEMBER:

SHES/SHPS Parent Teacher Group
Attn: Jennifer Di Battista
PO Box 554
St. Helena, CA 94574

Named Insured & Mailing Address

Education Support Purchasing Group
c/o AIM
P.O. Box 674051
Dallas TX, 75267-4051

PRODUCER NAME

AIM Association Insurance Management, Inc.
PO Box 674051
Dallas TX, 75267-4051

Company / Coverage	Policy #	Effective Dates	Deductible	Limits of Insurance	
Tudor Insurance Company / Commercial General Liability	PTP0014985	10/27/16 - 10/27/17	$ 0	Each Occurrence	$2,000,000
				General Aggregate	$2,000,000
				Products - COMP/OPS Aggregate	$2,000,000
				Personal & Advertising Injury	$2,000,000
				Fire Damage (any one fire)	$50,000
Tudor Insurance Company / Medical Payments	PTP0014985	10/27/16 - 10/27/17	$ 0	Any One Person	$5,000
				Aggregate	$5,000
Tudor Insurance Company / Non-profit Prof Liability (Officers Liability)*	PTP0014986	10/27/16 - 10/27/17	$ 1,500	Aggregate	$1,000,000
	Retro-active Effective Date:	10/27/15			

The City of St. Helena, its Agents, Officers, Officials, Employees and Volunteers are added as an Additional Insured to the General Liability policy only.
Event: 5th Grade Celebration
Date/Time: June 8, 2017 10:00 AM - 2:00 PM

Certificate Holder:

The City of St. Helena, its Agents, Officers, Officials, Employees and Volunteers
1480 Main Street
St Helena, CA 94574

This member certificate, together with the common policy conditions, coverage part(s), coverage form(s), and endorsements, if any, complete the above numbered policy. Copies of the Master Policies are available upon request or may be printed at www.aim-companies.com

AUTHORIZED REPRESENTATIVE

☐ **Western World Insurance Co.** x **Tudor Insurance Co.** ☐ **Stratford Insurance Co.**

GENERAL CHANGE ENDORSEMENT

Attaching to and forming a part of:

Cert #: **PTP0014985** Effective Date of Certificate: **10/27/2016**

Endorsement #: **2** Effective Date of Endorsement: **5/15/2017**

Insured: **SHES/SHPS Parent Teacher Group**

Additional Premium $0.00 Return Premium $0.00

The following change(s) is/are made to this Certificate:

The attached Additional Insured Endorsement form CG 20 26 04 13, reflecting the below Additional Insured is attached to, and made part of the above certificate effective as of the date indicated above at 12:01 A.M., Standard Time.

The City of St. Helena, its Agents, Officers, Officials, Employees and Volunteers
1480 Main Street
St Helena, CA 94574

Dated: **5/15/2017**

Authorized Agent

Agent No. **26001**

WW453 (10/11)

CERTIFICATE NUMBER:PTP0014985

COMMERCIAL GENERAL LIABILITY
CG 20 26 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s): **The City of St. Helena, its Agents, Officers, Officials, Employees and Volunteers** **1480 Main Street** **St Helena, CA 94574** **Event: 5th Grade Celebration Date/Time: June 8, 2017 10:00 AM - 2:00 PM**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or

2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

Permit Contract

City of St Helena
1480 Main Street
St Helena, CA 94574
Phone: (707) 967-2792
FAX: (707) 963-7748
Email: haidia@ci.st-helena.ca.us

Permit #1359, Approved

May 2, 2017 11:18 AM

Company: St. Helena Elementary
1325 Adams St.
St Helena, CA 94574

Agent: Mrs. Niki Meyers
Email: nmeyers@sthelenaunified.org

Customer Type: Private Individual
Prepared By: Amalia Sommer

Work: (707) 967-2712 Home: (707) 967-2712

Charges	Taxes	Discounts	Total Charges	Deposits	Deposit Taxes	Total Payments	Refunds	Balance
$105.00	$0	$0	$105.00	$150.00	$0	($255.00)	$0	$0

RESERVATIONS

Event	Resource	Center	Notes
SHES 5th Grade Promotion Type: School Function Attend/Qty: 50	Crane Park Area 1	Crane Park 360 Crane Avenue Saint Helena, CA 94574 (707) 963-5706	–

Days Requested		Event Begins	Duration	Event Ends	
Day	Date			Date	Time
Thursday	Jun 8, 2017	9:00 AM	5 hours	Jun 8, 2017	2:00 PM

Summary	Notes
Total Number of Dates: 1 Total Time: 5 hours	–

RESERVATIONS

Event	Resource	Center	Notes
SHES 5th Grade Promotion Type: School Function Attend/Qty: 50	Crane Park Area 2	Crane Park 360 Crane Avenue Saint Helena, CA 94574 (707) 963-5706	–

Days Requested		Event Begins	Duration	Event Ends	
Day	Date			Date	Time
Thursday	Jun 8, 2017	9:00 AM	5 hours	Jun 8, 2017	2:00 PM

Summary	Notes
Total Number of Dates: 1 Total Time: 5 hours	–

RESERVATIONS

Event	Resource	Center	Notes
SHES 5th Grade Promotion Type: School Function Attend/Qty: 50	Crane Park Area 3	Crane Park 360 Crane Avenue Saint Helena, CA 94574 (707) 963-5706	–

(707) 963-5706

Days Requested		Event Begins	Duration	Event Ends	
Day	Date			Date	Time
Thursday	Jun 8, 2017	9:00 AM	5 hours	Jun 8, 2017	2:00 PM

Summary

Total Number of Dates: 1
Total Time: 5 hours

Notes

–

CHARGES

Description	Event / Resource	Unit Fee	Units	Tax	Charge
Crane Park Resident Fees Areas 1 - 3	SHES 5th Grade Promotion #1359 Crane Park Area 1	$35.00	1.00	–	$35.00
Crane Park Resident Fees Areas 1 - 3	SHES 5th Grade Promotion #1359 Crane Park Area 2	$35.00	1.00	–	$35.00
Crane Park Resident Fees Areas 1 - 3	SHES 5th Grade Promotion #1359 Crane Park Area 3	$35.00	1.00	–	$35.00

DEPOSITS

Deposit Charge	Event / Resource	Charge	Tax	Amount paid	Refunds	Balance
Park Cleaning Deposit (Resident)	SHES 5th Grade Promotion #1359 Crane Park Area 1	$50.00	$0	$50.00	$0	$0
Park Cleaning Deposit (Resident)	SHES 5th Grade Promotion #1359 Crane Park Area 2	$50.00	$0	$50.00	$0	$0
Park Cleaning Deposit (Resident)	SHES 5th Grade Promotion #1359 Crane Park Area 3	$50.00	$0	$50.00	$0	$0

Payments and Refunds

Receipt #	Date	Charge Description	Resource Event	Payment
1007177.002	May 2, 2017	Park Cleaning Deposit (Resident)	Crane Park Area 1 SHES 5th Grade Promotion #1359	$50.00
1007177.002	May 2, 2017	Crane Park Resident Fees Areas 1 - 3	Crane Park Area 1 SHES 5th Grade Promotion #1359	$35.00
1007177.002	May 2, 2017	Park Cleaning Deposit (Resident)	Crane Park Area 2 SHES 5th Grade Promotion #1359	$50.00
1007177.002	May 2, 2017	Crane Park Resident Fees Areas 1 - 3	Crane Park Area 2 SHES 5th Grade Promotion #1359	$35.00
1007177.002	May 2, 2017	Park Cleaning Deposit (Resident)	Crane Park Area 3 SHES 5th Grade Promotion #1359	$50.00
1007177.002	May 2, 2017	Crane Park Resident Fees Areas 1 - 3	Crane Park Area 3 SHES 5th Grade Promotion #1359	$35.00

SAMPLE TEXT: Terms & Conditions: This agreement, when signed by the applicant and a representative of the Organization, constitutes a contractual agreement binding both parties to certain obligations.

The applicant agrees to observe and obey all Organization rules and regulations. In addition, it shall be the responsibility of the applicant to pay the required fee at the time of reservation. Balance due must be paid before the scheduled event. Deposits will be returned only in the case of conditions which force the cancellation of the event.

The Organization agrees to maintain the facility, to assure that the facility is prepared properly for the agreed-upon event, and to provide adequate sanitation facilities, subject to available equipment, resources, weather conditions and time of year.

CITY OF ST. HELENA

RESOLUTION NO. 2017-

APPROVING THE SHES/SHPS PARENT TEACHER GROUP TO HAVE A MOBILE FOOD VENDOR AT CRANE PARK ON JUNE 8, 2017 BETWEEN THE HOURS OF 10:00 AM AND 2:00 PM FOR THEIR 5TH GRADE CELEBRATION EVENT; AND WAIVE THE $200 ENCROACHMENT FEE.

RECITALS

A. The Municipal Code for the City of St. Helena does not allow or disallow mobile food vendors in areas designated as “Park District”, and

B. The SHES/SHPS Parent Teacher Group has requested permission to host one mobile food vendor at Crane Park on June 8, 2017 between the hours of 10:00 am and 2:00 pm, and

C. The City Council desires to regulate the use of public property at Crane Park to include 2 mobile food vendors.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

1. The SHES/SHPS Parent Teacher Group can coordinate one mobile food vendor at their 5th Grade Celebration event at Crane Park.

2. Mobile food vendor must:
    a. Possess a valid City of St. Helena Business License; and
    b. Only operate business between 10:00 am to 2:00 pm; and
    c. Possess a valid Napa County Health Permit.

3. The City Council authorizes the encroachment permit fee waived in the amount of $200.

I HEREBY CERTIFY that this Resolution was adopted at a special meeting of the City Council held on May 30, 2017 by the following roll call vote:

Mayor Galbraith: __________

Vice Mayor White: __________

Councilmember Dohring: __________

Councilmember Ellsworth: __________

Councilmember Koberstein: __________

APPROVED: ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

Report to the City Council
Council Meeting of May 30, 2017

Agenda Section: **Consent**

Subject: **Consideration and Proposed Approval of a Resolution Approving a One Year Extension of the Marketing and Promotional Services Agreement Between the City of St. Helena and the St. Helena Chamber of Commerce for a Maximum Sum of $210,000.00 for Fiscal Year 2017/18**

CEQA Determination: **Not a CEQA project**

Prepared By: April Mitts, Finance Director

Reviewed By:

Approved By: Larry F. Pennell, Interim City Manager

BACKGROUND

The City of St. Helena's general fund derives significant revenues from the Transient Occupancy Tax (TOT) and sales tax generated by tourism to our community. Tourism provides the significant revenue stream which allows the City of St. Helena to provide the services it provides to the local residents.

Historically the City of St. Helena ("City") works with the St. Helena Chamber of Commerce ("Chamber") and the local business community to invest funding to market and promote St. Helena as a desirable tourist destination choice. The City and the Chamber have previously entered into promotional and marketing services and agreements with each other.

DISCUSSION

The City and the Chamber recognize St. Helena is an international tourist destination resort known for its high end lodging, exceptional wines, highly regarded restaurants and general commerce celebrating the wine and culinary lifestyle that makes St. Helena the "Heart of the Napa Valley". The City and Chamber also recognize marking St. Helena's authenticity and small town charm using "Napa Valley's Main Street" messaging benefit the local businesses in the hospitality industry and the City.

The City and the Chamber enjoy a close working relationship and California Government Code Section 37110 provides the City with authorization to spend money from the general fund to, among other things, promote the City. The Chamber represents it is recognized by the Internal Revenue Service as a section 501[c][6] nonprofit organization, represents it is directed by an elected Board of Directors from the local businesses community, has a professional staff, and is organized and equipped to carry on promotional and marketing activities on behalf of the City.

An agreement was entered on July 14, 2015 via Resolution 2015-74 between the City of St. Helena and the St. Helena Chamber of Commerce to continue promotional and marketing activities on behalf of the City. This agreement's effective dates began July 1, 2015, and will terminate on June 30, 2017. The agreement will be subject to an annual review of the Scope of Services and Budget for the July 1, 2016 through June 30, 2017 term.

For the purpose of evaluating the effectiveness of the marketing and promotional services to be provided by the Chamber, the Chamber will provide to the City an annual written report by May 31st which shall include the following information:
Statistics of visitor activity including the number of visitors to the St. Helena Welcome Center and number of referrals to St. Helena businesses;
Utilization of traffic counts on Chamber website;
Hours of operation and staffing levels at St. Helena Welcome Center;
Periodic reports on advertising, press coverage, and press releases with dates of publication or release; and
Status of projects/programs.

The City Manager and Chamber's President/CEO will meet periodically to discuss and review marketing trends, business climate, etc., within St. Helena and the Napa Valley region.

It is recommended that the Chamber of Commerce Marketing and Promotional Services Agreement between the City of St. Helena and the St. Helena Chamber of Commerce be extended for one (1) additional year to cover services from July 1, 2017 through June 30, 2018 at the same contract amount of $210,000.00 annually.

FISCAL IMPACT

The fiscal impact for this contract is $210,000.00 for Fiscal Year 2017/18 with a review of the Scope of Services and Budget for the Fiscal Year 2017/18 being done during the Fiscal Year 2018/19 budget process.

RECOMMENDED ACTION

Approve Resolution extending Marketing and Promotional Services Agreement between the City of St. Helena and the St. Helena Chamber of Commerce for one (1) year to cover services from July 1, 2017 through June 30, 2018 and authorize the City Manager to execute the agreement on behalf of the City.

ATTACHMENTS

Attachment 1 - Resolution 2015-74
Attachment 2 - City of St. Helena - Chamber Agreement 2015-2017
Attachment 3 - Amendment #1 to City of St. Helena - Chamber Contract
Attachment 4 - Resolution Approving Amendment #1 To Agreement

Attachment 1

CITY OF ST. HELENA

RESOLUTION NO. 2015-74

APPROVING A MARKETING AND PROMOTIONAL SERVICES AGFREEMENT BETWEEN THE CITY OF ST. HELENA AND THE ST. HELENA CHAMBER OF COMMERCE

RECITALS

A. The City desires to continue working with the St. Helena Chamber of Commerce by investing funding to market and promote St. Helena as a desirable tourist destination choice; and

B. California Government Code Section 37110 provides the City with authorization to spend money from the general fund to, among other things, promote the City; and

C. The St. Helena Chamber of Commerce represents it is recognized by the Internal Revenue Service as a Section 501[c][6] nonprofit organization; and

D. The St. Helena Chamber of Commerce represents it is directed by an elected Board of Directors from the local business community with a professional staff and is organized and equipped to carry on promotional and marketing activities on behalf of the City.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

1. The City Council approves the two-year Agreement with the St. Helena Chamber of Commerce for a total not to exceed amount of $210,000.00 for Fiscal Year 2015/16; and
2. An annual review of the Scope of Services and Budget for Fiscal Year 2016/17 will be done towards year end 2015/16; and
3. The City Council authorizes the City Manager to execute the agreement on behalf of the City.

Approved at a Regular Meeting of the St. Helena City Council on July 14, 2015 by the following vote:

Mayor Galbraith: Yes

Vice Mayor White: Yes

Councilmember Crull: Yes

Councilmember Dohring: Yes

Councilmember Pitts: Yes

APPROVED:

Alan Galbraith, Mayor

ATTEST:

Cindy Black, City Clerk

Attachment 2

MARKETING AND PROMOTIONAL SERVICES AGREEMENT BETWEEN THE CITY OF ST. HELENA AND THE ST. HELENA CHAMBER OF COMMERCE

THIS AGREEMENT is made and entered into on July 14, 2015 ("Agreement"), by and between the City of St. Helena a municipal corporation located in the County of Napa, State of California (City), and the St. Helena Chamber of Commerce (Chamber). The City and Chamber will be referred to collectively as the "Parties."

RECITALS

C. City seeks to work with the Chamber and the local business community to invest funding to market and promote St. Helena as a desirable tourist destination choice.

D. California Government Code Section 37110 provides the City with authorization to spend money from the general fund to, among other things, promote the City.

E. Chamber represents it is recognized by the Internal Revenue Service as a section 501[c][6] nonprofit organization.

F. Chamber represents it is directed by an elected Board of Directors from the local business community with a professional staff, and is organized and equipped to carry on promotional and marketing activities on behalf of the City in accordance with this Agreement.

G. City and Chamber have previously entered into similar promotional and marketing services agreements.

Therefore, for the considerations hereinafter specified, the Parties agree as follows:

Section 1. Scope of Services. Chamber shall provide the services as outlined in Exhibit A attached hereto. The Parties shall review the Scope of Services annually. Subject to this Agreement, the Parties may agree to scope modifications mutually acceptable to the Parties and confirmed in writing signed by the Parties.

Section 2. Term of Agreement. This Agreement's effective date will begin July 1, 2015, and will terminate on June 30, 2017. This Agreement shall be subject to an annual review by the Parties of the Scope of Services and Compensation for the July 1, 2016 through June 30, 2017 term, and the Parties may agree to modify these provisions. Any such modifications shall be confirmed in writing signed by the Parties.

Section 3. Compensation. For the Scope of Services provided in Exhibit A , City will pay Chamber an annual sum of $210,000. Said payments shall be made in eight equal quarterly installments of $52,500 on July 31, 2015, October 31, 2015, January 31, 2016, April 30, 2016, July 31, 2016, October 31, 2016, January 31, 2017 and April 30, 2017.

Section 4. Accounting. The Chamber shall account for all City funding provided, shall keep complete books and records for expenditures associated with the City funding pursuant to this Agreement, and shall make available and to submit to audit by the City of all the Chambers' books, records, and financial statements upon the City's request and with reasonable prior notice, which shall not exceed 10 calendar days.

Section 5. Performance Evaluation and Tracking. For the purposes of evaluating the effectiveness of the marketing and promotional services to be provided by Chamber, Chamber shall provide to City an annual written report by May 31st, which shall include the following information:

- Statistics of visitor activity including the number of visitors to the St. Helena Welcome Center and number of referrals to St. Helena businesses.
- Utilization and traffic counts on Chamber web-site.
- Hours of operation and staffing levels at St. Helena Welcome Center. Hours of operation shall generally be 10:00 a.m. to 5:00 p.m. daily except for holidays and Chamber staffed Special Events. Hours may be reduced during the off-season period of January – May.
- Reports on advertising, press coverage, and press releases with dates of publication or release.
- Status of projects/programs outlined in Exhibit A, "Scope of Services."

City's City Manager and Chamber's President/CEO shall meet periodically to discuss and review marketing trends, business climate, etc., within St. Helena and the Napa Valley region.

Section 6. Independent Contractors. The Parties understand and agree the Chamber, in the performance of its work and services under this Agreement, shall act as and be an independent contractor. Chamber shall obtain no rights or benefits that accrue to City employees.

Section 7. Indemnification by Chamber. The Chamber shall, upon the City's written demand and with legal counsel acceptable to the City, defend, indemnify, and hold harmless the City, its agents, officers, City Council members, and employees for all liability, actions, claims, damages, costs, or expenses, including reasonable attorney's fees and legal expenses including experts, which may be asserted by any person, including the Chamber, arising out of or in connection with the Chamber's performance of services under this Agreement.

Section 8. Indemnification by City. The City shall, upon the Chamber's written demand and with legal counsel acceptable to the Chamber, defend, indemnify, and hold harmless the Chamber, its agents, officers, and employees for all liability, actions, claims, damages, costs, or expenses, including reasonable attorney's fees and legal expenses including experts, which may be asserted by any person, including the City, arising out of or in connection with the City's performance under this Agreement.

Section 9. Insurance Requirements. Chamber shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Chamber, its agents, representatives, or employees, as indicated:

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

B. Minimum Limits of Insurance. Chamber shall maintain limits no less than:
1. General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of $25,000 or greater must be declared to and approved by the City.

D. Other Insurance Provisions. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
1. The City, its agent, officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of work or operations performed by the Chamber or Chamber's subconsultants; or automobile owned, leased, hired or borrowed by the Chamber.
2. For any claims related to Chamber's conduct while performing the work of this project, the Chamber's insurance coverage shall be primary insurance as respects the City, its agents, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, officials, employees or volunteers shall be excess of the Chamber's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.

E. Waiver of Subrogation. The workers compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its agents, officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the work performed by the named insured for the City.

F. The Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

G. Verification of Coverage. Chamber shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on forms that conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Section 10. Nondiscrimination. The Chamber shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, ancestry, color, sex, sexual orientation, age, national origin, religion, material status, medical condition, or physical or mental disability.

Section 11. Governing Law. City and Chamber agree that the law governing this Agreement shall be that of the State of California.

Section 12. Compliance with Laws. Chamber shall comply with all applicable laws, ordinances, codes, and regulations of the Federal, State, and Local Agencies (including, without limitation, the City).

Section 13. Disclosure/Provision of Information. Brochures, maps, or other promotional materials produced by Chamber using the funds arising out of this Agreement may include the City logo on the material. Any information developed by Chamber pursuant to this Agreement shall be provided to City upon City's request.

Section 14. Waiver. The Parties agree that a waiver, breach, or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. The City's acceptance of Chamber's performance of any work or services shall not be deemed to be a waiver of City's rights or Chamber's obligations under this Agreement.

Section 15. Assignment/Delegation. Except as above, neither party hereto shall assign, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other Party, and no assignment shall be of any force or affect whatsoever, and shall be void, unless and until the other Party shall have so consented.

Section 16. Conflict of Interest. The Chamber covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services under this Agreement. The Chamber further covenants that in the performance of the Scope of Services under this Agreement, Chamber will not knowingly employ any person having any such conflict of interest with the City.

Section 17. Attorney's Fees. In the event either Party brings an action or proceeding for damages arising out of the other's performance under this Agreement, or to establish the rights or remedies of either party, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs as part of such action or proceeding.

Section 18. No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create, and the Parties do not intend to create, any rights or remedies to any person or entity not a Party to this Agreement.

Section 19. Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing, and shall be personally served or mailed, return-receipt requested, addressed to the respective parties as follows:

Attachment 2

CEO/President
St. Helena Chamber of Commerce
657 Main Street
St. Helena, CA 94574

City Manager
City of St. Helena
1440 Main Street
St. Helena, CA 94574

Section 20. Prior Agreements. This Agreement, including all Exhibits attached hereto, represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered under this Agreement.

Section 21. Entire Agreement / Interpretation. Both Parties acknowledge that by entering into this Agreement, the City is not assuming any obligation to operate, supervise, or fund Chamber or any other obligations to Chamber other than those expressly provided in this Agreement. This Agreement constitutes the entire agreement among the Parties and may not be modified or changed, except by written instrument executed by both parties. No provision of this Agreement is to be interpreted for or against either Party because that Party or that Party's legal representative drafted such provision.

Section 22. Termination. This Agreement may be terminated prior to June 30, 2017 as follows: By either Party, if the other Party fails to perform any of its obligations hereunder, within the time and in the manner provided, or otherwise violates any of the terms of this Agreement. The Party terminating the Agreement shall give written notice of such termination, stating the reasons for such termination in such event. Termination shall be effective 30 days following such written notice. Upon the termination of this Agreement by either Party, (1) any accrued but unpaid compensation due the Chamber shall be paid to the Chamber within thirty (30) days after receipt of the Chamber's invoice following such termination; and (2) Chamber shall repay to City within thirty (30) days after receipt of the Chamber's invoice following such termination the pro-rata portion of any quarterly payment remaining post-termination. Compensation to Chamber or Chamber's reimbursement to City due upon termination shall be prorated. For example, if the Agreement were terminated on March 15, 2016, then $26,250 would be due to Chamber for the services performed during the partial January 31, 2016 through April 30, 2016 installment period.

Section 23. Special Provisions. This Agreement is subject to the following special provisions: none.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Chamber:

By: ______________________
Name: Pamela Simpson
Title: CEO/President

City:

By: ______________________ April Mitts for
Name: Jennifer Phillips
Title: City Manager - Acting

Approved as to Form:

By: ______________________
Name: Thomas B. Brown
Title: City Attorney

Attachment 2

Exhibit A

Scope of Work
St. Helena Chamber of Commerce Marketing and Promotional Services Agreement

Tourism Marketing and Promotional Efforts

The St. Helena Chamber of Commerce "Chamber" shall at a minimum provide the following efforts to proactively market the City of St. Helena and Chamber members to promote tourism and local businesses by implementing an effective marketing and promotional strategy designed to maintain and generate increased TOT and sales tax revenue to the City's General Fund thereby directly contributing to the quality of life for local residents through the funding of core town services.

- Direct and implement a Public Relations strategy which can include retaining a public relations professional to assist in the marketing and exposure of the City of St. Helena as a high end destination.
- Direct and implement a Marketing Strategy with an overall "Visit St. Helena" message designed to directly and indirectly benefit all businesses in and around St. Helena.
- Maintain a robust, timely and current web-site and provide a link to the City web-site. The site should be mobile friendly and easy to navigate.
- Operate and staff a Welcome Center on a daily basis. Hours of operation shall generally be 10:00 a.m. to 5:00 p.m. daily except for holidays and Chamber staffed Special Events. Chamber may reduce weekend hours during Jan - May.
- Produce and update as necessary various City promotional information such as but not limited to a walking map of St. Helena and other such information.

Special Events Production

Chamber will also provide support and assistance to other community activities including but not limited to:

Musical Picnics Concert Series
Earth Day
4th of July Fireworks
Hometown Harvest Festival
Holiday Season in St. Helena

Attachment 3

AMENDMENT #1 TO THE CITY OF ST. HELENA – ST. HELENA CHAMBER OF COMMERCE AGREEMENT 2015-2017 AGREEMENT BETWEEN THE CITY OF ST. HELENA AND THE ST. HELENA CHAMBER OF COMMERCE

RECITALS

A. Pursuant to the terms of the written Agreement between City of St. Helena ("City") and the St. Helena Chamber of Commerce ("Chamber"), approved on July 14, 2015 by Resolution 2015-74, the City entered into a two-year Marketing and Promotional Services Agreement ("Agreement") with the St. Helena Chamber of Commerce (Chamber) for professional services in connection with marketing and promotional services not to exceed $210,000.00 per year; and

B. City and Chamber desire to amend the Agreement to provide an additional one-year of marketing and promotional services.

AGREEMENT

1. This Amendment #1 to the Agreement (a) extending the term of the Agreement through June 30, 2018 and (b) authorizing an additional amount of $210,000.00 for marketing and promotion services is hereby approved; and

2. The total amount of funding authorized under this Amendment #1 shall not exceed $210,000.00 for Fiscal Year 2017/18; and

3. In all other respects the terms of the Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:	City:
By: ________________________________	By: ________________________ Larry Pennell
Title:________________________________	Title: Interim City Manager

Approved as to Form:

By: ________________________________

Page 1 of 2

OAK #4828-5500-8584 v1

Attachment 3

Name: Thomas B. Brown
Title: City Attorney

OAK #4828-5500-8584 v1

Attachment 4

CITY OF ST. HELENA

RESOLUTION NO. 2017-____

APPROVING AMENDMENT #1 TO THE MARKETING AND PROMOTIONAL SERVICES AGREEMENT BETWEEN THE CITY OF ST. HELENA AND THE ST. HELENA CHAMBER OF COMMERCE

RECITALS

A. The City desires to continue working with the St. Helena Chamber of Commerce by investing funding to market and promote St. Helena as a desirable tourist destination choice; and

B. California Government Code Section 37110 provides the City with authorization to spend money from the general fund to, among other things, promote the City; and

C. The St. Helena Chamber of Commerce represents it is recognized by the Internal Revenue Service as a Section 501[c][6] nonprofit organization; and

D. The St. Helena Chamber of Commerce represents it is directed by an elected Board of Directors from the local business community with a professional staff and is organized and equipped to carry on promotional and marketing activities on behalf of the City.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

1. The City Council approves a one-year extension of the Agreement with the St. Helena Chamber of Commerce for a total not to exceed amount of $210,000.00 for Fiscal Year 2017/18; and
2. An annual review of the Scope of Services and Budget for Fiscal Year 2017/18 will be done during the Fiscal Year 2018/19 budget process; and
3. The City Council authorizes the City Manager to execute Amendment #1 to the agreement on behalf of the City.

Approved at a Special Meeting of the St. Helena City Council on May 30, 2017 by the following vote:

Mayor Galbraith: ___________

Vice Mayor White: ___________

Councilmember Dohring: ___________

Councilmember Koberstein: ___________

Councilmember Ellsworth: ___________

APPROVED: ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

Report to the City Council
Council Meeting of May 30, 2017

Agenda Section: **New Business**

Subject: **Report on Development Impact Fees. This Report Provides: Descriptions of each Development Impact Fee, Identification of Public Improvements in which Fees can be Expended, Costs Which Can Be Charged to New Development, Total Costs that Must be Paid for Using Other Funds, and Balance of Each Impact Fee Account.**

CEQA Status: **Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)**

Prepared By: **April Mitts, Finance Director**

Approved By: **Larry Pennell, Interim City Manager**

BACKGROUND

Cities and counties often charge fees on new development to fund public improvements to mitigate the impact of development activity. These fees are commonly known as development impact fees and are generally collected at the time building permits are issued for residential and commercial construction. Impact fees are established by ordinance and, as required by law, these fees are segregated from the General Fund and accounted for in special revenue funds.

DISCUSSION

Impact fees are imposed by the City of St. Helena on a new or proposed development project to pay for all or a portion of the costs of providing public services to the new development. This is done to ensure that development is not detrimental to the quality and availability of essential public services provided to the community at large. The City's impact fees are assessed and dedicated to the eight (8) areas listed below.

1. Public Safety Impact Fees
2. Civic Improvement Impact Fees
3. Park Improvement Impact Fees
4. Traffic Mitigation Impact Fees
5. Storm Drain Improvement Impact Fees
6. Housing Impact Fees/Affordable Housing Impact Fees

7. Water Impact Fees
8. Sewer Impact Fees

Approximately every three (3) to five (5) years a study is conducted to analyze the impacts of development on the City's capital facilities needs and to calculate development impact fees based on that analysis. The study is conducted to: (1) determine the additional needs of the City based on new development, (2) determine the cost to new development for these additional needs, and (3) determine a percentage which may be charged to new development based on estimated project costs. The City's last Impact Fee Study was conducted in 2013 by Colgan Consulting Corporation (Attachment 1). The City is currently under contract with Willdan Financial Services and is currently in the process of conducting the updated study. Government Code Section 66001 requires that an agency establishing, increasing, or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine that there is a reasonable relationship between:
    a. The use of the fee and the development type on which it is imposed;
    b. The need for the facility and the type of development on which the fee is imposed; and
    c. The amount of the fee and the facility cost attributable to the development project.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees are designed to recover the cost of development related facilities, but only to the extent that the need for facilities is caused by the development project subject to the fees. Government Code Section 66001(g) prohibits impact fees from including costs attributable to existing deficiencies in public facilities. Impact fees can only be used to cover the portion (percentage) of the improvement as it relates to the impact new development has. In essence, only the portion of the improvement which can be attributed to new development can be paid for using development impact fees. The remainder of the project funds must come from other funding sources.

The following sections review each of the impact fee accounts. In each section a table is provided which has a description of the improvement, the estimated improvement cost, what percentage can be attributed to new development, the estimated cost which can be charged to new development (based on the percentage), and the estimated cost which must come from sources other than development impact fees.

<u>Public Safety Impact (216) Balance of Account as of 5/15/2017: $385,256</u>
Section 22.5 of the City Code establishes this fund to accumulate revenues from fees on building permits to be used solely for equipment and facilities costs for the Police

and Fire Departments. Vehicles, capital equipment, and building improvements are approved uses.

Improvement Description	Improvement Cost	New Development Share	New Development Cost	Amount Needed from Other Funds
Police Building Remodel	$552,772.00	11.60%	$64,187.11	$488,584.89
Fire Station Site	$1,094,000.00	11.60%	$127,033.75	$966,966.25
Fire Station	$5,581,956.00	11.60%	$648,168.91	$4,933,787.09
Aerial Ladder Truck	$850,000.00	11.60%	$98,700.81	$751,299.19
Type I Engine	$475,000.00	11.60%	$55,156.33	$419,843.67
Type I Engine	$475,000.00	11.60%	$55,156.33	$419,843.67
Fire Rescue Vehicle	$350,000.00	11.60%	$40,641.51	$309,358.49
	$9,378,728.00	11.60%	$1,089,044.75	$8,289,683.25

Civic Improvement (713) Balance of Account as of 5/15/2017: $596,977

This fund is used to accumulate restricted funds from new development's proportionate share of the depreciated replacement of cost of a range of facility types including City Hall, corporation yard facilities, as well as library and recreation facilities.

Improvement Description	Improvement Cost	New Development Share	New Development Cost	Amount Needed from Other Funds
New City Hall Building	$5,347,000.00	11.60%	$620,886.15	$4,726,113.85
New Community Center	$6,653,000.00	11.60%	$772,537.04	$5,880,462.96
Corporation Yard Modular Buildings	$143,292.00	11.60%	$16,638.81	$126,653.19
Library	$2,336,244.00	11.60%	$271,281.41	$2,064,962.59
General Plan Update	$1,200,000.00	11.60%	$139,342.32	$1,060,657.68
Carnegie Building Seismic Retrofit	$1,695,718.00	11.60%	$196,904.40	$1,498,813.60
Signorelli Barn Rehabilitation	$185,000.00	11.60%	$21,481.94	$163,518.06
	$17,560,254.00	11.60%	$2,039,072.07	$15,521,181.93

Park Impact (734) Balance of Account as of 5/15/2017: $520,547

This fund is used to accumulate funds from new or proposed residential development solely for park land acquisition and park improvements. Because the method used to calculate impact fees for parks is standard-based rather than plan-based, the calculations were not dependent on a list of specific park projects. In-lieu fees and impact fees must be expended for parks that adequately serve the development projects from which fees are collected.

Traffic Mitigation (740) Balance of Account as of 5/15/2017: $2,129,756

This fund is used to accumulate funds from new or proposed development to finance circulation improvements to reduce the impacts of traffic generated by new development within the City.

Improvement Description	Improvement Cost	New Development Share	New Development Cost	Amount Needed from Other Funds
Pope Street/Napa River - New Bridge	$1,200,000.00	100%	$1,200,000.00	$-
Main/Mills/Grayson Intersection - Traffic Signal	$300,000.00	100%	$300,000.00	$-
Napa River/Wappo Park - Class I Bicycle Trail	$95,000.00	25%	$23,750.00	$71,250.00
Oak Avenue Extension - Bike/Ped/EVA Trail	$1,718,625.00	25%	$429,656.00	$1,288,969.00
Adams St to Starr Ave Extension - Bike/Ped/EVA Trail	$49,296.00	25%	$12,324.00	$36,972.00
Starr Ave Ext to Adams St Ext - Bike/Ped/EVA Trail	$137,460.00	25%	$34,365.00	$103,095.00
Adams St Extto Silverado Tr - Bike/Ped/EVA Trail	$2,615,387.00	25%	$653,847.00	$1,961,540.00
Allison Av to Mills St - Bike/Ped/EVA Trail	$989,580.00	25%	$247,395.00	$742,185.00
Railroad Av to Park St - Bike/Ped/EVA Trail	$2,247,120.00	25%	$561,780.00	$1,685,340.00
McCorkle Av to College Av - Bike/Ped/EVA Trail	$244,580.00	25%	$61,145.00	$183,435.00
Main Street - Bike Racks	$5,000.00	25%	$1,250.00	$3,750.00
	$9,602,048.00	39%	$3,525,512.00	$6,076,536.00

<u>Storm Drain Improvements (742) Balance of Account as of 5/15/2017: $594,016</u>

This fund is used to accumulate funds from new development's proportionate share of planned drainage system improvements.

Improvement Description	Improvement Cost	New Development Share	New Development Cost	Amount Needed from Other Funds
Storm Drain Fulton (Crinella to River)	$900,000.00	10%	$90,000.00	$810,000.00
Storm Drain Mitchell/Oak to Sulpher Cr-Oak/Adams to Mitchell	$250,000.00	40%	$100,000.00	$150,000.00
Storm Drain Mills (Main to River)	$450,000.00	100%	$450,000.00	
Storm Drain McCorkle (Stonebridge to River)	$350,000.00	80%	$280,000.00	$70,000.00
	$1,950,000.00	58%	$920,000.00	$1,030,000.00

Affordable Housing (751 & 744) Balance of Accounts as of 5/15/2017: $1,480,710
This fund is used to accumulate funds from new or proposed development to defray the costs of providing affordable housing in the City.

Monies deposited into these funds are used to solely increase and improve the supply of housing affordable to households of moderate, low and very low income households. Similar to Park Impact Fees, there is no specific project list for this category. Funds can be used in accordance with Section 17.146.030 of the St. Helena Municipal Code.

Water Impact (764) Balance of Account as of 5/15/2017: $874,630
This fund is used to accumulate funds from new or proposed development to pay for water system capital improvements needed to support new development. Please note there was an error in the original calculation in the study conducted by Colgan for the Water Impact Fee calculations. The table below has the corrected numbers.

Improvement Description	Improvement Cost	New Development Share	New Development Cost	Cost to Water Fund
Bale Slough (Rutherford W28)	$116,367.00	50%	$58,183.50	$58,183.50
Tank 2 PAX Mixer	$56,398.00	0%	$-	$56,398.00
Pratt Avenue Transmission Bridge	$400,000.00	50%	$200,000.00	$200,000.00
Community Drive	$47,000.00	0%	$-	$47,000.00
Howell Mountain Road	$135,000.00	0%	$-	$135,000.00
York Creek Upper Dam Removal	$3,196,105.00	0%	$-	$3,196,105.00
Meadowood & Holmes Tank Upgrade	$79,630.00	50%	$39,815.00	$39,815.00
Water Treatment Plant Upgrades	$-	15%	$-	$-
Bell Canyon Reservoir Improvements	$369,276.00	15%	$55,391.40	$313,884.60
Corp Yard Improvements	$151,444.00	15%	$22,716.60	$128,727.40
Machinery & Equipment	$58,228.00	15%	$8,734.20	$49,493.80
SCADA	$150.00	15%	$22.50	$127.50
WTP Worker Housing	$40,000.00	0%	$-	$40,000.00
Water Valve Replacement	$12,900.00	0%	$-	$12,900.00
Charter Oak Water Main Replacement	$56,206.00	0%	$-	$56,206.00
Groundwater Well Upgrades	$70,545.00	100%	$70,545.00	$-
Recycled Water Mains	$121,309.00	100%	$121,309.00	$-
Vehicle Replacement Program (Treatment)	$60,000.00	5%	$3,000.00	$57,000.00
Dwyer Road Booster	$1,150,000.00	50%	$575,000.00	$575,000.00
Water Rights Renewal	$136,029.00	0%	$-	$136,029.00
Tank 1A Construction	$1,210,230.00	15%	$181,534.50	$1,028,695.50
Bell Canyon/Lower Reservoir Intake Towers	$302,125.00	15%	$45,318.75	$256,806.25
Bell Valve House	$462,177.00	15%	$69,326.55	$392,850.45

Surge Protection at LSWTP & SBW	$25,000.00	0%	$-	$25,000.00
Fixed Gas Chlorine Analyzer	$6,000.00	0%	$-	$6,000.00
High Service Pump	$372,030.00	15%	$55,804.50	$316,225.50
Bell Creek Inflow Weir Design	$470,472.00	15%	$70,570.80	$399,901.20
Sludge Handling Program	$62,000.00	0%	$-	$62,000.00
Replace Telemetry at LSWTP	$16,000.00	0%	$-	$16,000.00
Influent Valve Actuator	$9,000.00	15%	$1,350.00	$7,650.00
Lower Reservoir Water Treatment	$184,000.00	100%	$184,000.00	$-
Raw Water Metering Station	$25,000.00	15%	$3,750.00	$21,250.00
Toilet Retrofit Program	$25,000.00	100%	$25,000.00	$-
Radio Repeater/Infrastructure	$2,000.00	15%	$300.00	$1,700.00
Tank 1 Rehabilitation	$300,000.00	15%	$45,000.00	$255,000.00
Tank 2 Recoating	$500,000.00	15%	$75,000.00	$425,000.00
	$10,227,621.00	**23%**	$1,911,672.30	$8,315,948.70

Sewer Impact (774) Balance of Account as of 5/15/2017: $719,495

This fund is used to account for the cost of constructing and improving the wastewater treatment plant and sewer collection system in order to support new development.

Improvement Description	Improvement Cost	New Development Share	New Development Cost	Cost to WW Fund
Sulphur Springs Sewer Extension	$11,000.00	50%	$5,500.00	$5,500.00
Recycled Water (Teritiary Treatment)	$102,962.00	100%	$102,962.00	$-
Misc. Maintenance Projects	$68,896.00	15%	$10,334.40	$58,561.60
Chlorine Analyzer/Tank & SCADA System	$50,000.00	15%	$7,500.00	$42,500.00
Pond 2 Walkway	$3,608.00	0%	$-	$3,608.00
Rock Slope Protection & Levee Repair	$90,778.00	0%	$-	$90,778.00
Charter Oak (SS & FM Construction)	$101,704.00	0%	$-	$101,704.00
Sewer Rehabilitation	$209,384.00	50%	$104,692.00	$104,692.00
Brush Aerators	$2,288.00	15%	$343.20	$1,944.80
WWTP Diffuser Permits		15%		$-
Front End Loader	$170,000.00	0%		$170,000.00
Regulatory Compliance Permit Renewal	$163,823.00	15%	$24,573.45	$139,249.55
Crinella Pump Station		15%		$-
Cover Pond 3 for Algae Reduction	$542,401.00	15%	$81,360.15	$461,040.85
Rehabilitation Pond 1A	$600,077.00	15%	$90,011.55	$510,065.45
Pond 2Convert, Upgrade & Replumb	$300,000.00	15%	$45,000.00	$255,000.00
Reclamation Field Improvements	$219,000.00	15%	$32,850.00	$186,150.00
Security Gate	$6,000.00	0%		$6,000.00
Shop HVAC	$2,809.00	0%		$2,809.00

Radio Repeater/Infrastructure	$3,356.00	15%	$503.40	$2,852.60
Vehicle Replacement Program (Sewer)	$65,000.00	5%	$3,250.00	$61,750.00
Vehicle Replacement Program (treatment)	$30,000.00	5%	$1,500.00	$28,500.00
Hudson Avenue SS Replacement	$182,000.00	0%		$182,000.00
Oak Ave Infrastructure	$365,000.00	15%	$54,750.00	$310,250.00
	$3,290,086.00	16%	$565,130.15	$2,724,955.85

FISCAL IMPACT
None.

RECOMMENDED ACTION
Receive and File

ATTACHMENTS
Attachment 1 – Development Impact Fee Study by Colgan Consulting Corporation – October 3, 2013

City of St. Helena

Development Impact Fee Study Report

Revised Final Draft: October 3, 2013

Submitted by:

Colgan Consulting Corporation
3323 Watt Avenue # 131
Sacramento, CA 95821

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Executive Summary

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Chapter 2 – Land Use and Development

Chapter 3 – Transportation Impact Fees

Chapter 4 – Park In-Lieu Fees/Park Impact Fees

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Chapter 5 – Public Safety Impact Fees

Chapter 6 – Civic Facilities Impact Fees

Chapter 7 – Water System Impact Fees

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Chapter 9 – Stormwater Drainage System Impact Fees

Chapter 10 – Implementation

Executive Summary

The City of St. Helena has retained Colgan Consulting Corporation to prepare this impact fee study to analyze the impact of development on certain capital facilities and to calculate impact fees based on that analysis. The methods used to calculate impact fees in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution, the California Mitigation Fee Act (Government Code §§ 66000 *et seq.*) , and where applicable, the Quimby Act (Government Code § 66477) .

Organization of the Report

Chapter 1 of this report provides an overview of impact fees. It discusses legal requirements for establishing and imposing such fees, as well as methods used in this study to calculate the fees.

Chapter 2 contains information on existing and future development in the study area used for this analysis, and organizes that data in a form that can be used in the impact fee analysis. Projections of future development shown in Chapter 2 are based on the Land Use Element of the Draft St. Helena General Plan Update 2030.

Chapters 3 through 9 analyze the impacts of development on specific facility types and calculate impact fees for those facilities, as follows:

Ch. 3. Transportation Improvements
Ch. 4. Parks
Ch. 5. Public Safety Facilities
Ch. 6. Civic Facilities
Ch. 7. Water System
Ch. 8. Wastewater System
Ch. 9. Storm Drainage System

Each of the chapters listed above identifies costs eligible for impact fee funding and calculates the maximum impact fees that can be justified by the data used in this study.

Chapter 10 discusses implementation of the impact fee program including legal requirements for implementing the impact fee program under California law.

Future Development

Forecasts of future development for this study are intended to represent potential development in the City, based on the Draft General Plan Update. Data presented in Chapter 2 of this report indicate that the City has the potential to grow 13- 14% in terms of population, residential units and total square feet of building area.

Impact Fee Analysis

Each type of facility addressed in this report is analyzed individually. In each case, the relationship between development and the need for facilities is quantified in a way that allows the impact of development on facility needs to be measured. Impact fees calculated in this report are based on the capital cost of facilities needed to serve additional development.

Impact fees calculated in this study are summarized in Table S.1 on page S-3. The following paragraphs briefly discuss factors considered in the analysis of each facility type.

Chapter 1
Introduction

Purpose

The City of St. Helena has retained Colgan Consulting Corporation to prepare this study to analyze the impacts of development on the City's capital facilities needs and to calculate development impact fees based on that analysis. This study updates the City's previous impact fee study which was completed in 2006.

The methods used to calculate impact fees in this study are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution, the California Mitigation Fee Act (Government Code Sections 66000 *et seq.*), and, where applicable, the Quimby Act (Government Code Section 66477).

Legal Framework

This brief summary of the legal framework for development impact fees is intended as a general overview. It was not prepared by an attorney, and should not be treated as a legal opinion.

U. S. Constitution. Like all land use regulations, development exactions, including impact fees, are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against "regulatory takings." A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest, and must not deprive the owner of all economically viable use of the property. In the case of impact fees, the government's interest is in protecting public health, safety, and welfare by ensuring that development is not detrimental to the quality and availability of essential public services provided to the community at large.

Impact fees that apply to all development in a jurisdiction are not subject to the same level of judicial scrutiny as exactions involving the dedication of land or an interest in land, or a fee imposed as a condition of approval on a single development project. In those cases, heightened scrutiny applies, and a higher standard must be met. The U. S. Supreme Court has found that a government agency must demonstrate an "essential nexus" between such exactions and the interest being protected (See *Nollan v. California Coastal Commission,* 1987). The agency must also demonstrate that the exaction imposed is "roughly proportional" to the burden created by development. (See *Dolan v. City of Tigard,* 1994).

A local legislative body is accorded considerable discretion by the courts when enacting impact fees that apply broadly to development projects within its jurisdiction. However, even where heightened scrutiny does not apply, an agency enacting impact fees should take care to demonstrate a nexus and ensure proportionality in the calculation of its fees.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIIIA. However, that objection is valid only if the fees exceed the cost of providing capital facilities needed to serve new development. If that were the case, then the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act. Articles XIIIC and XIIID, added by Proposition 218 in 1996, require voter approval for some "property-related fees," but exempt "the imposition of fees or charges as a condition of property development."

The Mitigation Fee Act. California's impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature, and took effect in January, 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time the impact fee statute has been amended from time to time, and in 1997 was officially titled the "Mitigation Fee Act." Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include "public improvements, public services and community amenities." Although the issue is not specifically addressed in the Mitigation Fee Act, other provisions of the Government Code (see Section 65913.8) prohibit the use of impact fees for maintenance or operating costs. Consequently, the fees calculated in this report are based on capital costs only.

The Mitigation Fee Act does not use the term "mitigation fee" except in its official title. Nor does it use the more common term "impact fee." The Act simply uses the word "fee," which is defined as "a monetary exaction, other than a tax or special assessment…that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project … ."

To avoid confusion with other types of fees, this report uses the widely-accepted terms "impact fee" and "development impact fee" which should both be understood to mean "fee" as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and require annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the Implementation Chapter of this report.

Required Findings. Section 66001 requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,
3. Determine that there is a reasonable relationship between:
    a. The use of the fee and the development type on which it is imposed;
    b. The need for the facility and the type of development on which the fee is imposed; and
    c. The amount of the fee and the facility cost attributable to the development project. (Applies when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

Identifying the Purpose of the Fees. The broad purpose of impact fees is to protect public health, safety and general welfare by providing for adequate public facilities. The specific purpose of the fees calculated in this study is to fund construction of certain capital improvements identified in this report. Those improvements will be needed to mitigate the impacts of planned new development on City facilities, and to maintain an acceptable level of public services as the City grows. Findings with respect to the purpose of a fee should define the purpose broadly as providing for the funding of adequate public facilities to serve additional development.

Identifying the Use of the Fees. According to Section 66001, if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose, but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. In this case, we recommend that the City Council adopt this report as the document that identifies the facilities to be funded by the fees.

Reasonable Relationship Requirement. As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

These three reasonable relationship requirements as defined in the statute mirror the nexus and proportionality requirements widely considered to be the standard for defensible impact fees. The term “dual rational nexus” is often used to characterize the standard used by courts in evaluating the legitimacy of impact fees. The “duality” of the nexus refers to (1) an impact or need created by a development project subject to impact fees, and (2) a benefit to the project from the expenditure of the fees. Although proportionality is reasonably implied in the dual rational nexus formulation, it was explicitly required by the Supreme Court in the *Dolan* case, and we prefer to list it as the third element of a complete nexus.

Demonstrating an Impact. All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is occasioned by the development project subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public facilities, based on applicable level-of-service standards. This report contains all of the information needed to demonstrate this element of the nexus.

Demonstrating a Benefit. A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be spent in a timely manner and facilities funded by the fees must serve the development projects paying the fees. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to developments paying the fees. Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are expended expeditiously or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

Demonstrating Proportionality. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that the impact of development is reflected in the allocation of those costs. In calculating impact fees, costs for development-related facilities must be allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

Impact Fees for Existing Facilities. It is important to note that impact fees may be used to pay for existing facilities, provided those facilities are needed to serve additional development and have the capacity to do so. In other words, it must be possible to show that the fees meet the need and benefit elements of the nexus.

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section 66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to prohibit impact fees from including costs attributable to existing deficiencies in public facilities. The legislature's intent in adopting this amendment, as stated in the bill, was to codify the Holdings of Bixel v. City of Los Angeles (1989), Rohn v. City of Visalia (1989), and Shapell Industries Inc. v. Governing Board (1991). That amendment does not appear to be a substantive change. It is widely understood that other provisions of law make it improper for impact fees to include costs for correcting existing deficiencies.

Impact Fee Calculation Methodology

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics and planning requirements for the facility type being addressed. Each method has advantages and disadvantages in a particular situation. To some extent they are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Reduced to its simplest terms, the process of calculating impact fees involves two steps: determining the cost of development-related capital improvements, and allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many factors involved in defining the relationship between development and the need for facilities.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is measured by a "demand variable," which is an attribute of development that represents the facility needs created by different types and amounts of development. Different variables are used in analyzing different types of facilities. Specific demand variables used in this study are discussed in more detail in subsequent chapters.

The following paragraphs discuss three general approaches to calculating impact fees and how they can be applied.

Plan-Based or Improvements-Driven Method. Plan-based impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified by a facility plan, while the development is identified by a land use plan that identifies potential development by type and quantity. Facility costs are allocated to various categories of development in proportion to the amount of development and the relative intensity of demand created by each category. To calculate impact fees using this approach, it is necessary to define an end point or "buildout" condition for development, and to determine what facilities will be needed to serve the additional development that occurs from the time of the analysis to buildout. Buildout is a hypothetical condition in which undeveloped land encompassed by the study has been developed to its expected intensity.

Under this approach, the total cost of eligible facilities is divided by the total units of additional demand (based on the demand variable) to calculate a cost per unit of demand. Then, the cost per unit of demand is multiplied by the units of demand per unit of development (e.g. dwelling units or square feet of building area) in each category to arrive at a cost per unit of development. This method is somewhat inflexible in that it is based on the relationship between a particular facility plan and a particular land use plan. If either plan changes significantly, the fees may have to be recalculated.

Capacity-Based or Consumption-Driven Method. This method calculates a cost per unit of capacity based on the relationship between total cost and total capacity of a system. It can be applied to any type of development, provided the capacity required to serve each increment of development can be estimated and the facility has adequate capacity available to serve the development. Since the cost per unit of demand does not depend on the type or quantity of development to be served, this method is flexible with respect to changing development plans.

Under this method, the cost of unused capacity is not allocated to development. Capacity-based fees are most commonly used for water and wastewater systems, where the cost of a system component is divided by the capacity of that component to derive a unit cost. To produce a schedule of impact fees based on standardized units of development (e.g. dwelling units or square feet of non-residential building area), the cost per unit of capacity is multiplied by the amount of capacity required to serve a typical unit of development in each of several land use categories.

Standard-based Method. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The standard can be established as a matter of policy or it can be based on the level of service being provided to existing development in the study area. Using the standard-based method, costs are defined on a generic unit-cost basis and then applied to development according to a standard that sets the amount of service or capacity to be provided for each unit of development. The standard-based method is useful where facility needs are defined directly by a service standard, and where unit costs can be determined without reference to the total size or capacity of a facility or system. Parks fit that description. It is common for cities or counties to establish a service standard for parks in terms of acres per thousand residents. In addition, the cost per acre for parks can usually be estimated without knowing the size of a particular park or the total acreage of parks in the system.

This approach is also useful for facilities such as libraries, where it is possible to estimate a generic cost per square foot before a building is actually designed. One advantage of the standard-based method is that a fee can be established without committing to a particular size of facility, and facility size can be adjusted based on the amount of development that actually occurs.

Facilities Addressed by this Study

Impact fees for the following types of facilities are addressed in this report:

- Transportation System Improvements
- Park Land and Improvements
- Public Safety Facilities, Vehicles, and Equipment
- Civic Facilities
- Water System Improvements
- Sewer System Improvements
- Drainage System Improvements

The impact fee analysis for each facility type is presented in a separate chapter of this report, beginning with Chapter 3. The next chapter, Chapter 2, contains data on land use and development in the City.

Chapter 2
Land Use and Development

This chapter of the report organizes and correlates data on existing and potential development to provide a framework for the impact fee analysis contained in subsequent chapters of the report. The information in this chapter forms a basis for establishing levels of service, analyzing facility needs, and allocating the cost of capital facilities between existing and new development, where appropriate, and among various types of new development.

Data on existing and potential development shown in this report were compiled from the City's Draft General Plan Update, the Draft Program EIR for that Update, the 2009 Housing Element Update, and from additional information provided by the City of St. Helena Planning Department.

Study Area and Time Frame

The study area for the impact fee analysis is the area covered by the Draft General Plan Update. The timeframe for this study extends from the present to buildout of land designated for development within the study area. The term "buildout" is used to describe a hypothetical condition in which currently undeveloped land in the study area has been developed as indicated in the Land Use and Growth Management Element of the Draft General Plan Update.

The time required for buildout will depend on the rate at which development occurs. The timing of development does not enter into the impact fee analysis, so this report does not project the rate of growth or anticipated buildout date.

Development Types

The development types used in this study are based on land use categories defined in the Draft General Plan Update. Impact fees calculated in this report are intended to be based on actual land uses rather than zoning or general plan land use designations.

Residential Development. Residential development types used in this study are:

- Residential, Low Density
- Residential, Medium and Higher Density
- Residential, Mobile Home

The Residential, Low Density category, above, corresponds with the Low Density Residential (LDR) land use designation in the Draft General Plan Update.

The Residential, Medium and Higher Density category encompasses the two higher density residential development categories (MDR and HDR).

The Residential, Mobile Home category is included in this breakdown to properly account for existing mobile homes in the City. The Draft General Plan Update does not include a separate Mobile Home category, and there is no indication in the Housing Element of the Draft General Plan Update that additional mobile home development is expected in the future.

Non-Residential Development. Non-residential development types used in this study are:

- Commercial/Retail
- Office
- Industrial
- Lodging

The Commercial/Retail category covers most commercial development corresponding to the Mixed Use (MU), Central Business (CB), and Service Commercial (SC) land use designations in the Draft General Plan Update.

The Office category corresponds to development covered by the Business and Professional Office (BPO) designation.

The Industrial category corresponds to the Industrial (I) land use designation.

The Lodging category breaks out a sub-category of uses covered by the Central Business (CB) and Service Commercial (SC) designations.

Units of Development

In this study, quantities of existing and potential development are measured in terms of certain units of development. Those units are discussed below.

Dwelling Units. The dwelling unit (DU) is the most commonly used measure of residential development, and is the standard unit for residential development in this study.

Building Area. Gross building area in thousands of square feet (KSF) is used as the standard unit of development for non-residential development, except for Lodging. Most impact fees in this report are stated in terms of a cost per square foot of building area.

Rooms. The standard unit of development for lodging is a single guest accommodation, i.e., a guest room or suite.

Demand Variables

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Certain measurable attributes of development (e.g., population, vehicle trip generation) are used in those formulas to reflect the impact of different types and amounts of development on the demand for specific public services and the facilities that support those services. Those attributes are referred to in this study as "demand variables."

Demand variables are selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

For example, the need for capacity in a street system depends on the volume of traffic the system must handle. Thus the vehicle trip generation rate (the average number of vehicle trips generated by one unit of development per weekday) is an appropriate demand variable to represent the impact of development on the street system.

Each demand variable has a specific value per unit of development for each type of development. Those values may be referred to as *demand factors.* For example, on average, one single-family detached dwelling unit generates 9.57 vehicle trips each weekday. Consequently, the traffic impact factor for single-family residential development is 9.57 trips per day dwelling unit.

Other land use categories would have different impact factors. Some of the impact factors used in this study are based on widely-accepted standards (e.g., trip generation rates), while others are based on local conditions (e.g., population per dwelling unit).

Specific demand variables used in this study are discussed below. The values of demand factors for each land use category are shown in Table 2.1, later in this chapter.

Population. Population is used as a demand variable to measure the impact of development on certain types of facilities in this study. Because population is tied to residential development only, the value of this variable is zero for all non-residential development types.

Existing and potential population figures used in this study are intended to represent a "zero-vacancy" population, calculated as the number or existing or potential dwelling units in a category multiplied by the average population per unit (see Table 2.1, below).

Colgan Consulting uses this approach because fluctuating vacancy rates can obscure the potential demand for public service represented by existing or potential dwelling units, once they are constructed. In St. Helena, the official vacancy rate, based on the 2010 Census, is unusually high because a relatively large number of existing dwelling units are used as second-homes.

Persons-per-dwelling unit factors used in this study are based on an analysis of data on occupied dwelling units in St. Helena from the 2010 Census.

Vehicle Trips. The impact of development on a City's street and highway system is commonly measured by the number of average daily vehicle trips (ADT) generated by development. In this study, the number of ADT generated by development is used to measure the impact of that development on the City's transportation system. Trip generation rates used in this study are from the Institute of Transportation Engineers (ITE) manual, Trip Generation, 7th Edition. For the Medium and Higher Density development type, the rate used in this study is the average of the ITE rates for apartments and condominiums.

Building Area. In this study, the impact of development on several types of facilities is measured by the square feet of building area added by development. Building area is often used as a broad measure of the service demand created by development and its impact on the facilities supporting those services. Building area is often stated in terms of thousands of square feet of gross building area (KSF).

Water Demand. In this study, the impact of development on the City's water system is measured by the volume of water used by development. Water demand is stated in terms of hundreds of cubic feet per year (HCF). Water demand factors are primarily based on the 2004 Water and Wastewater Rate Study, but factors for Lodging and Schools (K-12) are derived from meter data.

Wastewater Flows. In this study, the impact of development on the City's wastewater system is measured by the volume of wastewater discharged by development. Wastewater flows are stated in terms of hundreds of cubic feet per year (HCF). Flow factors for various types of development are taken from the 2004 Water and Wastewater Rate Study.

Impervious Surface Area. In this study, the impact of development on the City's Storm Drainage System is measured by the amount of impervious surface area added by new development. Additional impervious surface increases the amount of runoff into the drainage system, and increases the need for capacity in the system.

Table 2.1 presents some of the basic demand factors used in this study. Other demand factors are presented in connection with fee calculations for individual facility types.

Table 2.1: Demand Factors Used in This Study

Development Type	Dev Units [1]	Population per Unit [2]	Trips per Unit [3]	Sq Ft per Unit [4]
Residential, Low Density	DUs	2.45	9.57	2,400
Residential, Med/Higher Density	DUs	2.25	6.29	1,300
Residential, Mobile Home	DUs	1.50	4.99	600
Commercial/Retail	KSF		42.94	1,000
Office	KSF		11.01	1,000
Industrial	KSF		6.97	1,000
Lodging	Rooms		8.20	500

[1] Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel/motel room or suite

[2] Estimated population per unit based estimated by Colgan Consulting using data from the 2006 - 2010 U.S. Census Bureau American Community Survey

[3] Average daily trips (ADT) per unit of development based on the Institute of Transportation Engineers (ITE) manual, Trip Generation, 7th Edition

[4] Square feet per unit; average residential square footage per unit estimated by Colgan Consulting

Development Data

Tables 2.2 through 2.4 present data on existing and potential development in the City of St. Helena that will be used throughout this report. Table 2.2 on the next page shows data for existing development as of January 1, 2012.

Table 2.2: City of St Helena - Existing Development - January 2012

Development Types	Dev Units [1]	Estimated Units [2]	Estimated Population [3]	Estimated Trips (ADT) [4]	Estimated Sq Ft [5]
Residential, Low Density	DUs	1,925	4,716	18,422	4,620,000
Residential, Med/Higher Density	DUs	750	1,688	4,718	975,000
Residential, Mobile Home	DUs	156	234	778	93,600
Subtotal Residential		2,831	6,638	23,918	5,688,600
Commercial/Retail	KSF	1,206.0		51,787	1,206,043
Office	KSF	666.8		7,341	666,787
Industrial	KSF	479.7		3,343	479,691
Lodging	Rooms	262		2,148	131,000
Total			**6,638**	**88,537**	**8,172,120**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites

[2] Existing residential units based on California Department of Finance 2012 estimates; existing non-residential units estimated by the City of St. Helena Planning Department

[3] Estimated existing population based on zero vacancy rate = residential units X population per unit from Table 2.1

[4] Estimated average daily vehicle trips (ADT) = estimated units X trips per unit from Table 2.1

[5] Estimated square feet of building area = units of development X sq ft per unit from Table 2.1

Table 2.3 on the next page presents a forecast of potential development in the City, based on the Draft General Plan Update.

Table 2.3: City of St. Helena - Potential Development

Development Types	Dev Units [1]	Potential New Units [2]	Added Population [3]	Added Trips (ADT) [4]	Added Sq Ft [5]
Residential, Low Density	DUs	292	715	2,794	700,800
Residential, Med/Higher Density	DUs	87	196	547	113,100
Residential, Mobile Home	DUs	0	0	0	0
Subtotal Residential		379	911	3,341	813,900
Commercial/Retail	KSF	21.9		938	21,850
Office	KSF	111.9		1,231	111,850
Industrial	KSF	16.0		112	16,000
Lodging	Rooms	220		1,804	110,000
Total			**911**	**7,426**	**1,073,600**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites

[2] Potential new units based on the likely buildout scenario from Draft Program EIR for the Draft General Plan Update

[3] Added population based on zero vacancy rate = potential residential units X population per unit from Table 2.1

[4] Added daily vehicle trips (ADT) = potential units X trips per unit from Table 2.1

[5] Added square feet of building area = units of development X sq ft per unit from Table 2.1

Table 2.4 on the next page sums the data from the previous two tables and represents the total of existing and potential development in the City.

Table 2.4: City of St. Helena - Total of Existing and Potential New Development

Development Types	Dev Units [1]	Total Units [2]	Total Population [3]	Total Trips (ADT) [4]	Total Sq Ft [5]
Residential, Low Density	DUs	2,217	5,431	21,216	5,320,800
Residential, Med/Higher Density	DUs	837	1,884	5,265	1,088,100
Residential, Mobile Home	DUs	156	234	778	93,600
Subtotal Residential		3,210	7,549	27,259	6,502,500
Commercial/Retail	KSF	1,227.9		52,725	1,227,893
Office	KSF	778.6		8,572	778,637
Industrial	KSF	495.7		3,455	495,691
Lodging	Rooms	482		3,952	241,000
Total			**7,549**	**95,963**	**9,245,720**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites

[2] Total units = sum of existing units from Table 2.2 and potential new units from Table 2.3

[3] Total population = sum of existing and added population from Tables 2.2 and 2.3

[4] Total trips = sum of existing and added trips from Tables 2.2 and 2.3

[5] Total square feet = sum of existing and added square feet from Tables 2.2 and 2.3

The potential development shown in Table 2.3 represents approximately a 14% increase in residential units and population, an 8% increase in the number of average daily vehicle trips in the City, and a 13% increase in square feet of building area. These figures give a general picture of the potential impacts of future development on St. Helena. The fees calculated in subsequent chapters are intended to pay for the capital facilities needed to serve that additional demand.

Chapter 3
Transportation Impact Fees

This chapter calculates impact fees for transportation system improvements needed to serve future development in St. Helena. Information about planned improvements used to calculate impact fees was taken primarily from the Circulation Element of the Draft General Plan Update.

Service Area

The impact fees calculated in this chapter are intended to apply to all new development in the City.

Level of Service

Traditionally, the level-of-service classification system (levels A through F) for streets and intersections defined in the Transportation Research Board's Highway Capacity Manual has been widely used to describe existing traffic conditions and set standards for transportation system planning. However, the City has determined that use of those standards would fail to address the complexities of St. Helena's transportation improvement needs.

The Draft General Plan Update adopts a more nuanced approach to establishing transportation improvement needs. The Circulation Element of the Draft General Plan Update focuses extensively on alternatives to road-building, and recommends the use of alternative modes (e.g. walking, cycling and transit), transportation performance measures, and transportation demand management to provide for a more efficient and environmentally-friendly circulation system in the City.

As a result of that approach, the transportation system improvements for which impact fees are calculated in this chapter include improvements intended to support alternative modes of travel. In addition, the cost of the improvements proposed to support future development is quite low compared with the conventional approach to capacity enhancement.

Demand Variable

The demand variable use to measure the impact of development and allocate improvement costs for transportation improvements in this chapter, is average daily vehicle trips (ADT) generated by development. Trip generation rates used to calculate impact fees are shown in Table 2.1 in Chapter 2 of this report. Those rates are based on the Institute of Transportation Engineers (ITE) manual, Trip Generation, 7th edition.

Even though the Circulation Element does relies very little on added street capacity to meet the transportation needs of new development, much of the research on travel demand is reflected in the trip generation rates discussed above, and those rates offer the most readily quantifiable basis for measuring the impacts of new development on the City's transportation system.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements.

Specifically, improvement costs eligible to be recovered through impact fees are divided by the added trips associated with new development, and the resulting per-trip cost is applied to additional development in each development type, based on the trips-per-unit factor for that development type. Then costs are assigned to various types of development based on shares of total added trips, and converted to fees per square foot of building area for each development type. Actual fee calculations are shown later in this chapter.

Facility Needs

Table 3.1 lists the transportation system improvements the City has identified as eligible for funding under the development impact fee program. In some cases, only a portion of the cost of an improvement is attributed to new development.

Table 3.1: Transportation System Improvements

Project Location	Project Description [1]	Estimated Cost [2]	New Dev Share [3]	New Dev Cost [4]
Pope Street/Napa River	New Bridge	$ 1,200,000	100%	$ 1,200,000
Main/Mills/Grayson Intersection	Traffic Signal	$ 300,000	100%	$ 300,000
Napa River/Wappo Park	Class I BicycleTrail	$ 95,000	25%	$ 23,750
Oak Avenue Extension	Bike/Pedestrian/EVA Trail	$ 1,718,625	25%	$ 429,656
Adams St to Starr Ave Extension	Bike/Pedestrian/EVA Trail	$ 49,296	25%	$ 12,324
Starr Ave Ext to Adams St Ext	Bike/Pedestrian/EVA Trail	$ 137,460	25%	$ 34,365
Adams St Extto Silverado Tr	Bike/Pedestrian/EVA Trail	$ 2,615,387	25%	$ 653,847
Allison Av to Mills St	Bike/Pedestrian/EVA Trail	$ 989,580	25%	$ 247,395
Railroad Av to Park St	Bike/Pedestrian/EVA Trail	$ 2,247,120	25%	$ 561,780
McCorkle Av to College Av	Bike/Pedestrian/EVA Trail	$ 244,580	25%	$ 61,145
Main Street	Bike Racks	$ 5,000	25%	$ 1,250
Total		**$ 9,602,048**		**$ 3,525,512**

[1] EVA = emergency vehicle access

[2] Source: Cost estimates by the City of St. Helena City Engineer based on the 2013 Draft General Plan Upda

[3] Share of cost attributable to new development, based on estimates by the St. Helena City Engineer

[4] Cost attributable to new development = estimated cost X new development share

Average Cost per Trip

Table 3.2 shows the average cost per trip for transportation improvements based on the costs shown in Table 3.1 and the number of trips to be added by future development from Table 2.3 in Chapter 2.

Table 3.2: Cost per Trip - Transportation System Improvements

Improvement Costs [1]	Added Trips [2]	Average Cost per Trip [3]
$3,525,512	7,426	$474.75

[1] See Table 3.1

[2] Average daily vehicle trips (ADT) added by new development; see Table 2.3

[3] Cost per trip = improvement costs / new development trips

Impact Fees per Square Foot

Table 3.3 calculates impact fees per square foot by development type. Costs are assigned to various types of development based on the average cost per trip from Table 3.2 and the added trips for each type of development. Then the total cost is divided by the added square feet of building area.

The result is a cost per square foot of building area for each type of development. Those square foot costs can be applied to development projects in each category to calculate the impact fee for transportation improvements.

Table 3.3: Cost per Square Foot by Development Type

Development Type	Added Trips [1]	Cost per Trip [2]	Cost by Dev Type [3]	Added Sq Ft by Dev Type [4]	Impact Fee per Sq Ft [5]
Residential, Low Density	2,794	$474.75	$1,326,458	700,800	$ 1.89
Residential, Med/Higher Density	547	$474.75	$259,690	113,100	$ 2.30
Residential, Mobile Home	0	$474.75	$0	0	$ 3.95
Commercial/Retail	938	$474.75	$445,318	21,850	$ 20.38
Office	1,231	$474.75	$584,420	111,850	$ 5.23
Industrial	112	$474.75	$53,172	16,000	$ 3.32
Lodging	1,804	$474.75	$856,453	110,000	$ 7.79
Total/Average			**$3,525,512**	**1,073,600**	**$ 3.28**

[1] Added trips by development type; see Table 2.3

[2] Cost per trip; see Table 3.2

[2] Cost by development type = added trips X cost per trip

[3] Added square feet of building area by development type; see Table 2.3

[4] Impact fee per square foot = cost by development type / added square feet by development type

Projected Revenue

Potential revenue from the transportation impact fees calculated in this chapter can be projected by applying the fees per square foot from Table 3.3 to added square feet of future development for each development type. The resulting projections are shown in Table 3.4 on the next page.

Table 3.4: Projected Revenue - Transportation Impact Fees

Development Type	Impact Fee per Sq Ft [1]	Added Units [2]	Sq Ft per Unit [3]	Total Sq Ft [4]	Projected Revenue [5]
Residential, Low Density	$ 1.89	292	2,400	700,800	$ 1,326,458
Residential, Med/Higher Density	$ 2.30	87	1,300	113,100	$ 259,690
Residential, Mobile Home	$ 3.95	0	600	0	$ 0
Commercial/Retail	$ 20.38	22	1,000	21,850	$ 445,318
Office	$ 5.23	112	1,000	111,850	$ 584,420
Industrial	$ 3.32	16	1,000	16,000	$ 53,172
Lodging	$ 7.79	220	500	110,000	$ 856,453
Total					**$ 3,525,512**

[1] Fee per square foot; see Table 3.3

[2] Future units; see Table 2.3

[4] Square feet of building area per unit; see Table 2.1

[5] Total square feet of building area = future units X square feet per unit

[6] Projected revenue = fee per square foot X total square feet

The costs and impact fees shown in this report are based on current improvement costs. This study assumes that the projects covered by the transportation impact fees will be constructed on a pay-as-you-go basis. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically to reflect changes in price levels.

A common practice is to adjust the impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Assuming future development occurs as anticipated in the Draft General Plan Update and the impact fees are properly indexed to keep pace with construction costs, the impact fees calculated in this chapter would approximately cover the entire cost of the projects shown in Table 3.1.

Chapter 4
Park In-Lieu Fees/Park Impact Fees

This chapter calculates two types of park fees: (1) fees in lieu of park land dedication which apply to residential subdivisions, and (2) park impact fees which apply to residential development not involving a subdivision. The second type would include any residential development on an existing lot or parcel.

Fees in-lieu of park land dedication are imposed under the authority of the Quimby Act (Govt. Code Section 66477), which is part of the Subdivision Map Act. Park impact fees are governed by the Mitigation Fee Act (Govt. Code Sections 66000 et seq.) As detailed below, the in-lieu ("Quimby") fees are subject to different requirements and limitations than park impact fees.

Fees In Lieu of Park Land Dedication. Under the Quimby Act, the City may, by ordinance, "require the dedication of land or impose a requirement of the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition of approval of a tentative map or parcel map…." This provision of the statute applies **only to residential subdivisions**. An ordinance imposing dedication and fee requirements under the Quimby Act must contain "definite standards for determining the proportion of a subdivision to be dedicated and the amount of any fee to be paid in lieu thereof."

Before imposing these requirements, the City must have adopted a general plan or specific plan containing policies and standards for parks and recreation facilities. The dedicated land and/or in-lieu fees "are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision (paying the fees)." The Quimby Act provides that only in-lieu fees, not land dedication requirements, may be applied to subdivisions of less than 50 parcels. Otherwise, the City may choose to require either land dedication or payment of in-lieu fees.

Park Impact Fees. Because the provisions of the Quimby Act apply only to subdivisions, this study calculates separate park impact fees for park land acquisition and park improvements. Those fees will apply to any residential development that does not involve a subdivision of land.

Service Area

Park in-lieu fees and park impact fees are calculated for a single service area encompassing the entire City.

Demand Variable

Level-of-service standards for parks are almost universally based on population, and the Quimby Act specifies that park land dedication/in-lieu fee standards be based on the relationship between park acreage and population.

In addition, St. Helena's adopted standard for parks is stated in terms of the relationship between acreage and population. Consequently, population is used as the demand variable in calculating park improvement impact fees in this report.

Level of Service

Table 4.1 lists the City's existing parks and shows both total acres and improved acres of park land. With respect to the Quimby Act, the parks classified as mini-parks function as either neighborhood or community parks and are eligible for inclusion in the in-lieu fee calculations.

Table 4.1: Existing Parks

Park Name	Park Type	Total Acres [1]	Improved Acres [1]
Baldwin Park	Mini-Park	1.00	1.00
Lewis Station Park	Mini-Park	0.13	0.13
Lyman Park	Mini-Park	1.00	1.00
Mary Fryer Park	Mini-Park	1.00	1.00
Stonebridge Park	Mini-Park	0.25	0.25
Jacob Meilly Park	Neighborhood Park	4.00	4.00
Wappo Park	Neighborhood Park	6.20	6.20
Crane Park	Community Park	12.00	12.00
Lower Reservoir	Community Park	15.00	0.00
Total		**40.58**	**25.58**

[1] Source: City of St. Helena Draft General Plan Update 2030, Table 12.1 and the City of St. Helena Public Works Department

The Draft General Plan Update specifies a standard of 10.5 acres per thousand residents for all parks. Table 6.2 shows the current ratio of both total park acres and improved park acres per thousand residents.

Table 4.2: Existing Level of Service - Parks

Component	Existing Acres [1]	Existing Population [2]	Acres per Capita [3]	Acres per 1,000 [4]
Total Park Land	40.58	6,638	0.00611	6.11
Improved Park Land	25.58	6,638	0.00385	3.85

[1] See Table 4.1

[2] See Table 2.2

[3] Acres per capita = existing acres / existing population

[4] Acres per 1,000 residents = acres per capita X 1,000

Level-of-Service Standard for In-Lieu Fees. The Quimby Act provides that park land dedication requirements may be based on a minimum ratio of 3.0 acres per thousand residents, and may increase to a maximum of 5.0 acres per thousand to match the actual ratio if that ratio exceeds 3.0 acres per thousand. In this case, as shown in Table 6.2, the current ratio of City-owned park land to population exceeds the five-acre maximum, so the standard used to calculate in-lieu fees here is 5.0 acres per 1,000 residents.

Level-of-Service Standards for Park Impact Fees. The park impact fee has two components: land acquisition and park improvements. Because not all of the park land currently owned by the City is improved, the level of service (LOS) standards used to calculate impact fees for those two components are different.

The standard used for the land acquisition component is 6.0 acres per 1,000 residents, which is slightly below the existing ratio of City-owned park land to population as shown in Table 4.2. The standard used to calculate impact fees for park improvements is the existing ratio of improved park acres per 1,000 residents as shown in Table 4.2.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. Both in-lieu and impact fees are calculated using ratios of park acreage to population, as discussed in the previous section on level-of-service standards, and are then converted into fees per square foot of building area by development type.

Because population is used as the demand variable in the fee calculations, and population is related to residential development, the fees calculated in this chapter apply only to residential development.

Facility Needs

Because the method used to calculate impact fees in this section is standard-based rather than plan-based, those calculations are not dependent on a list of specific park projects. However, the City does own a substantial amount of undeveloped park land, and the Parks and Recreation Element of the St. Helena General Plan Update 2030 identifies sufficient acreage of future park land to provide more than 6.0 acres of parks per 1,000 residents at buildout.

In-lieu fees and impact fees must be expended for parks that adequately serve the development projects from which the fees are collected. However, given St. Helena's small size, and the fact that there are no large parcels of undeveloped land where future residential development could be concentrated, the location of future parks is unlikely to be an issue with respect to the expenditure of park impact fees.

Per-Capita Cost

Table 4.3 shows the per-capita cost for park land acquisition and park improvements. Because different standards are used for in-lieu fees and impact fees with respect to land acquisition, per capita cost is calculated separately for those cost components. Estimated per-acre park improvement costs are based on costs for park improvements in the City.

Table 4.3: Cost per Capita - Park In-Lieu and Impact Fees

Cost Component	Acres per 1,000 [1]	Acres per Capita [2]	Cost per Acre [3]	Cost per Capita [4]
Park Land Acquisition (In-lieu Fees)	5.00	0.00500	$ 950,000	$ 4,750.00
Park Land Acquisition (Impact Fees)	6.00	0.00600	$ 950,000	$ 5,700.00
Park Improvements (Impact Fees)	3.85	0.00385	$ 300,000	$ 1,156.08

[1] See Table 4.2; in-lieu fees under the Quimby Act may be based on a maximum of 5 acres per 1,000 residents; the General Plan standard for park acreage is 6.0 acres per 1,000 residents

[2] Acres per capita = acres per 1,000 / 1,000

[3] Estimated cost per acre provided by the City of St. Helena

[4] Cost per capita = acres per capita X cost per acre

In the next section, the per-capita costs from Table 4.3 are used to calculate in-lieu fees and impact fees per square foot of building area by development type.

In-Lieu/Impact Fees per Square Foot

Fees in Lieu of Park Land Dedication. Table 4.4 shows the calculation of fees in lieu of park land dedication per square foot of building area by development type. Those fees are calculated using per-capita costs from Table 4.3 and added population and square feet of building area from Table 2.3. Fees in lieu of park land dedication under the Quimby Act apply only to residential subdivisions.

Table 4.4: Park Land In-Lieu Fee per Square Foot (Quimby)

Development Type	Added Pop [1]	Cost per Capita [2]	Cost by Dev Type [3]	Added Sq Ft by Type [4]	Cost per Sq Ft [5]
Residential, Low Density	715	$ 4,750.00	$3,396,250	700,800	$ 4.85
Residential, Med/Higher Density	196	$4,750.00	$931,000	113,100	$ 8.23
Residential, Mobile Home	0	$4,750.00	$0	0	$ 0.00
Total/Average			**$4,327,250**	**813,900**	**$ 5.32**

[1] Added population by development type; see Table 2.3

[2] Cost per capita; see Table 4.3

[2] Cost by development type = added population X cost per capita

[3] Added square feet of building area by development type; see Table 2.3

[4] Cost per square foot = cost by development type / added square feet by development type

Impact Fees for Park Land and Improvements. Table 4.5 shows the calculation of impact fees per square foot by development type for the combined land acquisition and park improvement components of the park impact fees. Those fees are calculated using per-capita costs from Table 4.3 and added population and added square feet from Table 2.3.

Table 4.5: Park Impact Fees per Square Foot (Land and Improvements)

Development Type	Added Pop [1]	Cost per Capita [2]	Cost by Dev Type [3]	Added Sq Ft by Type [4]	Cost per Sq Ft [5]
Residential, Low Density	715	$ 6,856.08	$4,902,094	700,800	$ 6.99
Residential, Med/Higher Density	196	$6,856.08	$1,343,791	113,100	$ 11.88
Residential, Mobile Home	0	$6,856.08	$0	0	$ 0.00
Total/Average			**$6,245,885**	**813,900**	**$ 7.67**

[1] Added population by development type; see Table 2.3
[2] Combined cost per capita for land and improvements; see Table 4.3
[2] Cost by development type = added population X cost per capita
[3] Added square feet of building area by development type; see Table 2.3
[4] Cost per square foot = cost by development type / added square feet by development type

Projected Revenue

Estimating potential revenue from the park in-lieu fees and park impact fees is complicated by the fact that there is no way of accurately projecting how much future residential development will involve subdivisions. Since the fees differ for subdivisions and non-subdivision projects, the ultimate mix will affect fee revenue.

St. Helena has few subdivision applications, so the revenue projections in table 4.6 assume that only 5% of future residential development will be subject to park in-lieu fees, and 95% will be subject to park impact fees.

Table 4.6: Projected Revenue - Park In-Lieu and Impact Fees

Development Type	Dev Units [1]	Avg Fee per Sq Ft [2]	Future Sq Ft [3]	Projected Revenue [4]
Residential, Low Density	DUs	$ 6.89	700,800	$4,826,802
Residential, Med/Higher Density	DUs	$ 11.70	113,100	$ 1,323,151
Residential, Mobile Home	DUs	$ 0.00	0	$ 0
Total				**$ 6,149,953**

[1] Units of development; DUs = dwelling units
[2] Average fee per unit of development assumes that 5% of future residential development pays in-lieu fees (Table 4.4) and 95% of future development pays impact fees (Table 4.5); average fee per unit = 0.05 X in-lieu fee per unit + 0.95 X impact fee per unit)
[3] Future square feet of building area; see Table 2.3
[4] Projected revenue = average fee per unit X future units

The costs and impact fees in this chapter are based on current land and improvement costs. This study assumes that the projects covered by park in-lieu fees and park impact fees will be funded on a pay-as-you-go basis. To maintain parity between impact fees and land and improvement costs, the impact fees must be adjusted periodically to reflect changes in price levels.

A common practice is to adjust impact fees annually. Improvement costs can be adjusted using an index such as the *Engineering News Record* Building Cost Index. Adjustments to land costs should be based on local cost data. See the Implementation Chapter for more on indexing of fees.

Chapter 5
Public Safety Impact Fees

This chapter calculates impact fees for public safety facilities and equipment. Since most of the public safety facilities and equipment needed to serve future development in St. Helena are already in place, the impact fees calculated in this chapter are based on future development's proportionate share of the cost of existing and future capital assets that will be used to provide police and fire protection services to the entire City. By paying those impact fees, future development projects are paying their fair share of the cost of public safety assets that will be used to serve them.

Service Area

The Public Safety impact fees calculated in this chapter are for a single Citywide service area, and are intended to apply to all new development in the City.

Level of Service

The level of service standard used to calculate impact fees for public safety facilities and equipment is the relationship between public safety assets and the total projected square footage of development in the City at buildout. Buildout is a hypothetical condition in which the City's remaining development potential, as envisioned in the Draft General Plan Update, has been exhausted. The amount of potential new development anticipated in the City between the time of this study and buildout is shown in Table 2.3, Chapter 2.

Demand Variable

The demand variable used to allocate facility costs in this chapter is square feet of building area. Public Safety impact fees for any development project are based on that project's building area as a share of the total square footage of development in the City at buildout.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of facilities to a defined set of land uses that will be served by those facilities.

In this case a proportionate share of the total replacement cost of the City's existing public safety facilities and equipment is allocated to new development based on square feet of new development as a share of total development at buildout. Actual fee calculations are shown later in this chapter.

Facility Needs

Table 5.1 on the next page lists the City's existing Public Safety facilities and equipment with depreciated replacement cost, as well as new development's share of that cost based on the estimated square feet of new development as a percentage of total estimated square feet of development in the City at buildout.

Table 5.1: Public Safety Facilities and Equipment

Asset	Depr Repl Cost [1]	New Dev Share [2]	New Dev Cost [3]
Police Building Remodel	$ 552,772	11.6%	$ 64,187.11
Fire Station Site	$ 1,094,000	11.6%	$ 127,033.75
Fire Station	$ 5,581,956	11.6%	$ 648,168.91
Aerial Ladder Truck	$ 850,000	11.6%	$ 98,700.81
Type I Engine	$ 475,000	11.6%	$ 55,156.33
Type I Engine	$ 475,000	11.6%	$ 55,156.33
Fire Rescue Vehicle	$ 350,000	11.6%	$ 40,641.51
Total	**$ 9,378,728**		**$ 1,089,044.76**

[1] Police building remodel cost based on actual cost cost; fire station site cost shown as original cost; fire station cost based on depreciated actual cost; vehicle replacement cost based on recent purchases by other fire depts.

[2] New development's share of the cost is based on the square footage of potential new development as a percentage of total square footage of development (see Tables 2.3 and 2.4)

Impact Fee per Square Foot

Table 5.2 shows the impact fee per square foot of added building area for Public Safety facilities and equipment, based on new development's share of total replacement cost from Table 5.1 and the total square feet of added building area from Table 2.3 in Chapter 2.

Table 5.2: Impact Fee per Square Foot - Public Safety Facilities/Equip't

New Development Cost [1]	New Development Square Feet [2]	Impact Fee per Sq Ft [3]
$1,089,044.76	1,073,600	$1.01

[1] See Table 5.1

[2] Estimated square feet of additional development to buildout; see Table 2.3

[3] Average cost per square foot = new development cost / new development square feet

In the next section, the cost per square foot from Table 5.2 is used to calculate impact fees per unit of development by development type.

Projected Revenue

Potential revenue from the Public Safety impact fee calculated in this chapter can be projected by applying the fee per square foot from Table 5.2 to forecasted square feet of future development. The resulting projections are shown in Table 5.3 on the next page.

Table 5.3: Projected Revenue - Public Safety Impact Fees

Development Type	Impact Fee per Sq Ft [1]	Added Sq Ft [2]	Projected Revenue [3]
Residential, Low Density	$1.01	700,800	$ 707,808.00
Residential, Med/Higher Density	$1.01	113,100	$ 114,231.00
Residential, Mobile Home	$1.01	0	$ 0.00
Commercial/Retail	$1.01	21,850	$ 22,068.50
Office	$1.01	111,850	$ 112,968.50
Industrial	$1.01	16,000	$ 16,160.00
Lodging	$1.01	110,000	$ 111,100.00
Total		**1,073,600**	**$ 1,084,336.00**

[1] Impact fee per square foot; see Table 5.2

[3] Added square feet; see Table 2.3

[4] Projected revenue = impact fee per square foot X added square feet

The projected revenue shown in Table 5.3 assumes that the City builds out as anticipated in the Draft General Plan Update.

Both costs and impact fees shown in this chapter are based on current improvement costs. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically, to reflect changes in price levels.

A common practice is to adjust impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Chapter 6
Civic Facilities Impact Fees

This chapter calculates impact fees for civic facilities, including City Hall, the public library, and community centers/recreation facilities. Since many of the civic facilities needed to serve future development in St. Helena are already in place, the impact fees calculated in this chapter are based on future development's proportionate share of the cost of existing and future capital assets that will be used to serve the entire City. By paying those impact fees, future development projects are contributing their fair share of the cost of civic facilities used to serve them.

Service Area

The Civic Facilities impact fees calculated in this chapter are for a single Citywide service area, and are intended to apply to all new development in the City.

Level of Service

The level of service standard used to calculate impact fees for civic facilities is implied by the relationship between those facilities and the total projected square footage of development in the City at buildout. Buildout is a hypothetical condition in which the City's remaining development potential, as envisioned in the General Plan, has been exhausted. The amount of additional development anticipated in the City between the time of this study and buildout is shown in Table 2.3, in Chapter 2. For purposes of this study, it is not necessary to estimate the time required for the City to reach buildout.

Demand Variable

The demand variable used to allocate facility costs in this chapter is square feet of building area. Civic Facilities impact fees for any development project are based on that project's building area as a share of the total square footage of development in the City at buildout shown in Table 2.3 in Chapter 2.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of facilities to a defined set of land uses that will be served by those facilities.

In this case, new development's proportionate share of the total cost of existing and planned civic facilities is based on new development proportionate share of total building square footage at buildout. Actual fee calculations are shown later in this chapter.

Facility Needs

Table 6.1 lists the costs for existing and planned facilities used in the impact fee calculations.

Table 6.1: Civic Facilities

Asset	Estimated or Repl Cost [1]	New Dev Share [2]	New Dev Cost [3]
New City Hall Building	$ 5,347,000	11.6%	$ 620,886.15
New Community Center	$ 6,653,000	11.6%	$ 772,537.04
Corporation Yard Modular Buildings	$ 143,292	11.6%	$ 16,638.81
Library	$ 2,336,244	11.6%	$ 271,281.41
General Plan Update	$ 1,200,000	11.6%	$ 139,342.32
Carnegie Building Seismic Retrofit	$ 1,695,718	11.6%	$ 196,904.40
Signorelli Barn Rehabilitation	$ 185,000	11.6%	$ 21,481.94
Total	**$ 17,560,254**		**$ 2,039,072.08**

[1] Costs for new City Hall and Community Center are estimated; cost for existing buildings is historic cost escalated to current replacement cost using the *Engineering News Record* Building Cost Index; land cost shown as original cost

[2] New development's share of total building area at buildout = added building area from Table 2.3 / total building area at buildout from Table 2.4

[2] New development's share of cost = estimated cost / new development share of total building area at buildout

Impact Fee per Square Foot

Table 6.2 shows the impact fee per square foot, which is the average cost per square foot of added building area, based on new development's share of the costs shown in Table 6.1 and added square feet of building area from Table 2.3 in Chapter 2.

Table 6.2: Impact Fee per Square Foot - Civic Facilities

New Development Cost [1]	New Development Square Feet [2]	Impact Fee per Sq Ft [3]
$2,039,072.08	1,073,600	$1.90

[1] See Table 6.1

[2] Estimated square feet of added building area to buildout; see Table 2.3

[3] Impact fee per square foot = new development cost / new development square feet

Projected Revenue

Potential revenue from the Civic Facilities impact fees calculated in this chapter can be projected by applying the fees per square foot from Table 6.2 to added square feet of development from Table 2.3. The resulting projections are shown in Table 6.3.

Table 6.3: Projected Revenue - Civic Facilities Impact Fees

Development Type	Impact Fee per Sq Ft [1]	Added Sq Ft [2]	Projected Revenue [3]
Residential, Low Density	$1.90	700,800	$ 1,331,018.73
Residential, Med/Higher Density	$1.90	113,100	$ 214,809.10
Residential, Mobile Home	$1.90	0	$ 0.00
Commercial/Retail	$1.90	21,850	$ 41,499.37
Office	$1.90	111,850	$ 212,435.00
Industrial	$1.90	16,000	$ 30,388.56
Lodging	$1.90	110,000	$ 208,921.32
Total		**1,073,600**	**$ 2,039,072.08**

[1] Impact fee per square foot; see Table 6.2

[3] Added square feet; see Table 2.3

[4] Projected revenue = impact fee per square foot X added square feet

The projected revenue shown in Table 6.3 assumes that the City builds out as anticipated in the Draft General Plan Update.

Both costs and impact fees shown in this chapter are based on current improvement costs. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically, to reflect changes in price levels.

A common practice is to adjust impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Chapter 7
Water System Impact Fees

This chapter calculates impact fees for water system improvements needed to serve future development in St. Helena. The impact fees calculated in this chapter are based on the cost of specific improvements to the City's water system, and those costs are allocated to various types of development based on average water demand for each type of development.

Service Area

The Water System impact fees calculated in this chapter are for a single Citywide service area, and are intended to apply to all new development in the City.

Level of Service

The level of service standard for water system improvements is not addressed explicitly in this study. The appropriate standards are reflected in the engineering studies used to establish the need for the improvements shown in Table 7.1.

Demand Variable

The demand variable used to allocate improvement costs in this chapter is water demand in hundreds of cubic feet (HCF) per year.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined increment of development that will be served by those improvements.

In this case, new development's share of the cost of water system improvements listed in Table 7.1 is allocated to new development based on estimated demand per unit of development by development type.

System Improvements

Table 7.1 on the next page lists the water system improvements used to calculate water system impact fees in this chapter. Table 7.1 also indicates the share of cost for each improvement that is attributed to new development.

As shown in Table 7.1, the share of total improvement costs allocated to new development is 36%.

Table 7.1: Water System Improvements

Improvement Description	Improvement Cost [1]	New Dev Share [2]	New Dev Cost [3]
Bale Slough (Rutherford W-28)	$ 116,367.00	50%	$ 58,183.50
Tank 2 - PAX Mixer	$ 56,398.00	0%	$ -
Pratt Avenue Transmission Bridge	$ 400,000.00	50%	$ 200,000.00
Community Drive	$ 47,000.00	0%	$ -
Howell Mountain Road	$ 135,000.00	0%	$ -
York Creek Upper Dam Removal	$ 3,196,105.00	0%	$ -
Meadowood & Holmes Tank Upgrade	$ 79,630.00	50%	$ 39,815.00
Water Treatment Plant Upgrades	$ -	15%	$ -
Bell Canyon Reservoir Improvements	$ 369,276.00	15%	$ 55,391.40
Corp Yard Improvements	$ 151,444.00	15%	$ 22,716.60
Machinery & Equipment	$ 58,228.00	15%	$ 8,734.20
SCADA	$ 150.00	15%	$ 22.50
WTP Worker Housing	$ 40,000.00	0%	$ -
Water Valve Replacement	$ 12,900.00	0%	$ -
Charter Oak Water Main Replacement	$ 56,206.00	0%	$ -
Groundwater Well Upgrades	$ 70,545.00	100%	$ 70,545.00
Recycled Water Mains	$ 121,309.00	100%	$ 121,309.00
Vehicle Replacement Program (Treatment)	$ 60,000.00	5%	$ 3,000.00
Dwyer Road Booster	$ 1,150,000.00	50%	$ 575,000.00
Water Rights Renewal	$ 136,029.00	0%	$ -
Tank 1A Construction	$ 1,210,230.00	15%	$ 181,534.50
Bell Canyon/Lower Reservoir Intake Towers	$ 302,125.00	15%	$ 45,318.75
Bell Valve House	$ 462,177.00	15%	$ 69,326.55
Surge Protection at LSWTP & SBW	$ 25,000.00	0%	$ -
Fixed Gas Chlorine Analyzer	$ 6,000.00	0%	$ -
High Service Pump	$ 372,030.00	15%	$ 55,804.50
Bell Creek Inflow Weir Design	$ 470,472.00	15%	$ 70,570.80
Sludge Handling Program	$ 62,000.00	0%	$ -
Replace Telemetry at LSWTP	$ 16,000.00	0%	$ -
Influent Valve Actuator	$ 9,000.00	15%	$ 1,350.00
Lower Reservoir Water Treatment	$ 184,000.00	100%	$ 184,000.00
Raw Water Metering Station	$ 25,000.00	15%	$ 3,750.00
Toilet Retrofit Program	$ 25,000.00	100%	$ 25,000.00
Radio Repeater/Infrastructure	$ 2,000.00	15%	$ 300.00
Tank 1 Rehabilitation	$ 300,000.00	15%	$ 45,000.00
Tank 2 Recoating	$ 500,000.00	15%	$ **1,836,672.30**
Total/Average	**$ 10,227,621.00**	**36%**	**$ 3,673,344.60**

Should be $75,000

Should be $1,911,672.30

[1] Improvement costs estimated by the City of St. Helena Public Works Department
[2] Share of cost attributable to new development estimated by the City of St. Helena Public Works Department
[3] Cost attributable to new development = project cost X new development %

New Development Water Demand

Table 7.2 projects the added water demand associated with each type of new development. This chapter includes Schools (K-12) as a separate development type.

Schools were not addressed in previous chapters, because they are not subject to other City impact fees. However, because schools connect to the City's water and wastewater systems, they are subject to impact fees for water and wastewater.

Table 7.2: New Development Water Demand

Development Types	Dev Units [1]	Potential New Units [2]	HCF per Unit	Added Demand (HCF per Year)
Residential, Low Density	DUs	292	203.0	59,276
Residential, Med/Higher Density	DUs	87	89.0	7,743
Commercial/Retail	KSF	21.9	168.0	3,671
Office	KSF	111.9	87.0	9,731
Industrial	KSF	16.0	116.0	1,856
Lodging	Rooms	220	85.0	18,700
Schools (K-12)	KSF	35.5	96.0	3,407
Total				**104,384**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites

[2] See Table 2.3 except for Schools (K-12); increase in school square footage estimated at 13.7% based on population growth (See Tables 2.2 and 2.3)

[3] Hundreds of cubic feet (HCF) of water usage per unit, based on the 2004 Water and Wastewater Rate Study, except the rates for Lodging and Schools (K-12), which are based on analysis of water meter records

[4] Added demand in HCF per year by development type = potential new units X HCF per unit

Water System Improvement Cost per HCF

Table 7.3 on the next page calculates the average water system improvement cost per HCF per year for new development, using new development's share of improvement costs from Table 7.1 and the total added demand in HCF from Table 7.2.

Table 7.3: Water System Improvement Cost per HCF per Year

Should be $1,911,672.30

New Development Cost [1]	Added Demand (HCF per Year) [2]	Cost per HCF per Year [3]
$3,673,344.60	104,383.8	$35.19

Should be $18.31

[1] See Table 7.1
[2] See Table 7.2
[3] Cost per hundred cubic feet (HCF) of added demand per year = new development cost / added demand in HCF

Allocated Cost by Development Type

Table 7.4 calculates the share of new development's improvement cost allocated to each type of development, using the cost per HCF per year from Table 7.3, the demand per unit in HCF by development type, and the added units for each type of development.

Table 7.4: Water System Improvements - Allocated Cost by Development Type

Development Type	Cost per per HCF [1]	HCF per Unit [2]	Potential New Units [3]	Alloc Cost by Dev Type [4]
Residential, Low Density	$35.19	203.0	292	$ 2,085,967.32
Residential, Med/Higher Density	$35.19	89.0	87	$ 272,482.03
Commercial/Retail	$35.19	168.0	21.9	$ 129,178.23
Office	$35.19	87.0	111.9	$ 342,439.50
Industrial	$35.19	116.0	16.0	$ 65,314.05
Lodging	$35.19	85.0	220	$ 658,067.16
Schools (K-12)	$35.19	96.0	35.5	$ 119,896.32
Total				**$ 3,673,344.60**

These should all be $18.31

$1,085,343.56
$141,774.33
$67,366.15
$178,253.34
$33,983.36
$342,397.00
$62,400.48
$1,911,518.23

[1] See Table 7.3
[2] See Table 7.2
[3] See Table 7.2
[4] Allocated cost by development type = cost per HCF X HCF per unit X potential new units

Impact Fee per Square Foot

Table 7.5 calculates the impact fee per square foot of new development for water system improvements using the allocated cost per development type from Table 7.4 and the added square feet by development type.

Table 7.5: Water System Improvements - Impact Fees per Square Foot

Development T		Alloc Cost by Dev Type [1]	Added Sq Ft by Dev Type [2]	Impact Fee per Sq Ft [3]	
Residenti	$1,085,343.56	$ 2,085,967.32	700,800	$ 2.98	$1.55
Residenti	$141,774.33	$ 272,482.03	113,100	$ 2.41	$1.25
Commerc	$67,366.15	$ 129,178.23	21,850	$ 5.91	$3.08
Office	$178,253.34	$ 342,439.50	111,850	$ 3.06	$1.59
Industrial	$33,983.36	$ 65,314.05	16,000	$ 4.08	$2.12
Lodging	$342,397.00	$ 658,067.16	110,000	$ 5.98	$3.11
Schools (	$62,400.48	$ 119,896.32	35,490	$ 3.38	$1.76
Total	$1,911,518.23	**$ 3,673,344.60**	**1,073,600**		

[1] See Table 7.4; allocated cost per development type also equals projected revenue
[2] See Table 2.3 except for Schools (K-12); increase in school square feet based on 13.7% population growth using data from Tables 2.2 and 2.3
[3] Impact fee per square foot = cost per development type / added square feet by development type

Projected Revenue

Potential revenue from the water system impact fees is the same as the total allocated cost per development type shown in Table 7.5. Both costs and impact fees shown in this chapter are based on current improvement costs. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically, to reflect changes in price levels.

A common practice is to adjust impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Chapter 8
Wastewater System Impact Fees

This chapter calculates impact fees for wastewater system improvements needed to serve future development in St. Helena. The impact fees calculated in this chapter are based on the cost of specific improvements to the City's wastewater system, and those costs are allocated to various types of development based on average wastewater flows generated by each type of development.

Service Area

The Wastewater System impact fees calculated in this chapter are for a single Citywide service area, and are intended to apply to all new development in the City.

Level of Service

The level of service standard for wastewater system improvements is not addressed explicitly in this study. The appropriate standards are reflected in the engineering studies used to establish the need for the improvements shown in Table 8.1.

Demand Variable

The demand variable used to allocate improvement costs in this chapter is wastewater flow in hundreds of cubic feet (HCF) per year.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined increment of development that will be served by those improvements.

In this case, new development's share of the cost of wastewater system improvements listed in Table 8.1 is allocated to new development based on estimated wastewater flow per unit of development by development type.

System Improvements

Table 8.1 on the next page lists the wastewater system improvements used to calculate wastewater system impact fees in this chapter. Table 8.1 also indicates the share of cost for each improvement that is attributed to new development.

As shown in Table 8.1, the share of total improvement costs allocated to new development is 17%.

Table 8.1: Wastewater System Improvements

Improvement Description	Improvement Cost [1]	New Dev Share [2]	New Dev Cost [3]
Sulphur Springs Sewer Extension	$ 11,000.00	50%	$ 5,500.00
Recycled Water (Teritiary Treatment)	$ 102,962.00	100%	$ 102,962.00
Misc. Maintenance Projects	$ 68,896.00	15%	$ 10,334.40
Chlorine Analyzer/Tank & SCADA System	$ 50,000.00	15%	$ 7,500.00
Pond 2 Walkway	$ 3,608.00	0%	$ -
Rock Slope Protection & Levee Repair	$ 90,778.00	0%	$ -
Charter Oak (SS & FM Construction)	$ 101,704.00	0%	$ -
Sewer Rehabilitation	$ 209,384.00	50%	$ 104,692.00
Brush Aerators	$ 2,288.00	15%	$ 343.20
WWTP Diffuser Permits	$ -	15%	$ -
Front End Loader	$ 170,000.00	0%	$ -
Regulatory Compliance Permit Renewal	$ 163,823.00	15%	$ 24,573.45
Crinella Pump Station	$ -	15%	$ -
Cover Pond 3 for Algae Reduction	$ 542,401.00	15%	$ 81,360.15
Rehabilitation - Pond 1A	$ 600,077.00	15%	$ 90,011.55
Pond 2-Convert, Upgrade & Re-plumb	$ 300,000.00	15%	$ 45,000.00
Reclamation Field Improvements	$ 219,000.00	15%	$ 32,850.00
Security Gate	$ 6,000.00	0%	$ -
Shop HVAC	$ 2,809.00	0%	$ -
Radio Repeater/Infrastructure	$ 3,356.00	15%	$ 503.40
Vehicle Replacement Program (Sewer)	$ 65,000.00	5%	$ 3,250.00
Vehicle Replacement Program (treatment)	$ 30,000.00	5%	$ 1,500.00
Hudson Avenue SS Replacement	$ 182,000.00	0%	$ -
Oak Ave Infrastructure	$ 365,000.00	15%	$ 54,750.00
Total/Average	**$ 3,290,086.00**	**17%**	**$ 565,130.15**

[1] Improvement costs estimated by the City of St. Helena Public Works Department

[2] Share of cost attributable to new development estimated by the City of St. Helena Public Works Department

[3] Cost attributable to new development = project cost X new development %

New Development Wastewater Flows

Table 8.2 projects the added wastewater flow associated with each type of new development. This chapter includes Schools (K-12) as a separate development type.

Except for Chapter 7, schools were not addressed in previous chapters, because they are not subject to most City impact fees. However, because schools connect to the City's water and wastewater systems, they are subject to impact fees for water and wastewater.

Table 8.2: New Development Wastewater Flows

Development Types	Dev Units [1]	Potential New Units [2]	HCF per Unit	Added Flow HCF per Year
Residential, Low Density	DUs	292	77.0	22,484
Residential, Med/Higher Density	DUs	87	61.0	5,307
Commercial/Retail	KSF	21.9	63.0	1,377
Office	KSF	111.9	32.0	3,579
Industrial	KSF	16.0	43.0	688
Lodging	Rooms	220	31.5	6,919
Schools (K-12)	KSF	35.5	35.5	1,261
Total				**41,614**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites

[2] See Table 2.3 except for Schools (K-12); increase in school square footage estimated at 13.7% based on population growth (See Tables 2.2 and 2.3)

[3] Hundreds of cubic feet (HCF) of wastewater flow per unit, based on the 2004 Water and Wastewater Rate Study, except the rates for Lodging and Schools (K-12) which are estimated based on water usage

[4] Added flow in HCF per year by development type = potential new units X HCF per unit

Wastewater System Improvement Cost per HCF

Table 8.3 calculates the average wastewater system improvement cost per HCF per year for new development, using new development's share of improvement costs from Table 8.1 and the total added demand in HCF from Table 8.2.

Table 8.3: Wastewater System Improvement Cost per HCF per Year

New Development Cost [1]	Added Flow (HCF per Year) [2]	Cost per HCF per Year [3]
$565,130.15	41,614	$13.58

[1] See Table 8.1

[2] See Table 8.2

[3] Cost per hundred cubic feet (HCF) of added flow per year

Allocated Cost by Development Type

Table 8.4 calculates the share of new development's improvement cost allocated to each type of development, using the cost per HCF per year from Table 8.3, the flow per unit in HCF by development type, and the added units for each type of development.

Table 8.4: Wastewater System Improvements - Allocated Cost by Development Type

Development Type	Cost per per HCF [1]	HCF per Unit [2]	Potential New Units [3]	Alloc Cost by Dev Type [4]
Residential, Low Density	$13.58	77.0	292	$ 305,336.62
Residential, Med/Higher Density	$13.58	61.0	87	$ 72,069.98
Commercial/Retail	$13.58	63.0	22	$ 18,693.79
Office	$13.58	32.0	112	$ 48,606.16
Industrial	$13.58	43.0	16	$ 9,343.16
Lodging	$13.58	31.5	220	$ 93,961.22
Schools (K-12)	$13.58	35.5	36	$ 17,124.06
Total				**$ 565,134.97**

[1] See Table 8.3

[2] See Table 8.2

[3] See Table 8.2

[4] Allocated cost by development type = cost per HCF X HCF per unit X potential new units

Impact Fee per Square Foot

Table 8.5 calculates the impact fee per square foot of new development for wastewater system improvements using the allocated cost per development type from Table 8.4 and the added square feet by development type.

Table 8.5: Wastewater System Improvements - Impact Fees per Square Foot

Development Type	Alloc Cost by Dev Type [1]	Added Sq Ft by Dev Type [2]	Impact Fee per Sq Ft [3]
Residential, Low Density	$ 305,336.62	700,800	$ 0.44
Residential, Med/Higher Density	$ 72,069.98	113,100	$ 0.64
Commercial/Retail	$ 18,693.79	21,850	$ 0.86
Office	$ 48,606.16	111,850	$ 0.43
Industrial	$ 9,343.16	16,000	$ 0.58
Lodging	$ 93,961.22	110,000	$ 0.85
Schools (K-12)	$ 17,124.06	35,490	$ 0.48
Total	**$ 565,134.97**	**1,109,090**	

[1] See Table 8.4; allocated cost per development type also equals projected revenue
[2] See Table 2.3 except for Schools (K-12); increase in school square feet based on 13.7% population growth using data from Tables 2.2 and 2.3
[3] Impact Fee per square foot = cost per development type / added square feet by development type

Projected Revenue

Potential revenue from the wastewater system impact fees is the same as the total allocated cost per development type shown in Table 8.5. Both costs and impact fees shown in this chapter are based on current improvement costs. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically, to reflect changes in price levels.

A common practice is to adjust impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Chapter 9
Storm Drainage System Impact Fees

This chapter calculates impact fees for drainage system improvements needed to serve future development in St. Helena. The impact fees calculated in this chapter are based on the cost of specific improvements to the City's drainage system, and those costs are allocated to various types of development based on square feet of impervious surface area added by each type of development.

Increasing the amount of impervious surface area increases the amount of runoff that must be handled by the drainage system.

Service Area

The Drainage System impact fees calculated in this chapter are for a single Citywide service area, and are intended to apply to all new development in the City.

Level of Service

The level of service standard for drainage system improvements is not addressed explicitly in this study. The appropriate standards are reflected in the engineering studies used to establish the need for the improvements shown in Table 9.1.

Demand Variable

The demand variable used to allocate improvement costs in this chapter is added impervious surface area in square feet.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined increment of development that will be served by those improvements.

In this case, the cost of drainage system improvements listed in Table 9.1 is allocated to new development based on the estimated amount of impervious surface area added per unit of development by development type.

System Improvements

Table 9.1 on the next page lists the drainage system improvements used to calculate storm drainage system impact fees in this chapter, and the estimated cost of those improvements.

Table 9.1: Drainage System Improvements

Improvement Description	Improvement Cost [1]	New Dev Share [2]	New Dev Cost [3]
Storm Drain - Fulton (Crinella to River)	$ 900,000	10%	$ 90,000
Storm Drain - Mitchell/Oak to Sulpher Cr-Oak/Adams to Mitchell	$ 250,000	40%	$ 100,000
Storm Drain - Mills (Main to River)	$ 450,000	100%	$ 450,000
Storm Drain - McCorkle (Stonebridge to River)	$ 350,000	80%	$ 280,000
Total/Average	**$ 1,950,000**	**47%**	**$ 920,000**

[1] Improvement costs estimated by the City of St. Helena Public Works Department
[2] Share of cost attributable to new development estimated by the City of St. Helena Public Works Dept.
[3] Cost attributable to new development = project cost X new development %

New Development Impervious Surface Area

Table 9.2 shows the estimated average square feet of impervious surface area (ISA) added per unit of new development, by development type, as well as the total square feet of ISA added by all potential new development.

Table 9.2: New Development Impervious Surface Area per Unit

Development Types	Dev Units [1]	Potential New Units [2]	ISA per Unit (Sq Ft)	Added ISA
Residential, Low Density	DUs	292	3,800	1,109,600
Residential, Med/Higher Density	DUs	87	1,950	169,650
Commercial/Retail	KSF	21.9	3,600	78,660
Office	KSF	111.9	3,000	335,550
Industrial	KSF	16.0	3,600	57,600
Lodging	Rooms	220	1,400	308,000
Total				**2,059,060**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites
[2] See Table 2.3
[3] Impervious surface area (ISA) per unit estimated by Colgan Consulting
[4] Added ISA = potential units X ISA per unit

Drainage System Improvement Cost per Square Foot of ISA

Table 9.3 calculates the average storm drainage system improvement cost per square foot for new development, using the improvement costs from Table 9.1 and the total added square feet of ISA from Table 9.2.

Table 9.3: Drainage System Improvement Cost per Sq Ft of Added ISA

New Development Cost [1]	Added ISA (Square Feet) [2]	Cost per Square Foot of Added ISA [3]
$920,000.00	2,059,060	$0.45

[1] See Table 9.1

[2] See Table 9.2

[3] Cost per square foot = new development cost / added square feet of ISA

Allocated Cost by Development Type

Table 9.4 calculates the share of new development's improvement cost allocated to each type of development, using the cost per square foot of added ISA from Table 9.3, the square feet of added ISA per unit by development type, and the added units for each type of development.

Table 9.4: Drainage System Improvements - Allocated Cost by Dev Type

Development Type	Cost per per Sq Ft [1]	Sq Ft ISA per Unit [2]	Added Units [3]	Alloc Cost by Dev Type [4]
Residential, Low Density	$0.447	3,800.0	292	$ 495,775.74
Residential, Med/Higher Density	$0.447	1,950.0	87	$ 75,800.61
Commercial/Retail	$0.447	3,600.0	22	$ 35,145.75
Office	$0.447	3,000.0	112	$ 149,925.69
Industrial	$0.447	3,600.0	16	$ 25,736.02
Lodging	$0.447	1,400.0	220	$ 137,616.19
Total				**$ 920,000.00**

[1] See Table 9.3

[2] See Table 9.2

[3] See Table 9.2

[4] Allocated cost by development type = cost per square foot X square feet ISA per Unit X added units

Impact Fee per Square Foot

Table 9.5 calculates the impact fee per square foot of building area for storm drainage system improvements using the allocated cost per development type from Table 9.4 and the added square feet by development type.

Table 9.5: Drainage System Improvements - Impact Fees per Square Foot

Development Type	Alloc Cost by Dev Type [1]	Added Sq Ft by Dev Type [2]	Impact Fee per Sq Ft [3]
Residential, Low Density	$ 495,775.74	700,800	$ 0.71
Residential, Med/Higher Density	$ 75,800.61	113,100	$ 0.67
Commercial/Retail	$ 35,145.75	21,850	$ 1.61
Office	$ 149,925.69	111,850	$ 1.34
Industrial	$ 25,736.02	16,000	$ 1.61
Lodging	$ 137,616.19	110,000	$ 1.25
Total	**$ 920,000.00**	**1,073,600**	

[1] See Table 9.4; allocated cost per development type also equals projected revenue
[2] See Table 2.3
[3] Impact Fee per square foot = cost per development type / added square feet by development type

Projected Revenue

Potential revenue from the storm drainage system impact fees is the same as the total allocated cost per development type shown in Table 9.5. Both costs and impact fees shown in this chapter are based on current improvement costs. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically, to reflect changes in price levels.

A common practice is to adjust impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Chapter 10
Implementation

This chapter of the report contains recommendations for adoption and administration of a development impact fee program based on this study, and for the interpretation and application of impact fees recommended herein.

Statutory requirements for the adoption and administration of fees imposed as a condition of development approval are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*). For implementation of fees in lieu of park land dedication, see the Quimby Act (Government Code Section 66477).

Adoption

The form in which development impact fees are enacted, whether by ordinance or resolution, should be determined by the City Attorney. Ordinarily, it is desirable that specific fee amounts be set by resolution to facilitate periodic adjustments. Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed below and in Chapter 1 of this report.

Establishment of Fees. Pursuant to the Mitigation Fee Act (Section 66001(a)), when the City establishes fees to be imposed as a condition of development approval, it must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
    a. The use of the fee and the type of development project on which it is imposed;
    b. The need for the facility and the type of development project on which the fee is imposed

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be reviewed and approved by the City Attorney.

Finding: Purpose of the Fee. The City Council finds that the purpose of the impact fees hereby enacted is to prevent new development from reducing the quality and availability of public services provided to residents of the City by requiring new development to contribute to the cost of additional capital assets needed to serve additional development.

Finding: Use of the Fee. The City Council finds that revenue from the impact fees hereby enacted will be used to construct public facilities and pay for other capital assets needed to serve new development. Those public facilities and other assets are identified in the 2013 Development Impact Fee Study prepared by Colgan Consulting Corporation. [1]

Finding: Reasonable Relationship: Based on analysis presented in the 2013 Development Impact Fee Study prepared by Colgan Consulting Corporation, the City Council finds that there is a reasonable relationship between:

a. The use of the fees and the types of development projects on which they are imposed; and,

b. The need for facilities and the types of development projects on which the fees are imposed.

Administration

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

Imposition of Fees. Pursuant to the Mitigation Fee Act (Section 66001(a)), when the City imposes an impact fee upon a specific development project, it must make essentially the same findings adopted upon establishment of the fees to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
    a. The use of the fee and the type of development project on which it is imposed;
    b. The need for the facility and the type of development project on which the fee is imposed

[1] According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information.

Per Section 66001 (b), at the time when an impact fee is imposed on a specific development project, the City is also required to make a finding to determine how there is a reasonable relationship between:

c. The amount of the fee and the facility cost attributable to the development project on which it is imposed.

In addition, Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." In this case, the fees will be used to finance public facilities, infrastructure, and other development-related capital expenditures identified in the 2013 Development Impact Fee Study prepared by Colgan Consulting Corporation.

Section 66020 (d) (1) requires that the City, at the time it imposes an impact fee provide a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge.

Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

The City should develop procedures for imposing fees that satisfy those requirements for findings and notice.

Collection of Fees. Section 66007 (a), provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first. However, "utility service fees" (not defined) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees "will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy" or (2) the fees are "to reimburse the local agency for expenditures previously made."

Statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (c) (1) and (2) provide that the city may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

Earmarking and Expenditure of Fee Revenue. Section 66006 (a) mandates that fees be deposited "with other fees for the improvement" in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments and expend those fees solely for the purpose for which the fee was collected. Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees "with other fees for the improvement" refers to a specific capital improvement or a class of improvements (e.g., street improvements). We are not aware of any city that has interpreted that language to mean that funds must be segregated by individual projects.

As a practical matter, that approach is unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., streets, park improvements), but not for individual projects. We recommend that approach.

It is important that fee revenue be expended so as to provide a reasonable benefit to the development projects from which the fees are collected. Some fees in this report were calculated without knowing the specific locations of all facilities to be funded by the fees. The City should exercise caution in expending such fees to ensure that facilities are located in such as way as to serve the development projects from which the fees were collected.

Impact Fee Exemptions, Reductions, and Waivers. In the event that a development project is found to have no impact on facilities for which impact fees are charged, such project must be exempted from the fees.

If a project has characteristics that indicate its impacts on a particular public facility or infrastructure system will be significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly. Per Section 66001 (b), there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, the City may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project, as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, and are allowable only if the City offsets the lost revenue from other fund sources.

Credit for Improvements Provided by Developers. If the City requires a developer, as a condition of project approval, to dedicate land or construct facilities or improvements for which impact fees are charged, the impact fee imposed on that development project for that type of facility must be adjusted to reflect a credit for such dedication or construction.

In the event that a developer voluntarily offers to dedicate land, or construct facilities or improvements in lieu of paying impact fees, the City may accept or reject such offers, and may negotiate the terms under which such an offer would be accepted.

Credit for Existing Development. If a project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project which represents a net increase in demand for relevant City facilities, applying the measure of demand used in this study to calculate that particular impact fee.

Reporting. Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;
3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

That information must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Refunds. Prior to 1996, a local agency collecting impact fees was required to expend or commit impact fee revenue within five years, or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete an incomplete improvement for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

Annual Update of the Capital Improvement Plan. Section 66002 (b) provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative, per Section 66001 (a) (2) is to identify improvements by applicable general or specific plans or in other public documents.

In most cases, the CIP identifies projects for a limited number of years and may not include all improvements needed to serve future development covered by the impact fee study. <u>We recommend that this development impact fee study be identified by the City Council as the public document on which the use of the fees is based.</u>

Indexing of Impact Fees. Development impact fees calculated in this report assume the facilities in question will be constructed on a pay-as-you-go basis. Those fees are based on current costs and should be adjusted at least annually to account for inflation. That adjustment is intended to account for future escalation in costs for land and construction. We recommend the *Engineering News Record* Building Cost Index as the basis for indexing construction costs. Where land costs make up a significant portion of the costs covered by a fee, land costs should be adjusted relative to changes in local land prices.

Training and Public Information

Effective administration of an impact fee program requires considerable preparation and training. It is important that those responsible for collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale. Before fees are imposed, a staff training workshop is highly desirable if more than a handful of employees will be involved in collecting or accounting for fees.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of particular impact fees should be made clear.

Finally, anyone who is responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. The fees recommended in this report are tied to specific improvements and cost estimates. Fees must be expended accordingly and the City must be able to show that funds have been properly expended.

Recovery of Study Cost

Colgan Consulting normally recommends that agencies charging impact fees increase the fees by a small percentage to recover the cost of periodically updating the fees. Section 66014 of the Government Code provides that fees for processing applications related to planning, zoning, subdivisions, building permits and certain other procedures "may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations."

Although impact fees are not specifically addressed in that section of the code, Section 66014 is located within the Mitigation Fee Act, and the preparation of an impact fee study is clearly necessary to support the finding required by the Mitigation Fee Act for the adoption and imposition of impact fees.

One method Colgan Consulting often uses for allocating the cost of fee study updates to impact fees is to divide the cost of the current study by the amount of revenue that will be generated by the impact fees before the fees will need to be updated. For example, assuming the impact fees will be updated after five years, the cost of the study would be divided by the amount of impact fee revenue to be generated over that period. The result of that calculation is the percentage by which the impact fees must be increased to recover the cost of the study over two years—assuming the revenue projections are correct.

However, in light of uncertainty regarding the timing of an economic recovery, and the possibility that development may be unusually slow in coming years, that approach does not appear to be appropriate at this time.

A substantial number of California cities add an administrative charge of 2% or 2.5% to impact fees to cover the cost of periodic updates and administration of impact fees. In this case, Colgan Consulting recommends that an increase of 2.5% be applied to the City's impact fees to cover the cost of future updates. The administrative charge can be built into the fees by increasing each fee by 2.5% before it is adopted, or added as a surcharge when the fee is collected. For administrative simplicity, we recommend the former. Any revenue collected as a result of the administrative charge should be used only for the purpose of updating the City's impact fees.

Report to the City Council
Council Meeting of May 30, 2017

Agenda Section: **New Business**

Subject: **Budget Workshop to Review Three Options for the FY 2017/18 Budget as Directed by City Council on May 2, 2017, Provide Characterization of Measure D Funds, Provide an Overview of Year-over-Year Expenses, and Seek Council Direction on FY 2017/18 Budget to be Adopted on June 13, 2017 at a Regularly Scheduled City Council Meeting.**

CEQA Status: **Not a CEQA project**

Prepared By: **April Mitts, Finance Director**

Approved By: **Larry Pennell, Interim City Manager**

BACKGROUND

On February 4, 2017, the City hosted a day-long Goal Setting Workshop, on April 6, 2017 City staff presented to the City Council their Departmental Goals and Assessments, and on May 2, 2017 the City hosted a day-long Budget Workshop. This workshop included:

- Presentations by non-profits seeking grant funds for a total of $110,600;
- An update from Fair Housing Napa Valley; and
- Department Head presentations of their individual department budgets.

At the May 2, 2017 Budget Workshop, City Council provided the following direction to staff:

- Fund non-profits and research if Affordable Housing Trust Funds would be appropriate use for the $10,000 grant applied for by Our Town St. Helena;
- Transfer $800,000 from the General Fund to Water CIP to be used towards the removal of Upper York Creek Dam;
- Reduce departmental expenses to offset the use of General Fund for Upper York Creek Dam removal;
- Provide a characterization of the use of Measure D funds (estimated $1.4 million in FY 17/18);
- Provide an overview of Impact Fee accounts and allowable uses; and
- Provide an overview of year-over-year expenses by category.

DISCUSSION
Staff has been working on preparing three options for the City Council to consider and make recommendation on for budget adoption. Since the May 2, 2017 meeting, there have been slight modifications to the May 2, 2017 proposed budget, they are as follows:

1. May 22, 2017 – City Council directed staff to create a subsidy program to certain business classifications for water/sewer rates with a capped cost to the General Fund of $75,000.
2. May 25, 2017 – City staff received the final quotes to convert the existing phone system to Voice Over Internet Protocol (VOIP) system. Initially it was estimated there would be no additional costs to the City since there will be a savings in the monthly communications bills. However, the final quote revealed the total cost to lease the equipment will be $40,580, this will be offset by savings in our monthly communications bills of approximately $20,000 bringing the net costs for the new system to $20,580.
3. Updated salaries and benefit information to include the most up-to-date information.
4. Updated revenue projections based on actual General Fund Revenues received to-date.
5. Staff made corrections to Property Tax, Sales Tax, and TOT charts provided at the May 2, 2017 Budget Workshop.

Non-Profit Funding
It was found that use of Affordable Housing Trust Funds would be appropriate use to fund the $10,000 grant received from Our Town St. Helena. The three options presented to City Council take into consideration full funding of non-profits.

Update to Property Tax, Sales Tax, and TOT Revenue Estimate Charts
Following the May 2, 2017 Budget Workshop, it was discovered there was an error in the revenue charts provided to City Council. Additionally, as information regarding revenues is received; the revenue projections has been updated accordingly. Tables 1, 2, and 3 provides the corrected and updated information. Table 4 provides a summary of the estimated General Fund Revenues.

Table 1 – Property Taxes

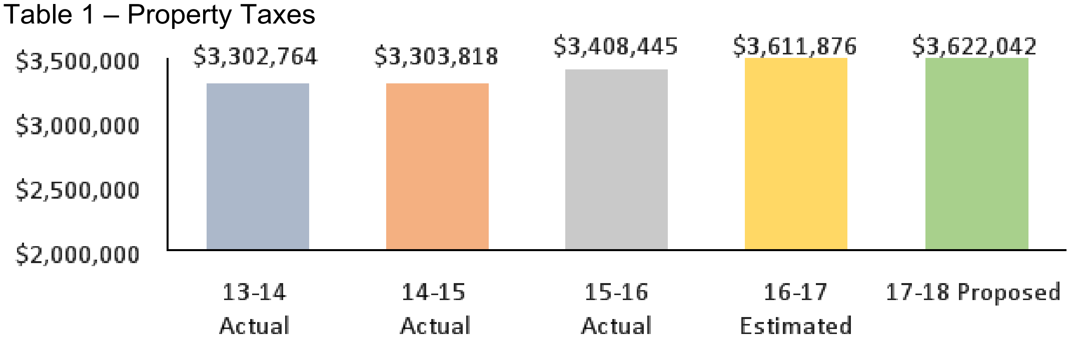

Table 2 – Sales and Use Taxes

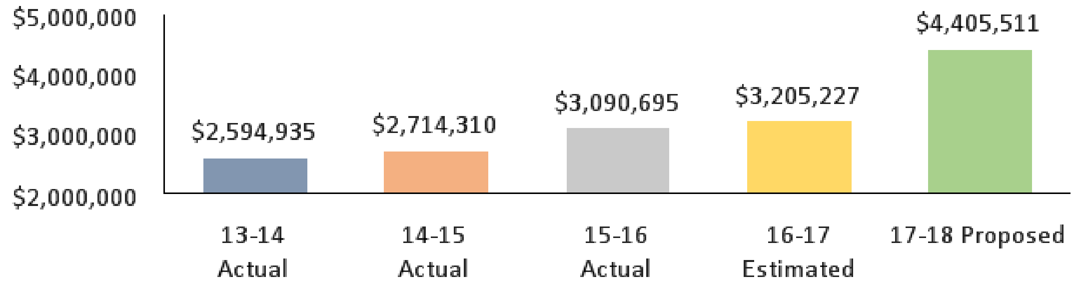

Table 3 – TOT

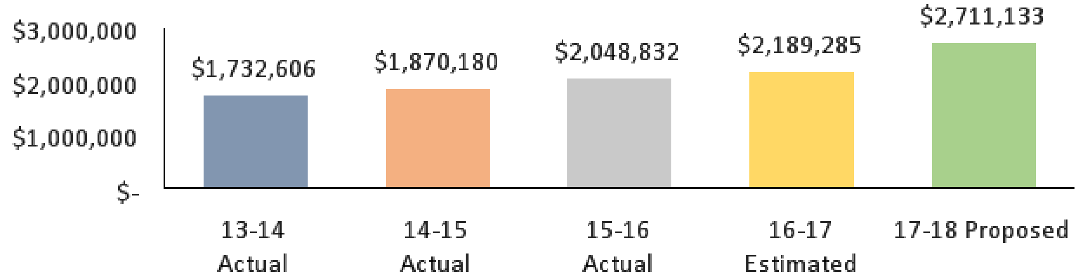

Table 4 – Updated General Fund Revenue Projections

REVENUES	5/2/17 Proposed	5/30/17 Proposed
General Fund	$13,045,220	$13,104,254

Changes to May 2, 2017 Proposed Budget

Staff has prepared three budget options for City Council to consider. These options are specifically for the General Fund and stem from the desire of City Council to use General Funds towards the removal of Upper York Creek Dam. The amount of funding towards Upper York Creek Dam varies with the three options presented; however, the list of departmental reductions remains the same. Table 5 provides an overview of the departmental adjustments.

Table 5

Adjustments	101	561	571	751
Fund Non-Profits	$100,600			$10,000
Subsidy for Water/Wastewater for Businesses	$75,000			
HR - Removed Classification and Compensation Study	$(25,000)	$(12,500)	$(12,500)	
HR - Removed HR Internship Program	$(5,600)	$(2,300)	$(2,300)	
City Clerk - Removed Boards, Commissions, and Committees Management Software	$(1,200)	$(1,200)	$(1,200)	
Finance - Removed Temporary Assistance at end of Year	$(2,000)	$(2,000)	$(2,000)	
Planning - Changed purchase of vehicle to lease of vehicle	$(23,375)			
City Attorney - Reduce by $100,000	$(100,000)			
Police - Removed purchase of vehicle	$(40,000)			
Police - Moved Simunitions Equipment to Fund 224 - COPS Eligible	$(3,000)			
Police - Moved Body Camera Program to Fund 212 - Grant	$(6,500)			
Police - Removed Wireless Panic Button	$(5,000)			
Library - Moved 1/2 the costs of Broadband Updates to Tweed and reduced library materials budget in Tweed	$(20,000)			
Government Buildings - Removed repairs to Fire Station	$(28,000)			

In addition to the changes to the proposed budget as noted in Table 5, three additional options for partially funding the removal of Upper York Creek Dam are presented below.

Table 5 – Option 1

Adjustments	101
Transfer of $800,000 from GF to Upper York Creek Dam	$800,000
Streets - Removed transfer to Streets CIP Fund	$(250,000)
Non-Dept. - Removed transfer to Equipment Replacement Fund	$(100,000)
Non-Dept. - Removed transfer to Civic CIP	$(200,000)

Table 6 – Option 2

Adjustments	101
Transfer of $600,000 from GF to Upper York Creek Dam	$600,000
Streets - Reduced transfer to Streets by $150,000 (total funded $100,000)	$(150,000)
Non-Dept. - Reduced transfer to Equip. Replacement Fund by $75,000 (total funded $25,000)	$(75,000)
Non-Dept. - Reduced transfer to Civic CIP by $125,000 (total funded $75,000)	$(125,000)

Table 7 – Option 3

Adjustments	101
Transfer of $450,000 from GF to Upper York Creek Dam	$450,000
Streets - Reduced transfer to Streets by $50,000 (total funded $200,000)	$(50,000)
Non-Dept. - Reduced transfer to Equip. Replacement Fund by $50,000 (total funded $50,000)	$(50,000)
Non-Dept. - Reduced transfer to Civic CIP by $100,000 (total funded $100,000)	$(100,000)

In each of the option presented the General Fund Net Position will remain at 25% as summarized in Table 8.

Table 8 – General Fund Net Position

General Fund	6/30/2017
Beginning Fund Balance @ 7/1/2016	3,457,897
Estimated Revenues @ 6/30/2017	11,149,462
Estimated Expenses @ 6/30/2017	(11,577,890)
Estimated Revenues - Expenses @ 6/30/17	(428,428)
Use of reserves as approved by CC	
Ending Fund Balance @ 6/30/2017	3,029,469
Estimated Revenue @ 6/30/2018	13,104,254
Estimated Expenses @ 6/30/2018	(12,921,308)
Revenue Less Expenses	182,946
Use of Reserves	-
Estimated Net Position	3,212,415
Percent of Expenses	25%

Measure D

At the May 2, 2017 Meeting City Council asked staff to characterize the use of Measure D Funds as it relates to the FY 2017/18 Proposed Budget

Attachment 1 is the Measure D Fact Sheet prepared by the City and distributed to the community prior to the November election. This fact sheet provides an overview of what Measure D is, why there is a need for additional local revenue, and what Measure D revenue would be used for.

It is estimated $1.4 million will be collected from the passage of Measure D in FY 2017/18. All funds collected through Measure D will be placed into the City's General Fund. Table 9 provides the characterization of spending of Measure D revenues for the May 2, 2017 proposed budget as well as the characterization of spending for Options #1, #2, and #3 presented above.

Table 9

Item	5/2/2017	5/30/2017	5/30/2017	5/30/2017
		Option #1	Option #2	Option #3
Upper York Creek Dam Removal		$800,000	$600,000	$450,000
Street Repairs	$250,000		$100,000	$200,000
Vehicle Replacement Fund	$100,000		$25,000	$50,000
Civic Impact Fund (Building Repair/Replacement)	$200,000		$75,000	$125,000
CARE Program	$90,000	$90,000	$90,000	$90,000
Business Assistance Program		$75,000	$75,000	$75,000
Flood Control Project	$261,900	$261,900	$261,900	$261,900
General Liability Insurance Increase	$10,000	$10,000	$10,000	$10,000
Increase in Employee Salary and Benefit Costs	$240,900	$240,900	$240,900	$240,900
Part-Time Library Employees	$30,000	$30,000	$30,000	$30,000
Fund 1/2 of the Firework Show	$20,000	$20,000	$20,000	$20,000
ADA Transaction Plan	$213,000	$213,000	$213,000	$213,000
Repairs to Government Buildings	$105,000	$77,000	$77,000	$77,000
TOTALS	**$1,520,800**	**$1,817,800**	**$1,817,800**	**$1,842,800**

Overview of Year-over-Year (YOY) Expenses – All Funds

At the May 2, 2017 Budget Workshop interest was expressed in seeing the differences in spending by category over a five-year period. This information is included in the budget document within each department. Tables 10-22 combines the individual department categories. Only the main categories have been included in this report. The information presented encompasses all funds.

Table 10 – Salaries

Salaries	TOTAL	YOY Difference	% difference
2013/2014	$4,536,840		
2014/2015	$4,966,376	$429,536	9%
2015/2016	$5,479,769	$513,393	9%
2016/2017	$6,053,466	$573,697	9%
2017/2018	$6,503,588	$450,122	7%

Table 11 - Benefits

Benefits	TOTAL	YOY Difference	% difference
2013/2014	$2,949,866		
2014/2015	$3,156,923	$207,057	7%
2015/2016	$3,253,549	$96,626	3%
2016/2017	$3,666,260	$412,711	11%
2017/2018	$3,845,697*	$179,437	5%

* Includes Unfunded PERS Liabilities - $663,424 for General Fund

Table 12 - Communications

Communications	TOTAL	YOY Difference	% difference
2013/2014	$117,333		
2014/2015	$115,024	$(2,309)	-2%
2015/2016	$100,315	$(14,709)	-15%
2016/2017	$102,298	$1,983	2%
2017/2018	$143,150	$40,852	29%

Table 13 – Computer Equipment

Computer Equipment	TOTAL	YOY Difference	% difference
2013/2014	$40,730		
2014/2015	$59,530	$18,800	32%
2015/2016	$87,859	$28,329	32%
2016/2017	$44,898	$(42,961)	-96%
2017/2018	$88,400	$43,502	49%

Table 14 – Supplies/Services

Supplies/Services	TOTAL	YOY Difference	% difference
2013/2014	$1,094,767		
2014/2015	$986,875	$(107,892)	-11%
2015/2016	$1,118,821	$131,946	12%
2016/2017	$1,398,928	$280,107	20%
2017/2018	$1,809,468	$410,540	23%

Table 15 – Training/Conference

Training/Conference	TOTAL	YOY Difference	% difference
2013/2014	$59,630		
2014/2015	$56,418	$(3,212)	-6%
2015/2016	$60,449	$4,031	7%
2016/2017	$122,288	$61,839	51%
2017/2018	$152,866	$30,578	20%

Table 16 - Contracts

Contracts	TOTAL	YOY Difference	% difference
2013/2014	$1,143,039		
2014/2015	$1,637,074	$494,035	30%
2015/2016	$1,328,995	$(308,079)	-23%
2016/2017	$1,842,712	$513,717	28%
2017/2018	$2,015,860	$173,148	9%

Table 17 - Contributions

Contributions	TOTAL	YOY Difference	% difference
2013/2014	$161,611		
2014/2015	$134,315	$(27,296)	-20%
2015/2016	$162,819	$28,504	18%
2016/2017	$167,650	$4,831	3%
2017/2018	$345,700	$178,050	52%

Table 18 – Capital Equipment

Capital Equipment	TOTAL	YOY Difference	% difference
2013/2014	$99,558		
2014/2015	$58,482	$(41,076)	-70%
2015/2016	$221,607	$163,125	74%
2016/2017	$248,761	$27,154	11%
2017/2018	$352,625	$103,864	29%

Table 19 – Equipment Software/Maintenance

Equipment Software/Maintenance	TOTAL	YOY Difference	% difference
2013/2014	$191,133		
2014/2015	$283,482	$92,349	33%
2015/2016	$266,241	$(17,241)	-6%
2016/2017	$343,272	$77,031	22%
2017/2018	$370,750	$27,478	7%

Table 20 – Property/Liability Insurance

Property/Liability Insurance	TOTAL	YOY Difference	% difference
2013/2014	$252,826		
2014/2015	$280,281	$27,455	10%
2015/2016	$232,424	$(47,857)	-21%
2016/2017	$300,766	$68,342	23%
2017/2018	$326,608	$25,842	8%

Table 21 - Utilities

Utilities	TOTAL	YOY Difference	% difference
2013/2014	$585,354		
2014/2015	$568,016	$(17,338)	-3%
2015/2016	$578,761	$10,745	2%
2016/2017	$608,100	$29,339	5%
2017/2018	$631,450	$23,350	4%

Table 22 – Vehicle Equipment/Maintenance

Vehicle Equipment/Maintenance	TOTAL	YOY Difference	% difference
2013/2014	$162,426		
2014/2015	$164,654	$2,228	1%
2015/2016	$144,155	$(20,499)	-14%
2016/2017	$246,624	$102,469	42%
2017/2018	$259,500	$12,876	5%

Summary

As stated earlier, in addition to the proposed options above, there were some minor adjustments made to the budget presented on May 2, 2017. Table 23 provides and overview of the projected revenues and Table 24 provides an overview of the projected expenses for the FY 2017/18 proposed budget.

Table 23

REVENUES	5/2/17 Proposed	5/30/17 Proposed
General Fund	$13,045,220	$13,104,254
Water Fund	$6,186,485	$6,186,485
Wastewater Fund	$3,243,199	$3,243,199

Table 24

EXPENSES	5/2/17 Proposed	5/30/17 Proposed
General Fund	$12,864,545	$12,921,308
Water Fund	$6,186,485	$6,186,485
Wastewater Fund	$3,243,199	$3,243,199

FISCAL IMPACT

None.

RECOMMENDED ACTION

Provide staff with direction in preparing the final budget for adoption on June 13, 2017.

ATTACHMENTS

Attachment 1 – Measure D Fact Sheet

Transactions and Use Taxes

Measure D

FACT SHEET

- 1/2 percent local transaction and use tax
- Requires majority voter approval (50% + 1)
- Assists in funding critical unmet needs
- Revenue supports the City's General Fund
- All revenue locally controlled

Measure D revenue will assist the City of St. Helena in maintaining existing levels of service (police, fire, library, recreation) and also provides some funding toward infrastructure and other unmet needs.

All revenue generated by Measure D will stay in St. Helena. No funds can be taken by the State or used for purposes other than proper general fund expenditures.

All items currently exempt from sales tax –- most groceries, prescription medicines, items purchased with food stamps – will continue to be exempt.

FAQ

FREQUENTLY ASKED QUESTIONS

WHY THE NEED FOR ADDITIONAL LOCAL REVENUE?

The City provides residents with a wide range of public services, including police, fire, public works, library, park, and recreational services, among many others. The City is not able to fund needed repairs and upgrades (such as for streets, parks, and city buildings). Forecasted expenses, including those over which the City has little or no control, are outpacing revenues. The City also has inadequate fund reserves, or a "rainy day" fund, to respond to unbudgeted emergencies. Without new revenue the City faces tough choices, with non-essential services such as the library and recreational programs especially vulnerable to budget reductions.

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WHAT IS TAXED AND WHAT IS NOT TAXED?

Measure D would apply to the same goods as the existing state sales tax. For example, antiques, cars, clothing, furniture, giftware, and toys would be subject to the transaction and use tax.

Items that are exempt from the transaction and use taxes include most groceries, sales of prescription medicine, and sales of items paid for with food stamps.

WHAT WOULD BE THE OVERALL CHANGE IN SALES TAX RATE?

The current sales tax rate in St. Helena is 8.00%, or $0.08 cents per dollar. If the transaction and use tax is passed, and assuming no other sales tax affecting St. Helena is passed, the new rate would be 8.25 %. The reason that it would not go to 8.50 % is that the State rate falls from 8.00 % to 7.75% on January 1, 2017. If the 0.25 % tax sought on the November ballot by the Napa County Parks and Recreation District were to pass, the new rate would be 8.50 %.

HOW DOES THE NEW RATE COMPARE?

A new rate of 8.25% or 8.50% remains under the rate currently found in many Northern California jurisdictions: Albany (10%), Berkeley (9.5%), El Cerrito (10%), Cotati (9.25%), Hayward (10%), Healdsburg (8.75%), Oakland (9.5%), San Rafael (9.25%), Santa Rosa (8.75%), Sausalito (9%), Sonoma (8.75%), Vallejo (8.625%).

Further, a new rate of 8.25% or 8.50% is less than the rate that was in place in St. Helena in fiscal years 2009 (8.75%) and 2010 (8.75%).

HOW MUCH REVENUE WILL MEASURE D GENERATE FOR THE CITY?

Measure D will raise about $1.4 million per year. The actual revenue is dependent on the economy (including shifting consumer patterns) and the amount of goods sold in St. Helena.

WHAT WILL MEASURE D MONIES BE USED FOR?

The funds are needed to maintain daily operations so that the City can avoid reductions in non-essential services, especially the library and recreational programs. The monies are also needed to address the most immediate and serious of the City's infrastructure needs (roads, sidewalks, curbing, parks, and municipal buildings).

NEED MORE INFORMATION?

EMAIL QUESTIONS TO:

jphillips@cityofsthelena.org

City of St. Helena Proposed FY 2017-18 Budget May 30, 2017 Budget Workshop

By: April Mitts, Finance Director

May 2, 2017 – City Council Direction

- Fund Non-Profits and Research if Affordable Housing Trust Funds would be appropriate use for $10,000 grant requested by OTSH
- Transfer $800,000 from the General Fund to Water CIP Fund to go towards the removal of Upper York Creek Dam
- Reduce departmental expenses to offset use of General Fund for Upper York Creek Dam removal
- Characterize use of Measure D funds
- Overview of Impact Fee accounts and allowable uses
- Overview of Year Over Year expenses

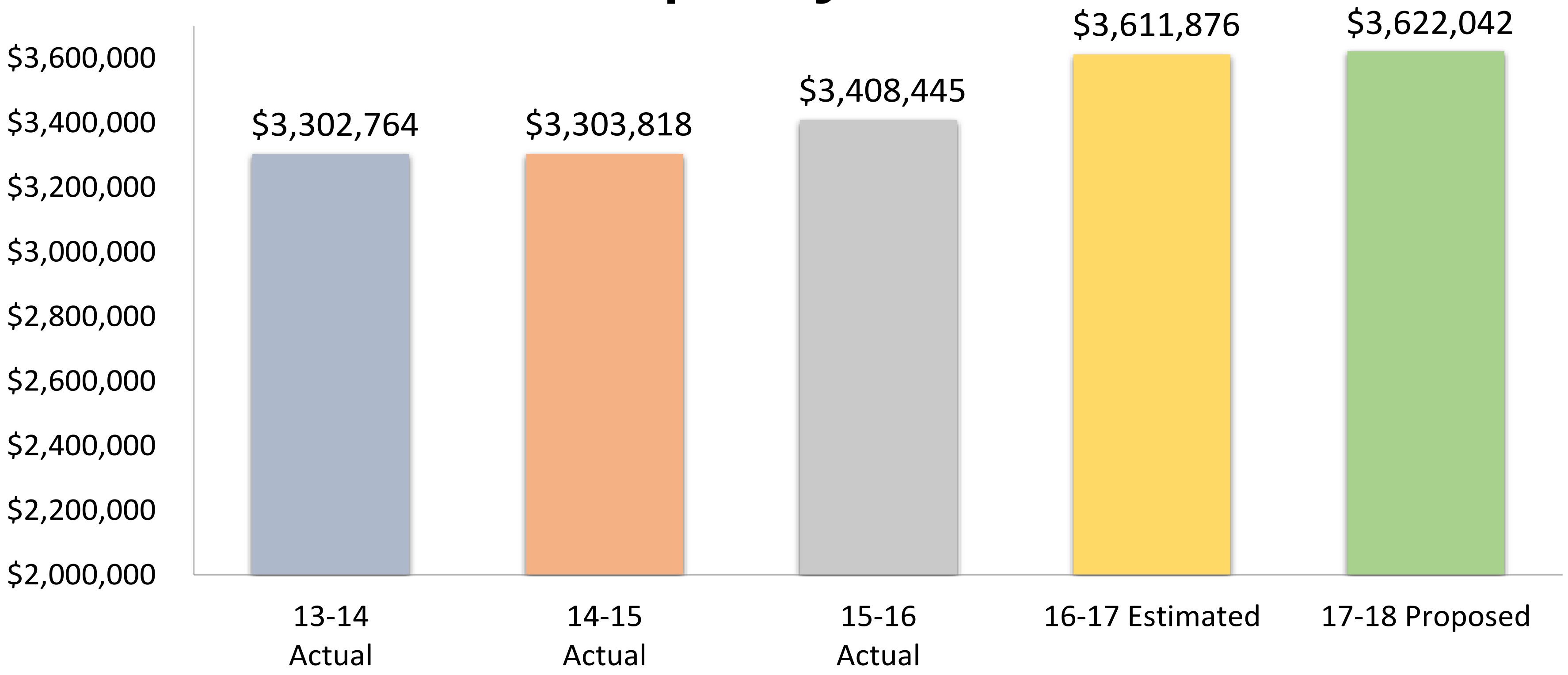
Update Since May 2, 2017

- May 22, 2017 – City Council directed staff to create a subsidy to certain business classifications for water/sewer rates
  - Cap of $75,000 from the General Fund
- May 25, 2017 – City received quotes to change phone system to VOIP
  - Additional cost of $40,580
    - 50% of the costs are offset by a decrease in the monthly communications bills

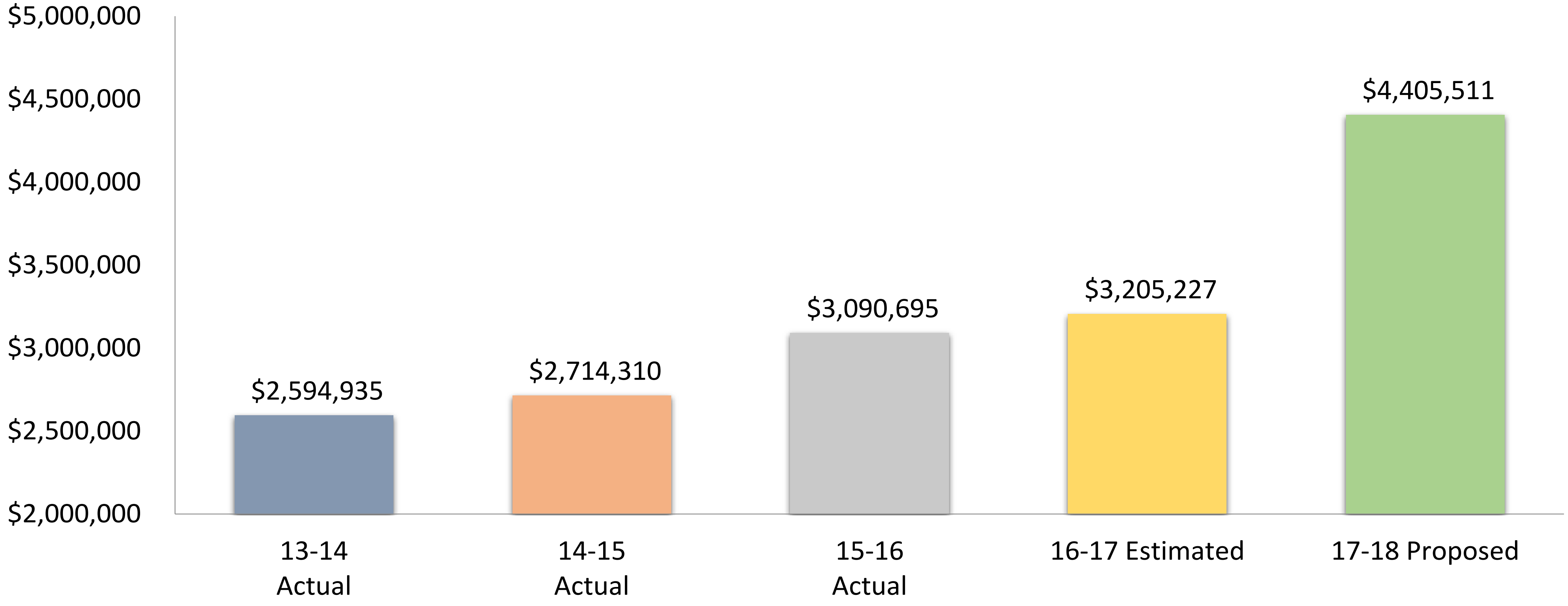
Update Since May 2, 2017

- May 26, 2017 – Updated revenue projections based on actual General Fund Revenues received to-date
- Corrections to Property Tax, Sales Tax, and TOT charts

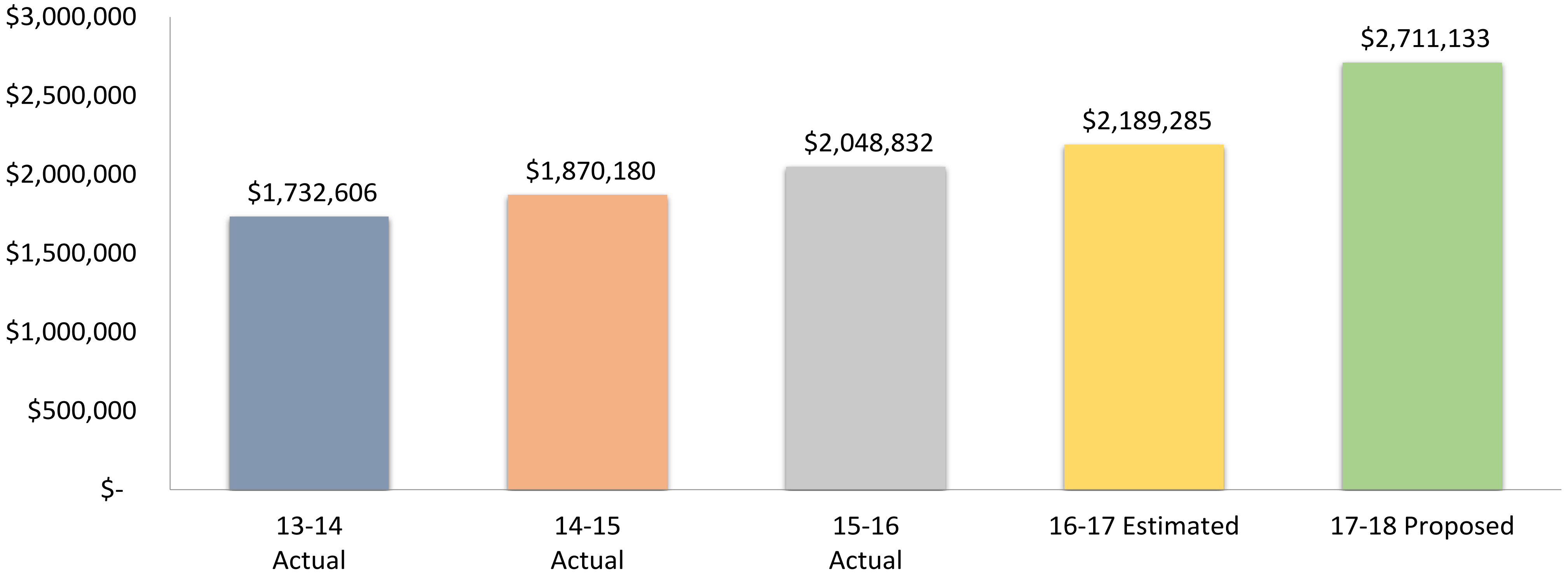
Update Since May 2, 2017
General Fund Revenues
Property Taxes



Update Since May 2, 2017
General Fund Revenues
Sales and Use Taxes



Update Since May 2, 2017
General Fund Revenues
TOT



Non-Profit Applications

Organization	Grant Request
Boys & Girls Club	$10,000
CA Federation of Women/St Helena Junior Women's Club	$1,200
Friends of Cameo	$8,000
NapaShakes	$10,000
Native Sons of Golden West – St Helena Parlor	$10,000
Nimbus Arts	$10,000
Our Town St. Helena	$10,000
Rianda House	$10,000
St Helena Community Garden	$5,000
St Helena Farmer's Market	$6,400
St Helena Historical Society	$10,000
St Helena Preschool for All	$10,000
UpValley Family Center	$10,000

Total - $110,600

$100,600 - General Fund
$10,000 - Affordable Housing Trust Funds

Changes to Budgets Included in All Options

Adjustments	101	561	571	751
100 % Fund Non-Profits	$100,600			$10,000
Subsidy for Water/Wastewater for Businesses	$75,000			
HR - Removed Classification and Compensation Study	$(25,000)	$(12,500)	$(12,500)	
HR - Removed HR Internship Program	$(5,600)	$(2,300)	$(2,300)	
City Clerk - Removed Boards, Commissions, and Committees Management Software	$(1,200)	$(1,200)	$(1,200)	
Finance - Removed Temporary Assistance at end of Year	$(2,000)	$(2,000)	$(2,000)	
Planning - Changed purchase of vehicle to lease of vehicle	$(23,375)			
City Attorney - Reduce by $100,000	$(100,000)			
Police - Removed purchase of vehicle	$(40,000)			
Police - Moved Simunitions Equipment to Fund 224 - COPS Elgible	$(3,000)			
Police - Moved Body Camera Program to Fund 212 - Grant	$(6,500)			
Police - Removed Wireless Panic Button	$(5,000)			
Library - Moved 1/2 the costs of Broadband Updates to Tweed and reduced library materials budget in Tweed	$(20,000)			
Government Buildings - Removed repairs to Fire Station	$(28,000)			

OPTION #1

Adjustments	101	561	571	751
Fund Non-Profits	$100,600			$10,000
Transfer of $800,000 from GF to Upper York Creek Dam	$800,000			
Subsidy for Water/Wastewater for Businesses	$75,000			
HR - Removed Classification and Compensation Study	$(25,000)	$(12,500)	$(12,500)	
HR - Removed HR Internship Program	$(5,600)	$(2,300)	$(2,300)	
City Clerk - Removed Boards, Commissions, and Committees Management Software	$(1,200)	$(1,200)	$(1,200)	
Finance - Removed Temporary Assistance at end of Year	$(2,000)	$(2,000)	$(2,000)	
Planning - Changed purchase of vehicle to lease of vehicle	$(23,375)			
City Attorney - Reduce by $100,000	$(100,000)			
Police - Removed purchase of vehicle	$(40,000)			
Police - Moved Simunitions Equipment to Fund 224 - COPS Eligible	$(3,000)			
Police - Moved Body Camera Program to Fund 212 - Grant	$(6,500)			
Police - Removed Wireless Panic Button	$(5,000)			
Library - Moved 1/2 the costs of Broadband Updates to Tweed and reduced library materials budget in Tweed	$(20,000)			
Government Buildings - Removed repairs to Fire Station	$(28,000)			
Streets - Removed transfer to Streets CIP Fund	$(250,000)			
Non-Dept. - Removed transfer to Equipment Replacement Fund	$(100,000)			
Non-Dept. - Removed transfer to Civic CIP	$(200,000)			

OPTION #2

Adjustments	101	561	571	751
Fund Non-Profits	$100,600			$10,000
Transfer of $600,000 from GF to Upper York Creek Dam	$600,000			
Subsidy for Water/Wastewater for Businesses	$75,000			
HR - Removed Classification and Compensation Study	$(25,000)	$(12,500)	$(12,500)	
HR - Removed HR Internship Program	$(5,600)	$(2,300)	$(2,300)	
City Clerk - Removed Boards, Commissions, and Committees Management Software	$(1,200)	$(1,200)	$(1,200)	
Finance - Removed Temporary Assistance at end of Year	$(2,000)	$(2,000)	$(2,000)	
Planning - Changed purchase of vehicle to lease of vehicle	$(23,375)			
City Attorney - Reduce by $100,000	$(100,000)			
Police - Removed purchase of vehicle	$(40,000)			
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Police - Moved Body Camera Program to Fund 212 - Grant	$(6,500)			
Police - Removed Wireless Panic Button	$(5,000)			
Library - Moved 1/2 the costs of Broadband Updates to Tweed and reduced library materials budget in Tweed	$(20,000)			
Government Buildings - Removed repairs to Fire Station	$(28,000)			
Streets – Reduced transfer to Streets by $150,000 (total funded $100,000)	$(150,000)			
Non-Dept. – Reduced transfer to Equipment Replacement Fund by $75,000 (total funded $25,000)	$(75,000)			
Non-Dept. – Reduced transfer to Civic CIP by $125,000 (total funded $75,000)	$(125,000)			

OPTION #3

Adjustments	101	561	571	751
Fund Non-Profits	$100,600			$10,000
Transfer of $450,000 from GF to Upper York Creek Dam	$450,000			
Subsidy for Water/Wastewater for Businesses	$75,000			
HR - Removed Classification and Compensation Study	$(25,000)	$(12,500)	$(12,500)	
HR - Removed HR Internship Program	$(5,600)	$(2,300)	$(2,300)	
City Clerk - Removed Boards, Commissions, and Committees Management Software	$(1,200)	$(1,200)	$(1,200)	
Finance - Removed Temporary Assistance at end of Year	$(2,000)	$(2,000)	$(2,000)	
Planning - Changed purchase of vehicle to lease of vehicle	$(23,375)			
City Attorney - Reduce by $100,000	$(100,000)			
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Library - Moved 1/2 the costs of Broadband Updates to Tweed and reduced library materials budget in Tweed	$(20,000)			
Government Buildings - Removed repairs to Fire Station	$(28,000)			
Streets – Reduced transfer to Streets by $50,000 (total funded $200,000)	$(50,000)			
Non-Dept. – Reduced transfer to Equipment Replacement Fund by $50,000 (total funded $50,000)	$(50,000)			
Non-Dept. – Reduced transfer to Civic CIP by $100,000 (total funded $100,000)	$(100,000)			

General Fund Net Position

General Fund	6/30/2017
Beginning Fund Balance @ 7/1/2016	3,457,897
Estimated Revenues @ 6/30/2017	11,149,462
Estimated Expenses @ 6/30/2017	(11,577,890)
Estimated Revenues - Expenses @ 6/30/17	(428,428)
Use of reserves as approved by CC	
Ending Fund Balance @ 6/30/2017	3,029,469
Estimated Revenue @ 6/30/2018	13,104,254
Estimated Expenses @ 6/30/2018	(12,921,308)
Revenue Less Expenses	182,946
Use of Reserves	-
Estimated Net Position	3,212,415
Percent of Expenses	25%

Measure D Funds

At the May 2, 2017 Meeting City Council asked staff to characterize the use of Measure D Funds as it relates to the FY 2017/18 Proposed Budget

Measure D
Fact Sheet

Transactions and Use Taxes

Measure D FACT SHEET

- 1/2 percent local transaction and use tax
- Requires majority voter approval (50% + 1)
- Assists in funding critical unmet needs
- Revenue supports the City's General Fund
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Library
Rec
Police
Fire

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Measure D
Fact Sheet

- What is Measure D:
    - ½ percent local transaction and use tax
    - Requires majority voter approval (50% +1)
    - Assists in funding critical unmet needs
    - Revenue supports the City’s General Fund
    - All revenue is locally controlled
    - Raise approximately $1.4 million per year

Measure D
Fact Sheet

- Why is there a need for additional local revenue:
  - The City is not able to fund needed repairs and upgrades
    - Streets
    - Parks
    - City Buildings
  - Forecasted expenses, including those over which the City has little or no control, are outpacing revenues
  - The City has inadequate fund reserves, or a “rainy day” fund, to respond to unbudgeted emergencies
  - Without new revenue the City faces tough choices, with non-essential services especially vulnerable to budget reductions

Measure D
Fact Sheet

- What would Measure D revenue be used for:
  - Assist the City in maintaining existing levels of service
    - police, fire, library, recreation
  - Avoid reductions in non-essential services, especially the library and recreational programs
  - Provide some funding toward infrastructure
    - Roads, sidewalks, curbing, parks, and municipal buildings
  - Provide some funding for other unmet needs

Measure D - Characterization of Spending

Item	5/2/2017	5/30/2017	5/30/2017	5/30/2017
General Fund Only		**Option #1**	**Option #2**	**Option #3**
Upper York Creek Dam Removal	$-	$800,000	$600,000	$450,000
Street Repairs	$250,000	$-	$100,000	$200,000
Vehicle Replacement Fund	$100,000	$-	$25,000	$50,000
Civic Impact Fund (Building Repair/Replacement)	$200,000	$-	$75,000	$125,000
CARE Program	$90,000	$90,000	$90,000	$90,000
Business Assistance Program	$-	$75,000	$75,000	$75,000
Flood Control Project	$261,900	$261,900	$261,900	$261,900
General Liability Insurance Increase	$10,000	$10,000	$10,000	$10,000
Increase in Employee Salary and Benefit Costs	$240,900	$240,900	$240,900	$240,900
Part-Time Library Employees	$30,000	$30,000	$30,000	$30,000
Fund 1/2 of the Firework Show	$20,000	$20,000	$20,000	$20,000
ADA Transaction Plan	$213,000	$213,000	$213,000	$213,000
Repairs to Government Buildings	$105,000	$77,000	$77,000	$77,000
TOTALS	**$1,520,800**	**$1,817,800**	**$1,817,800**	**$1,842,800**

Overview of Year-over-Year Expenses All Funds

Salaries	TOTAL	YOY Difference	% difference
2013/2014	$4,536,840		
2014/2015	$4,966,376	$429,536	9%
2015/2016	$5,479,769	$513,393	9%
2016/2017	$6,053,466	$573,697	9%
2017/2018	$6,503,588	$450,122	7%

Benefits	TOTAL	YOY Difference	% difference
2013/2014	$2,949,866		
2014/2015	$3,156,923	$207,057	7%
2015/2016	$3,253,549	$96,626	3%
2016/2017	$3,666,260	$412,711	11%
2017/2018	$3,845,697*	$179,437	5%

* Includes Unfunded PERS Liabilities - $663,424 for General Fund

Overview of Year-over-Year Expenses All Funds

Communications	TOTAL	YOY Difference	% difference
2013/2014	$117,333		
2014/2015	$115,024	$(2,309)	-2%
2015/2016	$100,315	$(14,709)	-15%
2016/2017	$102,298	$1,983	2%
2017/2018	$143,150	$40,852	29%

Computer Equipment	TOTAL	YOY Difference	% difference
2013/2014	$40,730		
2014/2015	$59,530	$18,800	32%
2015/2016	$87,859	$28,329	32%
2016/2017	$44,898	$(42,961)	-96%
2017/2018	$88,400	$43,502	49%

Overview of Year-over-Year Expenses
All Funds

Supplies/Services	TOTAL	YOY Difference	% difference
2013/2014	$1,094,767		
2014/2015	$986,875	$(107,892)	-11%
2015/2016	$1,118,821	$131,946	12%
2016/2017	$1,398,928	$280,107	20%
2017/2018	$1,809,468	$410,540	23%

Training/Conference	TOTAL	YOY Difference	% difference
2013/2014	$59,630		
2014/2015	$56,418	$(3,212)	-6%
2015/2016	$60,449	$4,031	7%
2016/2017	$122,288	$61,839	51%
2017/2018	$152,866	$30,578	20%

Overview of Year-over-Year Expenses
All Funds

Contracts	TOTAL	YOY Difference	% difference
2013/2014	$1,143,039		
2014/2015	$1,637,074	$494,035	30%
2015/2016	$1,328,995	$(308,079)	-23%
2016/2017	$1,842,712	$513,717	28%
2017/2018	$2,015,860	$173,148	9%

Contributions	TOTAL	YOY Difference	% difference
2013/2014	$161,611		
2014/2015	$134,315	$(27,296)	-20%
2015/2016	$162,819	$28,504	18%
2016/2017	$167,650	$4,831	3%
2017/2018	$345,700	$178,050	52%

Overview of Year-over-Year Expenses All Funds

Capital Equipment	TOTAL	YOY Difference	% difference
2013/2014	$99,558		
2014/2015	$58,482	$(41,076)	-70%
2015/2016	$221,607	$163,125	74%
2016/2017	$248,761	$27,154	11%
2017/2018	$352,625	$103,864	29%

Equipment Software/Maintenance	TOTAL	YOY Difference	% difference
2013/2014	$191,133		
2014/2015	$283,482	$92,349	33%
2015/2016	$266,241	$(17,241)	-6%
2016/2017	$343,272	$77,031	22%
2017/2018	$370,750	$27,478	7%

Overview of Year-over-Year Expenses
All Funds

Property/Liability Insurance	TOTAL	YOY Difference	% difference
2013/2014	$252,826		
2014/2015	$280,281	$27,455	10%
2015/2016	$232,424	$(47,857)	-21%
2016/2017	$300,766	$68,342	23%
2017/2018	$326,608	$25,842	8%

Utilities	TOTAL	YOY Difference	% difference
2013/2014	$585,354		
2014/2015	$568,016	$(17,338)	-3%
2015/2016	$578,761	$10,745	2%
2016/2017	$608,100	$29,339	5%
2017/2018	$631,450	$23,350	4%

Overview of Year-over-Year Expenses All Funds

Vehicle Equipment/Maintenance	TOTAL	YOY Difference	% difference
2013/2014	$162,426		
2014/2015	$164,654	$2,228	1%
2015/2016	$144,155	$(20,499)	-14%
2016/2017	$246,624	$102,469	42%
2017/2018	$259,500	$12,876	5%

Summary – Major Funds

REVENUES	5/2/17 Proposed	5/30/17 Proposed
General Fund	$13,045,220	$13,104,254
Water Fund	$6,186,485	$6,186,485
Wastewater Fund	$3,243,199	$3,243,199

EXPENSES	5/2/17 Proposed	5/30/17 Proposed
General Fund	$12,864,545	$12,921,308
Water Fund	$6,186,485	$6,186,485
Wastewater Fund	$3,243,199	$3,243,199

Council Direction

Maximum Usage of Major Water Customers
(5AF per Year or More Per Contract)

Outside the City:

Beaulieu Vineyard (Hublein Inc.)	12,600,000 gallons (38.67AF)
Lewis Carpenter	74,619,977 gallons (229AF)
Golden State Vineyards (Hall)	12,000,000 gallons (36.83AF)
Franciscan Estate	12,000,000 gallons (36.83AF)
Louis Martin Winery	12,000,000 gallons (36.83AF)
Meadowood Napa Valley	20,500,000 gallons (62.91AF)
Niebaum-Coppola Winery	6,191,177 gallons (19AF)
St. Clement Vineyards	2,160,000 gallons ((6.63AF)
V. Sattui Winery	5,000,727 gallons (15.35AF)
Total:	482AF

Inside the City:

Beringer Vineyards	19,000,000 gallons (58.3AF)
CIA (Greystone & Marlinda)	5,803,500 gallons (23.12AF)
Harvest Inn	7,537,250 gallons (21.18AF)
Las Alcobas Hotel	2,082,432 gallons (6.39AF)
Total:	108.99AF

Per 2016 Rate Study:

Total Industrial (Winery) Usage:	21% of total usage is industrial (wineries)

Notes:

(1) Specific customer usage is proprietary; City monitors to ensure maximum is not exceeded.
(2) General Fund contribution, if made, subsidizes major wineries (and other – e.g., Meadowood) outside- the-City water customers (who pay no City taxes) at direct expense of City taxpayers.
(3) General Fund contribution, if made, subsidizes (to some extent) large inside-the-City customers at expense of City taxpayers.
(4) Ad Hoc Committee Consultant Kenneth Dieker noted that water and wastewater enterprises should be self-supporting and strongly cautioned against any General Fund contribution to such enterprises.

Prepared by Alan Galbraith
Mayor, City of Saint Helena
May 30, 2017