

City of Rialto

Water and Wastewater Development Impact Fee Update

City Council Meeting, 12/11/18

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Tonight's Presentation

- What is a Development Impact Fee (DIF)?
- How much are Rialto's current DIFs?
- Development Impact Fee Update: Project Schedule
- Methodology
- Results
- Comparisons: current, proposed, and other jurisdictions

What is a Development Impact Fee (DIF)?

- One-time fee payable when obtaining a building permit for a new water or wastewater system connection.
 - Proportionate share of the cost of infrastructure that provides system capacity to future development.
 - California Government Code Sections 66000 et seq, charges “cannot exceed the reasonable cost of providing the service for which the fee or charge is imposed”.
- Water and wastewater DIFs were calculated in 2002, and are updated for inflation on an annual basis.

Current Water DIFs

- For 5/8" x 3/4" meters: \$8,421.34
- Higher for larger water meters

Water Meter Size and Type	Current DIF Effective 7/1/2018
5/8" x 3/4" Displacement	\$8,421.34
1" Displacement	\$13,938.76
1 1/2" Displacement	\$27,877.51
2" Displacement	\$44,139.40
3" Displacement	\$84,213.33
3" Displacement Compound	\$89,440.37
3" Class I & II Turbine	\$98,152.09
4" Displacement Compound	\$139,387.60
4" Class I Turbine	\$168,426.68
4" Class II Turbine	\$174,234.48
6" Displacement Compound	\$278,775.18
6" Class I Turbine	\$348,468.99
6" Class II Turbine	\$383,315.87
8" Displacement Compound	\$441,394.03
8" Class I Turbine	\$505,280.02
8" Class II Turbine	\$667,898.87

Current Wastewater DIFs: Collection and Treatment

- Residential (per unit):
 - Single Family: Collection = \$1,974.65; Treatment = \$3,577.61
 - Multi-Family: Collection = \$1,974.65; Treatment = \$2,785.43
- Non-Residential:
 - Collection: \$78.99 per front foot
 - Treatment: Varies depending on type of customer

Current Wastewater Treatment DIFs

Notes:

(1) Car wash area is the tunnel area and restaurant area is the gross customer area.

(2) Calculated separately for (a) a hotel without restaurant and (b) a restaurant.

Customer Class	Unit	Current DIF Effective 7/1/2018
Group I - Residential Uses		
Residential		
Estate / Single Family	EDU	\$3,577.61
Multi Family/Mobile Home	EDU	\$2,785.43
Group II - Commercial (Low Strength)		
Auto Parking	1000 sq ft	\$276.46
Barber Shop	1000 sq ft	\$1,382.26
Beauty Parlor	1000 sq ft	\$3,871.49
Car Wash (1)	1000 sq ft	\$45,757.47
Church	fixed seat	\$54.60
Commercial Use	1000 sq ft	\$1,105.80
Dental Office/Clinic	1000 sq ft	\$3,203.58
Department and Retail Store	1000 sq ft	\$1,382.26
Film Processing (1 hour)	1000 sq ft	\$1,382.26
Health Club/Spa	1000 sq ft	\$11,059.24
Hospitals	bed	\$1,293.98
Indoor Theatre	1000 sq ft	\$7,472.33
Laundromats	1000 sq ft	\$61,529.17
Laundromats	machine	\$2,274.34
Library: Public Area	1000 sq ft	\$1,105.80
Lumber Yard	1000 sq ft	\$493.66
Membership Organizations	1000 sq ft	\$2,563.57
Motion Pictures (Studios)	1000 sq ft	\$320.60
Professional Offices	1000 sq ft	\$2,563.57
Social Services	1000 sq ft	\$2,563.57
Softwater Service	1000 sq ft	\$2,222.08
Theater (Cinema)	Seat	\$54.60
Warehouse	1000 sq ft	\$276.46

Customer Class	Unit	Current DIF Effective 7/1/2018
Group III - Commercial (Medium Strength)		
Gas Station - 4 Bays Max	per station	\$6,716.16
Manufacturing (domestic)	1000 sq ft	\$1,105.80
Hotels/Motels (w/o restaurants)	room	\$1,986.27
Manufacturing	1000 sq ft	\$3,942.35
Repair and Service Stations	1000 sq ft	\$1,562.30
Group IV - Commercial (High Strength)		
Bakeries (wholesale) Doughnut Shop	1000 SF	\$7,950.91
Banquet Room/Ball Room	1000 SF	\$22,715.53
Cafeteria	seat	\$851.42
Doughnut Shop	1000 SF	\$7,950.91
Hotels/Motels (w restaurants) (2)	1000 SF	
Mortuary - Embalming Area	1000 SF	\$141.70
Restaurant - Take-out (1)	1000 SF	\$8,518.90
Restaurant - Drive-thru/Fast Food	per seat	\$569.16
Restaurant - Fast food/Outdoor seat	per seat	\$340.34
Restaurant - Full service/Indoor seat	per seat	\$851.42
Restaurant - Full service/Outdoor seat	per seat	\$511.08
Supermarkets	1000 SF	\$2,840.03
Group V - Institutional Uses		
Church School Day Care/Elementary	occupant	\$104.54
Church School One Day Use	1000 SF	\$2,607.71
Schools - Elementary/Junior	per student	\$102.22
Schools - High	per student	\$156.81

Values in this table are prior to any temporary adjustments made by the City Council effective through December 2018

DIF Update Project Schedule

- Began project: late 2017
- Updated calculations: late 2017 through summer 2018
- Draft report: summer 2018
- Council Economic Development Committee: 9/26/18
- Utilities Commission: 10/16/18
- Notice Public Hearing at Council meeting: projected 11/13/18
- Public Hearing/Council vote: projected late November or early December

DIF Calculation Methodology

Proportionate Share of the Cost of Infrastructure That Provides Capacity to New Development

- “Cost basis” is the sum of:
 - Existing facilities: cost in today’s dollars, less depreciation; include designated capital reserves
 - Subtracted developer funded and grant funded facilities
 - Include new facilities that provide additional capacity but only if they aren’t funded by future debt service
 - New connections will pay for their share of these facilities through rate-supported debt service
 - Subtract outstanding debt

DIF Calculation Methodology

Proportionate Share of the Cost of Infrastructure That Provides Capacity to New Development

- Unit cost of capacity = cost basis / system capacity
 - System capacity:
 - Water: data from City's water master plan
 - Wastewater treatment: treatment plant capacity
 - Wastewater collection: length of City's collection system

DIF Calculation Methodology

Proportionate Share of the Cost of Infrastructure That Provides Capacity to New Development

- $DIF = \text{capacity requirement of user} * \text{unit cost}$
 - Capacity requirement of user:
 - Water: data from City's water master plan
 - Wastewater treatment: flow, Biochemical Oxygen Demand, and Total Suspended Solids data from California utilities and agencies (including LA County Sanitation Districts, San Diego County Sanitation Districts, State Water Resources Control Board)
 - Wastewater collection: projected frontage length

Proposed Water DIF

Water Meter Size	Proposed DIF
5/8" x 3/4" Displacement	\$3,107.07
1" Displacement	\$5,188.79
1 1/2" Displacement	\$10,346.55
2" Displacement	\$16,560.69
3" Displacement	\$33,152.40
3" Displacement Compound	\$33,152.40
3" Class I & II Turbine	\$36,259.46
4" Displacement Compound	\$51,794.80
4" Class I Turbine	\$65,248.42
4" Class II Turbine	\$65,248.42
6" Displacement Compound	\$103,558.58
6" Class I Turbine	\$134,629.25
6" Class II Turbine	\$134,629.25
8" Displacement Compound	\$165,699.93
8" Class I Turbine	\$289,982.63
8" Class II Turbine	\$289,982.63

Proposed Wastewater Treatment DIF

Notes:

(1) Hotels with restaurants: sum of separately calculated DIF for hotel and for restaurant.

(2) See formula on next slide.

Customer Class	Unit of Measure	Total
Single-Family Residential	SF DU	\$1,968.69
Multi-Family Residential	MF DU	\$1,672.53
Barber Shop/Beauty Parlor	per station	\$260.16
Car Wash	1000 sf	\$17,831.22
Church	1000 sf	\$352.99
General Commercial	1000 sf	\$769.46
Department and Retail Store	1000 sf	\$769.46
Health Club/Spa	1000 sf	\$5,690.33
Hospitals, Dental Office, Clinic	1000 sf	\$2,420.24
Indoor Theatre	1000 sf	\$1,225.85
Laundromats	1000 sf	\$28,003.16
Lumber Yard	1000 sf	\$310.95
Professional Offices	1000 sf	\$1,374.55
Warehouse/Manufacturing (domestic)	1000 sf	\$191.83
Hotels/Motels (1)	room	\$1,094.67
Manufacturing (2)		
Repair and Service Stations, Gas Station	1000 sf	\$917.85
Bakeries (wholesale) Doughnut Shop	1000 sf	\$5,346.17
Banquet Room/Ball Room	1000 sf	\$15,274.68
Mortuary - Embalming Area	1000 sf	\$1,930.70
Restaurant/Full Service and Cafeteria	seat	\$477.57
Restaurant/Fast Food	seat	\$286.14
Restaurant, Take Out	1000 sf	\$5,728.02
Supermarkets	1000 sf	\$2,893.92
Schools - Elementary/Junior/Day Care	per student	\$70.35
Schools - High School/College	per student	\$141.83

Proposed Wastewater Treatment DIF, Manufacturing Customers

- Two-Step Calculation:

- Warehouse Customer for Domestic Wastewater,

Plus

- Formula for Process Water:

$$\text{flow (gpd)} * \$5.02 + \text{BOD (lb/day)} * \$1,007.38 + \text{TSS (lb/day)} * \$1,128.90.$$

Proposed Wastewater Collection DIF

Customer Class	Unit of Measure	DIF
All Single-Family Residential	Dwelling Unit	\$834.00
Multi-Family and Mobile Homes	Dwelling Unit	\$708.90
All Non-Residential	Lineal Front Foot	\$8.34

Comparison, Single-Family Residence

Service Area Within Rialto	Current DIF (1)	Proposed DIF (1)
Rialto Water Service Area	\$13,974	\$5,910
West Valley Water Service Area (2)	\$12,561	\$9,812

Other Neighboring Cities	Current DIF
Colton	\$7,860
Riverside	\$6,393
San Bernardino	\$6,669

- (1) Customer Assumptions: most common residential water meter size; 3 bedrooms
- (2) Rialto's wastewater DIF and West Valley's water DIF

Comparison, Example Full-Service Restaurant (Water + Wastewater DIF)

Service Area Within Rialto	Current DIF (1)	Proposed DIF (1)
Rialto Water Service Area	\$64,409	\$29,901
West Valley Water Service Area (2)	\$62,385	\$36,627

Other Neighboring Cities	Current DIF
Colton	\$28,650
Riverside	\$35,138
San Bernardino	\$26,688

- (1) Customer Assumptions: 1" water meter; 50 seats with 75 max occupancy; 3,000 square feet, 100 lineal feet of front footage. Existing = prior to Rialto's temporary adjustments
- (2) Rialto's wastewater DIF plus West Valley's water DIF

Comparison, Example Hotel (Water + Wastewater DIF)

Service Area Within Rialto	Current DIF (1)	Proposed DIF (1)
Rialto Water Service Area	\$320,361	\$146,581
West Valley Water Service Area (2)	\$318,152	\$195,434

Other Neighboring Cities	Current DIF
Colton	\$217,438
Riverside	\$177,100
San Bernardino	\$211,250

- (1) Customer Assumptions: 3" water meter (except 4" for Colton); 100 rooms; 475 lineal feet of front footage. Existing = prior to Rialto's temporary adjustments
- (2) Rialto's wastewater DIF plus West Valley's water DIF

Questions/Discussion