

March 13, 2025

Ms. Vicki Reid
Recycling and Organics Coordinator
City of Roseville
311 Vernon Street
Roseville, CA 95678
submitted via email: VReid@roseville.ca.us

SUBJECT: Development Fee Update – R3 Final Report

Dear Ms. Reid,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached Final Report for the solid waste development fee update to the City of Roseville (City).

This report presents our analytical methodology, results and findings, and recommendations regarding the residential, commercial, and multi-family solid waste development fees to pay for the cost of solid waste vehicles and containers post collection costs needed to provide solid waste, recycling and organic collection services to new residential and commercial developments.

Based on our analysis, the current development fees for:

- » Single-family residential unit can be increased from \$410.00 to \$417.00.
- » Commercial development can be increased from \$0.34 to \$0.36 per square foot.
- » Multi-family can be changed from \$139.00 per multi-family unit (\$0.17 per square foot) to \$0.21 per square foot.

Sincerely,



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1. EXECUTIVE SUMMARY

Background

R3 was engaged by the City of Roseville (City) to assist it with establishing updated residential, commercial, and multi-family solid waste development fees to pay for the cost of solid waste vehicles and containers needed to provide solid waste, recycling and organic collection services to new residential and commercial developments. The City established its current fees in 2006. The analysis that established those fees utilized data from MuniFinancial's General Plan Fiscal Impact Analysis report (Dec. 2005) that was prepared for the City. That analysis included detailed growth estimates, including commercial square footage and single family and multi-family unit projections through 2025. Those projections served as the basis for the calculation of the development fees. The current analysis was conducted without similar detailed growth projections although the general methodology used is similar to that of the prior analysis.

Purpose

The City charges developers residential and commercial solid waste development fees to finance the City's Solid Waste Capital Purchase Fund. These fees are intended to pay for the cost of solid waste collection capital expenses associated with each new residential and commercial property (i.e., vehicles, carts, containers, and post-collection capital expense) and are held in the Solid Waste Capital Purchase Fund. The factors considered in developing these fees were the type of container used to store solid waste at the property, and the type of vehicle used to collect solid waste from the property. Based on these factors, single family units, which use plastic carts for storage and side load vehicles for collection, were segregated into one class, while multi-family and commercial units, which use metal bins for storage and front-end load vehicles for collection, were combined into a second class. The residential (single family homes and multiplexes), and multi-family impact fees were calculated and set on a per unit basis, and the commercial/industrial impact fees were set on a square footage basis.

The outcome of this Study is to develop an impact fee model to support the solid waste fees charged to developers, consistent with all relevant laws and regulations.

Methodology and Findings

To complete this Study, R3 reviewed and analyzed information provided by the City pertaining to the City's capital costs associated with providing collection service. Using that information, we then calculated – as a subset of that total capital cost – the proportionate amounts necessary to cover the City's costs, including vehicle and cart and container costs for new development. All calculated amounts in this Study are in current Fiscal Year (FY) 2024-25 dollars. Minor differences in dollar figures shown in the report are due to rounding.

Conclusions

Development Fee

Based on a review of the City's capital cost to provide collection service to residential and commercial service, we determined that development fees for:

- » Single-family residential unit can be increased from \$410.00 to \$417.00.
- » Commercial development can be increased from \$0.34 to \$0.36 per square foot.
- » Multi-Family development can be adjusted to a per square foot rate of \$0.21.

2. METHODOLOGY & CALCULATIONS

Single Family Residential Solid Waste Development Fee

The City's current residential solid waste development fee is \$410.00 per single family unit. That fee was calculated based on the cost of two (2) carts for each single family residential unit (SFU) and the allocated capital cost of the residential collection vehicles. The vehicle cost allocation was based on the number of residential accounts serviced per week by each collection vehicle.¹

For the purpose of updating the residential development fee, a similar methodology was used, with updated vehicle and cart costs, based on two scenarios:

- » The existing 2-cart system.
- » A future 3-cart system.

In addition, a square footage component was included that addresses single family units of less than and greater than 10,000 square feet (ft²). Those SFUs of less than 10,000 ft² were assumed to have one 95-gallon trash cart, while those with greater than 10,000 ft² are assumed to have two 95-gallon trash carts.-

That analysis calculated residential solid waste development fees for the two scenarios based on 2024 vehicle and cart and container costs, rounded down to the nearest dollar, as follows:

Existing 2-cart System

- » **\$417.00** per SFU of less than 10,000 ft²
- » **\$582.00** for those with 10,000 ft² or more. (**Attachment 1**).
- »

Future 3-cart System

- » **\$666.00** per SFU of less than 10,000 ft²
- » **\$831.00** for those with 10,000 ft² or more. (**Attachment 1**).

Commercial Solid Waste Development Fee²

The City's current commercial solid waste development fee is \$0.34 per square foot of commercial development. The updated analysis calculated a fee of **\$0.36 per square foot**. In order to be more conservative, unlike the original analysis, the updated analysis did not include costs related to the development of support facilities, which represented approximately 16% of the total costs that were considered in the prior analysis. In addition, the waste generation factor calculated as part of the updated analysis is 13% less than the factor calculated as part of the prior study. If we set the waste generation factor the same as the prior analysis and included a similar percentage of facility costs in the fee calculation, the updated fee would be \$0.47 per square foot.

¹ @ 3,400 accounts per route per week, each account is allocated 1/3,400th of the vehicle capital cost.

² This analysis is specific to the City's commercial collection system and does not account for the implementation of a 3-container system, which the City is considering. The commercial classification includes car washes, storage facilities, and industrial complexes.

Solid Waste Front Loader Portion of Commercial Development Fee

The calculation of the front-loader vehicle cost portion of the commercial development fee involved the following steps:

Vehicle Portion of Fee

- » Calculate how many cubic yards of solid waste is generated per square foot of commercial development (0.00044 yd^3) (**Attachment 2**);
- » Determine how many cubic yards of solid waste each front-loader collects on average each week ($2,583 \text{ yd}^3$);
- » Determine how many square feet of commercial development generates 2,583 cubic yards of solid waste (5.9 million ft^2);
- » Divide the cost of a front-loader plus 25% of a spare vehicle ($\$620,000 * 1.25 = \$775,000$), by the total number of square feet of developed space each front loader services weekly (5.9 million) to calculate the solid waste front-loading vehicle cost portion of the fee ($\$0.13 / \text{ft}^2$)

Bin / Container Portion of Fee

A similar methodology was used to calculate the bin portion of the fee. The total cost of a commercial 4-yard bin was divided by the total number of square feet of developed space each bin can accommodate on a weekly basis. That generated a bin cost of four cents ($\$0.04$) per square foot of developed space.

Other Fee Portions

In addition to front loader solid waste routes (6 routes), the City also operates the following commercial routes:

- » Cardboard Front Loaders (2 routes)
- » Solid Waste Rear Loaders (1 route)
- » Organic Waste Route³ (1 route)
- » Roll-Off Vehicles (6 routes)

As with solid waste front loaders, there are vehicle and containers costs associated with each of these other commercial collection systems that need to be calculated and included in the development fee.

The development fee vehicle and container cost components for each of the four collection systems above were calculated using the established front end loader vehicle cost calculated above, adjusted to account for: (a) any differences in vehicle costs, and (b) the number of daily routes as compared to the number of front loader routes. The container cost was calculated in a similar manner with adjustments to the front loader container cost to account for differences in the cost and number of containers as compared to the solid waste front loader system.

Multi-Family Solid Waste Development Fee

The current multi-family development fee is \$139.00 per multi-family unit and was developed using multi-family unit projections from the MuniFinancial Report. Similar detailed multi-family unit information was not available at the time of our analysis. As such, for purpose of updating that fee the analysis, R3 followed the same methodology described above for commercial accounts using data from sample (representative) multi-family accounts provided by the City.

³ Tractor-Trailer that can empty both bins and cans.

That analysis found that the waste generation rate per square foot of multi-family development is 0.00026 cubic yards (**Attachment 3**), which equates to a multi-family development fee of **\$0.21 per square foot**.

Solid Waste Development Fee Benchmark Comparison

R3 conducted a comparison of communities to document the solid waste development fees and categories these communities have established. Our survey resulted in a limited number of comparable benchmarks. The benchmark comparison found a range of solid waste development fees based on per unit, square foot, or waste volume as shown in our analysis (**Attachment 4**).

3. RECOMMENDATION

Adopt New Development Fees

Adopt new development fees that are based on a nexus study proportionate to the square footage of the proposed units of development.

- » Single-family residential unit: \$417.00 for those with up to 10,000 ft².
- » Single-family residential unit: \$582.00 for those with 10,000 ft² or more.
- » Commercial development, including car washes, storage facilities, and industrial complexes: \$0.36 per square foot.
- » Multi-Family development: \$0.21 per square foot.

Periodic Recalculation

The development fees listed above are based on the Solid Waste Division's 2024 vehicle and cart and container budgeted costs. As such, to keep pace with inflation those fees should be periodically adjusted to reflect updated budget costs.

The fee could also be adjusted in the future for the actual vs. projected number of recyclable material and organic waste routes under a 3-container commercial collection system.⁴

⁴ *Those Business Categories that have lower weekly service volumes (e.g., Public Storage Units) have lower allocation factors and associated lower allocated cost.*

Attachment 1

	B	C	D	E	F	G	H	I	J	K	L	
1	Residential Development Fee					Under 10,000		10,000+ ft2				
2						ft2						
3								Additional				
4	Organics + Recycling Participation Rate 80%							Cost		Total		
5						Accounts / Route	Truck Cost	Cost/Acct	w/Spare Ratio			
6	weekly	Solid Waste Vehicle	3,400	\$ 600,000	\$ 176.47	\$ 220.59	(1)					
7												
8	biweekly	Yard Waste Vehicle	8,500	\$ 600,000	\$ 70.59	\$ 88.24						
9												
10						Vehicles	\$ 308.82	\$ 110.29				
11												
12						Carts	\$ 108.00	\$ 54.00				
13												
14						Total	\$ 417.00	\$ 164.29		\$ 582.00		
15												
16						Current Development Fee	\$ 409.18					
17	(1)	set at = 25%										

Attachment 2

	A	B	C	D	E	F	G	H	I	J	K
		Business Name	Sq. Feet	Address	Trash	# Bins	Bin Size		Freq	Weekly SW yd3	Yd3/ft2
1											
2	1	Chevy's	6,500	1919 Douglas Bl	(1) 3yd = 5 x per week	1	3	3	5	15	0.00231
3	2	Raising Canes	4,297	1220 Galleria Bl	(2) 8yd = 7 x per week	2	8	16	7	112	0.02606
4	3	Brookfield's	7,220	1817 Taylor Rd	(1) 4yd = 3 x per week	1	4	4	4	16	0.00222
5	4	Cattlemen's	9,840	2000 Taylor Rd	(1) 4yd = 4 x per week	1	4	4	4	16	0.00163
6	5	Gaipao Gaucho	8,006	1400 Eureka Rd	(1) 4yd = 2 x per week	1	4	4	2	8	0.00100
7	6	Fat's Asian Bistro	7,157	1500 Eureka Rd	(1) 6yd = 3 x per week	1	6	6	3	18	0.00252
8		Subtotal	43,020							185	0.00430
9											
10											
11	7	KB Lava Ridge Mt LLC	180,000	3010 Lava Ridge Ct	(1) 4yd = 2 x per week	1	4	4	2	8	0.00004
12	8	Lawler Professional Bldg	22,140	2140 Professional Dr	(1) 4yd = 2 x per week	1	4	4	2	8	0.00036
13	9	KB Douglas Mt LLC	108,000	2901 Douglas Bl	(1) 4yd = 3 x per week	1	4	4	3	12	0.00011
14	10	Beard Land Improvement	88,400	1101 Creekside Ridge Dr	(1) 4yd = 5 x per week	1	4	4	5	20	0.00023
15	11	300 Harding Blvd Holdings LLC	42,688	300 Harding Bl	(1) 4yd = 3 x per week	1	4	4	3	12	0.00028
16	12	DDIP LLC	38,580	1200 Melody Ln	(1) 2yd = 1 x per week	1	2	2	1	2	0.00005
17		Subtotal	479,808							62	0.00013
18											
19											
20	13	West Roseville Collision Center	12,136	10640 Industrial Av	(1) 4yd = 2 x per week	1	4	4	2	8	0.00066
21	14	Harris & Bruno	21,000	8555 Washington Bl	(1) 6yd = 2 x per week	1	6	6	2	12	0.00057
22	15	JFC Electric	8,280	7451 Galilee Rd	(1) 4yd = 2 x per week	1	4	4	2	8	0.00097
23	16	Mr. Sprinkler	20,076	100 Derek Pl	(1) 4yd = 1 x per week	1	4	4	1	4	0.00020
24	17	Precision Door Inc.	17,000	2120 March Rd	(1) 4yd = 1 x per week	1	4	4	1	4	0.00024
25	18	LB Construction	45,300	8655 Washington Bl	(1) 5yd = 2 x per week	1	5	5	2	10	0.00022
26		Subtotal	123,792							46	0.00037
27											
28											
29	19	Big 5	10,620	1909 Douglas Bl	(1) 3yd = 2 x per week	1	3	3	2	6	0.00056
30	20	Longs Drugs	30,621	5090 Foothills Bl	(1) 4yd = 2 x per week	1	4	4	2	8	0.00026
31	21	Michael's	24,336	1192 Galleria Bl	(1) 8yd = 1 x per week	1	8	8	1	8	0.00033
32	22	Antique Trove	40,000	236 Harding Bl	(1) 8yd = 1 x per week	1	8	8	1	8	0.00020
33	23	Safeway	55,922	989 Sunrise Av	(1) 4yd = 5 x per week	1	4	4	5	20	0.00036
34	24	Walgreens	15,120	3999 Foothills Bl	(1) 4yd = 1 x per week	1	4	4	1	4	0.00026
35	25	Raley's	67,759	4051 Woodcreek Oaks Bl	(2) 3yd = 7 x per week	2	3	6	7	42	0.00062
36		Subtotal	244,378							96	0.00039
37											
38		Total	890,998							389	0.00044

Attachment 3

	A	B	G	H	I
	Account Name	Service Address	Weekly Solid Waste (yd3)	Ft2	Yd3/Ft2
533					
534	AAH WOODCREEK LP	1295 HEMINGWAY DR	20	84,368	0.00024
535	AVANATH SUTTER LP	6725 FIDDYMENT RD	16	64,400	0.00025
536	LHE WOODCREEK WEST LLC	1890 JUNCTION BL	72	345,370	0.00021
537	MAIDU VILLAGE	1750 EUREKA RD	12	66,398	0.00018
538	PINNACLE OPID LLC	1100 ROSEVILLE PW	64	233,228	0.00027
539	SIERRA REGENCY	1015 MADDEN LN	48	143,100	0.00034
540	STANDARD CROCKER VENTURE LP	8000 PAINTED DESERT DR	40	126,342	0.00032
541					
542		Totals	272	1,063,206	0.00026

Attachment 4

Development Fee Benchmark Comparison

City	Fee Amount Per Building Type				Fee Methodology			Last Update
	Single-Family (\$/unit)	Multi-Family (\$/unit)	Com.	Ind.	Res.	Multi-Family	Com./Ind.	
Clovis*	\$509.00	\$412.00	\$412.00	\$412.00	Per Unit	Per Unit	Per Unit	FY 2023-2024
Folsom	\$627.00	\$417.00	\$ 0.47	\$ 0.47	Per Unit	Per Unit	Per Square Foot	Effective 2/9/25
Lincoln	\$ 85.00	\$ 85.00	\$ 54.63	\$ 65.13	Per Unit	Per Unit	Per 1,000 Square Feet	Resolution 2024-005
Lompoc	\$406.00	varies**	varies**	varies**	based on cost and number of containers			FY 2023-2024
Merced - Trash & Recycle	\$281.51	\$159.99	17.37% surcharge of subscribed collection service level for 96 months from issuance of building permit		Per Unit	Per Unit	Waste Volume	Ord. No. 2514, 3-16-2020
Merced - Organics	\$123.96	\$70.45			Per Unit	Per Unit	Waste Volume	Ord. No. 2514, 3-16-2020
Redlands	\$0.07	\$0.07	\$ 60.00	\$ 60.00	Per Square Foot	Per Square Foot	Per 1,000 Square Feet	Ord. No. 2968, 7-16-2024
Roseville (Current)	\$410.00	\$139.00	\$ 0.34	\$ 0.34	Per Unit	Per Unit	Per Unit	2/15/06
Roseville (Proposed - 2-cart)	\$417.00	\$ 0.21	\$ 0.36	\$ 0.36	Per Unit	Per Square Foot	Per Square Foot	Draft
Roseville (Proposed - 3-cart)	\$666.00	\$ 0.21	\$ 0.36	\$ 0.36	Per Unit	Per Square Foot	Per Square Foot	Draft

* Unit is defined as each separate dwelling unit or EDU (EDU = Equivalent Dwelling Unit)

Office - 1 EDU = 980 ft² of gross parcel area

Industrial - 1 EDU = 980 ft² of gross parcel area

Retail - 1 EDU = 980 ft² of gross parcel area

** Commercial, MFD, Industrial are variable depending on size and number of containers