

Cost Allocation Approach

Development of the Coyote Valley Specific Plan will require the timely construction of infrastructure-- including roads, sewer and water lines, and utilities-- as well as public facilities, such as fire stations, parks and schools. Developers will pay for most of the cost of these improvements as part of the cost of developing their land. Costs will be allocated to various types of land uses, and ultimately to the developers of the land, on a fair share basis that reflects each property's benefit from the various improvements.

The EPS cost allocation model uses various "proxies" for demand to allocate the cost of each type of improvement. For example, road costs are allocated based on automobile trip generation factors for each land use type, while sewer and water infrastructure costs are allocated based on the relative demand for water and wastewater services. Cost allocations are assigned to each land use type, such as retail, office, apartments, or single-family homes, on a per square foot or per unit basis. It is then possible to calculate the cost that will have to be paid by each property, based on the amount of development, by type, planned for that property. These costs will typically be paid as part of development costs through impact fees, assessments, or special taxes. Alternatively, developers can build and dedicate facilities to meet their obligations.

The land for public facilities, whether for roadway rights of way, parks, schools sites, or greenways, must also be provided by the owners/developers of the land. Land dedication requirements are calculated for each land use type on a fair share basis, similar to that for infrastructure and public facilities. Land owners are obligated to dedicate their fair share of land for public facilities, or to make an in lieu payment equivalent to their land dedication obligation, as described below.

Because the location of public facilities is not dictated by property ownership lines, some property owners may need to dedicate more than their fair share—for example, if a park is located on their land-- while others may not be able to dedicate their full share because no such facilities coincide with their land ownership. The differences between fair share obligations and actual land dedications from each property are rectified through a "credit/debit" system. Landowners who are required to dedicate less than their fair share are required to pay cash into a fund. These funds are then used to compensate landowners who dedicate more than their fair share of land.