



Memorandum

DATE: June 22, 2021

TO: Andrew Malik, Development Services Director

FROM: Veronica Child, Management Analyst II

SUBJECT: Tracy Infrastructure Mater Plans Development Impact Fees and NEI Area Future Phases Water and Wastewater Impact Fees, Annual Engineering News Record (ENR) Adjustment

The following information is provided regarding the annual adjustment of the Tracy Infrastructure Master Plans Development Impact Fees and Northeast Industrial (NEI) Area Future Phases Water and Wastewater Development Impact Fees, scheduled to take effect on July 1, 2021.

On January 7, 2014, City Council adopted Resolution 2014-010, approving the establishment of development impact fees for all new developments, commonly known as Tracy Infrastructure Master Plan Development Impact (TIMP or "Master Plan") Fees.

The resolution for the adoption and establishment of the TIMP fees provides the following:

"The Development Services Director is authorized to update the development impact fees with the Engineering News Record (ENR) Construction Cost Index (CCI) for San Francisco on an annual basis using the November 2013 index as the initial index, pursuant to Section 13.04.070(a) of the Tracy Municipal Code."

The TIMP Fees were adjusted in 2018, 2019 and 2020 by the June ENR CCI for San Francisco.

On October 2, 2018, City Council adopted Resolution 2018-204, approving the update for the expanded Northeast Industrial and Eastside Industrial Area Development Impact Fees to update the required infrastructure and consolidate the drainage basins. The fees were adjusted in 2019 and 2020 by the June ENR CCI for San Francisco with the TIMP Fees.

In addition, several fee updates and the establishment of new fees occurred as follows:

- NEI Area Future Phases Water and Wastewater Development Impact Fees were established on November 5, 2019 through Resolution No. 2019-211 to fund the remaining water distribution and wastewater conveyance facilities required to serve the

buildout of NEI. The fees were adjusted in 2020 by the June ENR CCI for San Francisco with the TIMP Fees.

- Lammers and Mountain House Watershed Storm Drainage Fees were updated on November 5, 2019 through Resolution No. 2019-217 to re-define the master plan storm drainage infrastructure for the Lammers and Mountain House Watershed and adjust the drainage sub-basin boundaries. The fees were adjusted in 2020 by the June ENR CCI for San Francisco with the TIMP Fees.
- Public Safety Impact Fees were updated on October 1, 2019 through Resolution 2019-196 to account for revisions to the fire master plan. The fees were adjusted in 2020 by the June ENR CCI for San Francisco with the TIMP Fees.

The resolutions mentioned above included a clause that gave the Development Services Director the authority to annually adjust the fees starting on July 1, 2020.

The ENR Index for San Francisco has increased from 13022.70 in June 2020 to 13459.10 in June 2021, resulting in a 3.351% increase. At this time, the adjusted 2021 fees are calculated by applying this increase to the current 2020 fees.

A worksheet detailing the 2021 adjusted fees (Attachment A), along with a worksheet that compares the 2021 adjusted fees to the prior fees adjusted in 2020 (Attachment B) is attached. The 2021 adjusted fees will be used for TIMP fee collection effective July 1, 2021. This memorandum will serve as official documentation that you have authorized the TIMP fee update for 2021.

Approved By: Andrew Malik Date: 6/29/21

Attachment A – City of Tracy Citywide Master Plan Fees and NEI Area Future Phases Water and Wastewater Development Impact Fees, Effective July 1, 2021

Attachment B – City of Tracy Citywide Master Plan and NEI Area Future Phases Water and Wastewater Fees Comparison 2020 to 2021