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DEVELOPMENT SERVICES
DEPARTMENT

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Memorandum

DATE: June 16, 2022
TO: Kris Balaji, Director of Development Services
FROM: Veronica Child, Management Analyst II
SUBJECT: City of Tracy Core Fees Annual Engineering News Record (ENR) Adjustment

The following information is provided regarding the annual adjustment of the Core Fees, scheduled to take effect on July 1, 2022.

On January 18, 2022, City Council adopted Resolution 2022-008, approving the "Core Fees Development Impact Fee Study" dated August 2021 by Harris & Associates and the development impact fees for the Core Fees area. The Core Fees consolidated the specific plan areas of the I-205 Development Area, Infill Development Area, Industrial Specific Plan - South Area, Northeast Industrial Area - Phase I, Northeast Industrial Area - Phase II, Plan C Development, Presidio Planning Area and the South MacArthur Planning Area.

The resolution for the adoption of the Core Fees included the following section for the annual adjustment:

"Authorizes the Development Services Director to annually adjust the Core Fees Development Impact Fees each year on July 1st using the June Engineering News Record Construction Cost Index for San Francisco. The first update will occur on July 1, 2022 using the June 2021 index as the base year. This annual adjustment will offset the effects of inflation-related construction cost increases."

The ENR Construction Cost Index (CCI) for San Francisco has increased from 13459.10 in June 2021 to 15356.33 in June 2022, resulting in a 14.096% increase. At this time, the adjusted 2022 fees are calculated by applying this increase to the adopted 2021 fees.

A worksheet detailing the 2022 adjusted Core Fees (Attachment A), along with a worksheet that compares the 2022 adjusted Core Fees to the adopted 2021 fees (Attachment B) is attached. The 2022 adjusted fees will be used for Core Fees collection effective July 1, 2022. This memorandum will serve as official documentation that you have authorized the Core Fees update for 2022.

June 16, 2022
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Kris Balaji
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Approved By: _____

Date: 6/28/2022 | 1:47 PM PDT

Attachment A – City of Tracy Core Fees Effective July 1, 2022

Attachment B – City of Tracy Core Fees Comparison 2021 to 2022

ATTACHMENT A

City of Tracy
Core Fees
2022 Annual ENR Adjustment ¹

Land Use Type ^(2, 3, 4)	Public Facilities	Public Safety - Fire	Public Safety - Police	Public Safety - Communication Facilities	Traffic		Wastewater Treatment Plant		Wastewater Conveyance Fee			Water					Neighborhood Park	Community Park	Storm Drainage			Program Management	
	Core Fees	Core Fees	Core Fees	Core Fees	Core Fees	1/2 Mile from Transit Center ⁽⁵⁾	Core Fees	ISP South ⁽⁶⁾	Core Fees	ISP South ⁽⁷⁾	NEI I ⁽⁸⁾	Core Fees	NEI I ⁽⁹⁾	NEI II ⁽¹⁰⁾	Plan C Except Edgewood ⁽¹¹⁾	ISP South ⁽¹²⁾	Core Fees	Core Fees	Core Fees	NEI I & II ⁽¹³⁾ (Master Plan)	SMPA ⁽¹⁴⁾ (Master Plan)	Core Fees	
Residential	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>	<i>(Per DU)</i>
SFR	\$ 3,326	\$ 1,519	\$ 342	\$ 33	\$ 6,759	\$ 1,352	\$ 4,474	NA	\$ 4,439	NA	NA	\$ 6,899	NA	NA	\$ -	N/A	\$ 6,960	\$ 1,322	\$ 2,582	\$ 2,629	\$ 6,296	\$ 1,933	
MFR (attached 2-4)	\$ 2,721	\$ 1,243	\$ 281	\$ 27	\$ 3,245	\$ 649	\$ 3,668	NA	\$ 3,641	NA	NA	\$ 4,968	NA	NA	NA	N/A	\$ 5,695	\$ 1,083	\$ 1,715	\$ 1,624	\$ 4,186	\$ 1,415	
HDR (attached 4+)	\$ 2,219	\$ 1,013	\$ 228	\$ 22	\$ 3,245	\$ 649	\$ 2,997	\$ 1,965	\$ 2,974	\$ 2,528	NA	\$ 3,519	NA	NA	NA	\$ 3,519	\$ 4,640	\$ 882	\$ 1,536	\$ 1,495	\$ 3,746	\$ 1,161	
Non-Residential	<i>(Per 1,000 SF)</i>	<i>(Per 1,000 SF)</i>	<i>(Per 1,000 SF)</i>	<i>(Per 1,000 SF)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	<i>(Per Ac)</i>	
Office	\$ 132.84	\$ 767.00	\$ 172.97	\$ 16.83	\$ 88,209	\$ 17,642	\$ 22,726	\$ 13,565	\$ 22,556	\$ 3,383	NA	\$ 21,526	NA	NA	NA	\$ 9,902	\$ -	\$ -	\$ 40,005	\$ 44,549	NA	\$ 10,819	
Commercial / Retail	\$ 79.59	\$ 460.19	\$ 103.78	\$ 10.10	\$ 127,278	\$ 25,456	\$ 22,726	\$ 13,565	\$ 22,556	\$ 3,383	NA	\$ 28,702	NA	NA	\$ -	\$ 13,203	\$ -	\$ -	\$ 40,005	\$ 44,549	\$ 114,810	\$ 12,491	
Industrial	\$ 26.34	\$ 153.40	\$ 34.59	\$ 3.37	\$ 70,230	\$ 14,046	\$ 21,070	\$ 15,716	\$ 20,913	\$ 3,136	\$ 15,894	\$ 21,526	\$ 3,229	\$ 9,687	NA	\$ 9,902	\$ -	\$ -	\$ 40,005	\$ 44,549	NA	\$ 8,923	

Notes:

- 1) All 2022 fees have been adjusted from 2021 to 2022 by the Engineering News Record Construction Cost Index for San Francisco (ENR), an increase of 14.096%.
- 2) ADU's larger than 750 SF pay a fee proportional to the primary dwelling unit. (Calculated by multiplying the SFR fee by the ADU SF divided by the primary DU SF). ADU's smaller than 750 SF are exempt from paying impact fees.
- 3) N/A means there are no land use remaining for that fee program area.
- 4) I-205 land uses will pay in addition to the Core Fees the current Swainson Hawk Mitigation Fee.
- 5) Pursuant to the California Code Section 66005.1, new housing developments within a half mile of the transit center, will receive a 20% Traffic Fee reduction.
- 6) ISP South will pay the AD 84-1 WWTP upgrade fees in lieu of the Core Fees WWTP Fee since their original capacity was funded through AD 84-1. The Upgrade fees fund the WWTP upgrade to a tertiary treatment system to meet the NPDES conditions.
- 7) ISP South was part of AD 84-1 which funded wastewater capacity (both conveyance and treatment) for ISP South parcels. HDR will pay 85% and non-residential land use will pay 15% of the Core Fees Wastewater Conveyance Fee to account for increased flows of 15% and the change in land uses to HDR which triggered the need for additional improvements not funded in AD 84-1.
- 8) NEI I bond funded 24% of wastewater conveyance projects and will only be obligated to pay 76% of the Core Fees Wastewater Conveyance Fee.
- 9) NEI I bond funded 85% of water projects and will only be obligated to pay 15% of the Core Fees Water Fee.
- 10) NEI II bond funded 55% of water projects and will only be obligated to pay 45% of the Core Fees Water Fee.
- 11) Plan C, except for Edgewood, bonded for water facilities and will not pay the Water Fee. Only Edgewood will pay the Core Fees Water Fee.
- 12) ISP South residential will pay the full Core Fees Water Fee and non-residential will pay 46% of the Core Fees Water Fee. The water treatment and supply for the original ISP South development was funded through AD 87-3, but due to change in land use from non-residential to high density residential, the residential land uses are responsible for purchasing additional water supply and treatment.
- 13) NEI I and NEI II will not pay the Core Fees Storm Drainage Fee. Through the study "Storm Drainage Impact Fee Study NEI and Eastside Industrial" by Harris & Associates, adopted by City Council on 10/02/2018 through Resolution No. 2018-204, NEI I and NEI II will pay the current Master Plan Fees for the Northeast Industrial Drainage Shed. The total Northeast Industrial drainage shed fee including program management is shown.
- 14) SMPA will help fund the South MacArthur Sub-basin and as such will pay the current Master Plan fees for South MacArthur and Rocha Storm Drainage shed. The total South MacArthur and Rocha Storm Drainage Shed Fee including program management is shown.

ATTACHMENT B

City of Tracy
Core Fees
2021 & 2022 Fee Comparison

Fee Description		Update Year (1)	Residential (2, 3, 4)			Non-Residential (3, 4)		
			Low Density	Medium Density (Attached 2-4)	High Density (Attached 4+)	Office	Commercial/ Retail	Industrial
			Per Unit	Per Unit	Per Unit	Per 1,000 SF	Per 1,000 SF	Per 1,000 SF
Public Facilities	Core Fees	2021	\$ 2,915	\$ 2,385	\$ 1,945	\$ 116.43	\$ 69.76	\$ 23.09
		2022	\$ 3,326	\$ 2,721	\$ 2,219	\$ 132.84	\$ 79.59	\$ 26.34
Public Safety - Fire	Core Fees	2021	\$ 1,331	\$ 1,089	\$ 888	\$ 672.24	\$ 403.34	\$ 134.45
		2022	\$ 1,519	\$ 1,243	\$ 1,013	\$ 767.00	\$ 460.19	\$ 153.40
Public Safety - Police	Core Fees	2021	\$ 300	\$ 246	\$ 200	\$ 151.60	\$ 90.96	\$ 30.32
		2022	\$ 342	\$ 281	\$ 228	\$ 172.97	\$ 103.78	\$ 34.59
Public Safety - Communication Facilities	Core Fees	2021	\$ 29	\$ 24	\$ 19	\$ 14.75	\$ 8.85	\$ 2.95
		2022	\$ 33	\$ 27	\$ 22	\$ 16.83	\$ 10.10	\$ 3.37
			Per Unit	Per Unit	Per Unit	Per Acre	Per Acre	Per Acre
Traffic	Core Fees	2021	\$ 5,924	\$ 2,844	\$ 2,844	\$ 77,311	\$ 111,553	\$ 61,553
		2022	\$ 6,759	\$ 3,245	\$ 3,245	\$ 88,209	\$ 127,278	\$ 70,230
	1/2 Mile from Transit Center (5)	2021	\$ 1,185	\$ 569	\$ 569	\$ 15,462	\$ 22,311	\$ 12,311
		2022	\$ 1,352	\$ 649	\$ 649	\$ 17,642	\$ 25,456	\$ 14,046
Wastewater Treatment Plant	Core Fees	2021	\$ 3,921	\$ 3,215	\$ 2,627	\$ 19,918	\$ 19,918	\$ 18,467
		2022	\$ 4,474	\$ 3,668	\$ 2,997	\$ 22,726	\$ 22,726	\$ 21,070
	ISP South (6)	2021	NA	NA	\$ 1,722	\$ 11,889	\$ 11,889	\$ 13,774
		2022	NA	NA	\$ 1,965	\$ 13,565	\$ 13,565	\$ 15,716
Wastewater Conveyance Fee	Core Fees	2021	\$ 3,891	\$ 3,191	\$ 2,607	\$ 19,769	\$ 19,769	\$ 18,329
		2022	\$ 4,439	\$ 3,641	\$ 2,974	\$ 22,556	\$ 22,556	\$ 20,913
	ISP South (7)	2021	NA	NA	\$ 2,216	\$ 2,965	\$ 2,965	\$ 2,749
		2022	NA	NA	\$ 2,528	\$ 3,383	\$ 3,383	\$ 3,136
	NEI I (8)	2021	NA	NA	NA	NA	NA	\$ 13,930
		2022	NA	NA	NA	NA	NA	\$ 15,894
Water	Core Fees	2021	\$ 6,047	\$ 4,354	\$ 3,084	\$ 18,867	\$ 25,156	\$ 18,867
		2022	\$ 6,899	\$ 4,968	\$ 3,519	\$ 21,526	\$ 28,702	\$ 21,526
	NEI I (9)	2021	NA	NA	NA	NA	NA	\$ 2,830
		2022	NA	NA	NA	NA	NA	\$ 3,229
	NEI II (10)	2021	NA	NA	NA	NA	NA	\$ 8,490
		2022	NA	NA	NA	NA	NA	\$ 9,687
	Plan C Except Edgewood (11)	2021	\$ -	NA	NA	N/A	\$ -	N/A
		2022	\$ -	NA	NA	NA	\$ -	NA
	ISP South (12)	2021	NA	NA	\$ 3,084	\$ 8,679	\$ 11,572	\$ 8,679
		2022	NA	NA	\$ 3,519	\$ 9,902	\$ 13,203	\$ 9,902
Neighborhood Park	Core Fees	2021	\$ 6,100	\$ 4,991	\$ 4,067	\$ -	\$ -	\$ -
		2022	\$ 6,960	\$ 5,695	\$ 4,640	\$ -	\$ -	\$ -
Community Park	Core Fees	2021	\$ 1,159	\$ 949	\$ 773	\$ -	\$ -	\$ -
		2022	\$ 1,322	\$ 1,083	\$ 882	\$ -	\$ -	\$ -
Storm Drainage	Core Fees	2021	\$ 2,263	\$ 1,503	\$ 1,346	\$ 35,063	\$ 35,063	\$ 35,063
		2022	\$ 2,582	\$ 1,715	\$ 1,536	\$ 40,005	\$ 40,005	\$ 40,005
	NEI I & II (13) (Including PM)	2021	\$ 2,304	\$ 1,423	\$ 1,310	\$ 39,045	\$ 39,045	\$ 39,045
		2022	\$ 2,629	\$ 1,624	\$ 1,495	\$ 44,549	\$ 44,549	\$ 44,549
	SMPA (14) (Including PM)	2021	\$ 5,518	\$ 3,669	\$ 3,283	NA	\$ 100,626	NA
		2022	\$ 6,296	\$ 4,186	\$ 3,746	NA	\$ 114,810	NA
Program Management	Core Fees	2021	\$ 1,694	\$ 1,240	\$ 1,018	\$ 9,482	\$ 10,948	\$ 7,821
		2022	\$ 1,933	\$ 1,415	\$ 1,161	\$ 10,819	\$ 12,491	\$ 8,923

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