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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: Tracy Infrastructure Master 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, 2022.

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 included the following section for the annual adjustment:

"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, 2020 and 2021 by the June ENR CCI for San Francisco.

On October 2, 2018, City Council adopted Resolution 2018-204, approving the update for the expanded NEI and Eastside Industrial Area Development Impact Fees to update the required infrastructure and consolidate the drainage basins. The fees were adjusted in 2019, 2020 and 2021 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:

June 16, 2022

Page 2 of 2

- 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 and 2021 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 and 2021 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 and 2021 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 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 current 2021 fees.

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

DocuSigned by:
Kris Balaji
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Approved By: _____ Date: 6/28/2022 | 1:47 PM PDT

Attachment A – City of Tracy Citywide Master Plan Fees and NEI Area Future Phases Water and Wastewater Development Impact Fees, Effective July 1, 2022

Attachment B – City of Tracy Citywide Master Plan and NEI Area Future Phases Water and Wastewater Development Impact Fees Comparison 2021 to 2022

ATTACHMENT A

**City of Tracy
Citywide Master Plan Fees and NEI Area Future Phases Water and Wastewater Impact Fees
2022 Annual ENR Adjustment ¹**

Land Use	Transportation	Water			Recycled Water	Wastewater			Parks	Public Safety Fee ²				Public Facilities	NEI Future Area Additional Fees ³			
		Distribution	Supply	Treatment		Treatment Plant	East Conveyance	West Conveyance		Fire	Police	Communication Facilities	Program Administration		Water Conveyance	Wastewater Conveyance	Program Administration	
	Per Unit										Per Unit							
Residential-Very Low Density	\$ 7,307.00	\$ 5,968.00	\$ 2,553.00	\$ 4,643.00	\$ 3,739.00	\$ 9,476.00	\$ 3,388.00	\$ 2,267.00	\$ 10,646.00	\$ 796.00	\$ 964.00	\$ 325.00	\$ 105.00	\$ 4,160.00	NA	NA	NA	
Residential-Low Density	\$ 7,307.00	\$ 5,968.00	\$ 2,553.00	\$ 4,643.00	\$ 3,739.00	\$ 9,476.00	\$ 3,388.00	\$ 2,267.00	\$ 10,646.00	\$ 796.00	\$ 964.00	\$ 325.00	\$ 105.00	\$ 4,160.00	NA	NA	NA	
Residential-Medium Density (attached 2-4)	\$ 4,458.00	\$ 4,296.00	\$ 1,839.00	\$ 3,342.00	\$ 3,215.00	\$ 7,753.00	\$ 2,773.00	\$ 1,856.00	\$ 8,711.00	\$ 650.00	\$ 787.00	\$ 268.00	\$ 86.00	\$ 3,403.00	NA	NA	NA	
Residential-High Density (attached 4+)	\$ 4,458.00	\$ 3,042.00	\$ 1,303.00	\$ 2,366.00	\$ 2,169.00	\$ 6,319.00	\$ 2,258.00	\$ 1,512.00	\$ 7,098.00	\$ 531.00	\$ 642.00	\$ 217.00	\$ 70.00	\$ 2,774.00	NA	NA	NA	
	Per Acre										Per 1,000 SF							
Commercial/Retail	\$ 223,115.00	\$ 24,823.00	\$ 10,625.00	\$ 19,308.00	\$ 21,048.00	\$ 40,921.00	\$ 14,631.00	\$ 9,794.00	\$ -	\$ 241.05	\$ 292.10	\$ 98.76	\$ 31.59	\$ 108.03	NA	NA	NA	
Office	\$ 177,965.00	\$ 18,617.00	\$ 7,967.00	\$ 14,482.00	\$ 17,161.00	\$ 40,921.00	\$ 14,631.00	\$ 9,794.00	\$ -	\$ 401.75	\$ 486.81	\$ 164.59	\$ 52.67	\$ 180.07	NA	NA	NA	
Industrial	\$ 101,767.00	\$ 18,617.00	\$ 7,967.00	\$ 14,482.00	\$ 17,161.00	\$ 37,905.00	\$ 13,552.00	\$ 9,073.00	\$ -	\$ 80.35	\$ 97.38	\$ 32.92	\$ 10.53	\$ 36.02	\$ 354.00	\$ 10,394.00	\$ 537.00	

Land Use	Storm Drainage ⁴									
	Keenan	Westside Residential	NW WSO	Larch Clover	Eastside Industrial ⁵	Northeast Area ^{5,6}	South MacArthur and Rocha	Mountain House ⁷	Lammers Watershed ⁷	Kagehiro and West Larch Clover ⁸
	Per Unit									
Residential-Very Low Density	NA	NA	NA	NA	NA	\$ 3,804.00	\$ 6,855.00	NA	\$ 2,070.00	\$ 865.00
Residential-Low Density	\$ 3,017.00	\$ 6,438.00	NA	NA	NA	\$ 2,629.00	\$ 6,296.00	NA	\$ 1,901.00	\$ 750.00
Residential-Medium Density (attached 2-4)	\$ 2,038.00	\$ 4,314.00	NA	NA	NA	\$ 1,624.00	\$ 4,186.00	NA	\$ 1,264.00	\$ 528.00
Residential-High Density (attached 4+)	\$ 1,821.00	\$ 3,847.00	NA	NA	NA	\$ 1,495.00	\$ 3,746.00	NA	\$ 1,132.00	\$ 470.00
	Per Acre									
Commercial/Retail	NA	NA	\$ 23,080.00	\$ 14,165.00	\$ 55,662.00	\$ 44,549.00	\$ 114,810.00	\$ 22,776.00	\$ 34,706.00	NA
Office	NA	NA	\$ 23,080.00	NA	NA	\$ 44,549.00	NA	\$ 22,776.00	\$ 34,706.00	NA
Industrial	NA	NA	\$ 23,080.00	NA	\$ 55,662.00	\$ 44,549.00	NA	\$ 22,776.00	\$ 34,706.00	NA

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) Updated Public Safety Fees were adopted on October 1, 2019 through Resolution No. 2019-196. Fees have been adjusted by ENR in 2020, 2021, and 2022.
- 3) The Northeast Industrial Area Future Phases Water and Wastewater Development Impact Fees was established to fund the remaining water distribution and wastewater conveyance facilities required to serve the buildout of NEI. Fees were adopted on November 5, 2019 through Resolution No. 2019-211 and have been adjusted by ENR in 2020, 2021, and 2022.
- 4) Please see the storm drainage shed fee studies for the split between outfall versus program infrastructure.
- 5) Updated expanded Northeast Industrial Area and Eastside Industrial Area Storm Drainage Fees were adopted on October 2, 2018 through Resolution No. 2018-204. Fees have been adjusted by ENR in 2019, 2020, 2021, and 2022.
- 6) Chrisman & East UR-1 areas has been revised to be incorporated into the expanded Northeast Industrial Storm Drainage Area.
- 7) Updated Lammers and Mountain House Watershed Storm Drainage Fees were adopted on November 5, 2019 through Resolution No. 2019-217. Fees have been adjusted by ENR in 2020, 2021, and 2022.
- 8) Kagehiro and West Larch Clover only pay the Westside Outfall fee. No additional program infrastructure is required by Kagehiro and the West Larch Clover area is discharged directly to the existing detention basin.

ATTACHMENT B

City of Tracy
 Citywide Master Plan Fees and NEI Area Future Phases Water and Wastewater Impact Fees
 2021 & 2022 Fee Comparison

Fee Description		Update Year ¹	Residential				Commercial/ Retail	Office	Industrial
			Very Low Density	Low Density	Medium Density (Attached 2-4)	High Density (Attached 4+)			
			Per Unit	Per Unit	Per Unit	Per Unit			
Public Safety Fee ²	Fire	2021	\$ 698	\$ 698	\$ 570	\$ 465	\$ 211.27	\$ 352.12	\$ 70.42
		2022	\$ 796	\$ 796	\$ 650	\$ 531	\$ 241.05	\$ 401.75	\$ 80.35
	Police	2021	\$ 845	\$ 845	\$ 690	\$ 563	\$ 256.01	\$ 426.67	\$ 85.35
		2022	\$ 964	\$ 964	\$ 787	\$ 642	\$ 292.10	\$ 486.81	\$ 97.38
	Communication Facilities	2021	\$ 285	\$ 285	\$ 235	\$ 190	\$ 86.56	\$ 144.26	\$ 28.85
		2022	\$ 325	\$ 325	\$ 268	\$ 217	\$ 98.76	\$ 164.59	\$ 32.92
	Program Administration	2021	\$ 92	\$ 92	\$ 75	\$ 61	\$ 27.69	\$ 46.16	\$ 9.23
		2022	\$ 105	\$ 105	\$ 86	\$ 70	\$ 31.59	\$ 52.67	\$ 10.53
Public Facilities		2021	\$ 3,646	\$ 3,646	\$ 2,983	\$ 2,431	\$ 94.68	\$ 157.82	\$ 31.57
		2022	\$ 4,160	\$ 4,160	\$ 3,403	\$ 2,774	\$ 108.03	\$ 180.07	\$ 36.02
			Per Unit	Per Unit	Per Unit	Per Unit	Per Acre	Per Acre	Per Acre
Transportation		2021	\$ 6,404	\$ 6,404	\$ 3,907	\$ 3,907	\$ 195,550	\$ 155,978	\$ 89,194
		2022	\$ 7,307	\$ 7,307	\$ 4,458	\$ 4,458	\$ 223,115	\$ 177,965	\$ 101,767
Water	Distribution	2021	\$ 5,231	\$ 5,231	\$ 3,765	\$ 2,666	\$ 21,756	\$ 16,317	\$ 16,317
		2022	\$ 5,968	\$ 5,968	\$ 4,296	\$ 3,042	\$ 24,823	\$ 18,617	\$ 18,617
	Supply	2021	\$ 2,238	\$ 2,238	\$ 1,612	\$ 1,142	\$ 9,312	\$ 6,983	\$ 6,983
		2022	\$ 2,553	\$ 2,553	\$ 1,839	\$ 1,303	\$ 10,625	\$ 7,967	\$ 7,967
	Treatment	2021	\$ 4,069	\$ 4,069	\$ 2,929	\$ 2,074	\$ 16,923	\$ 12,693	\$ 12,693
		2022	\$ 4,643	\$ 4,643	\$ 3,342	\$ 2,366	\$ 19,308	\$ 14,482	\$ 14,482
Recycled Water		2021	\$ 3,277	\$ 3,277	\$ 2,818	\$ 1,901	\$ 18,448	\$ 15,041	\$ 15,041
		2022	\$ 3,739	\$ 3,739	\$ 3,215	\$ 2,169	\$ 21,048	\$ 17,161	\$ 17,161
Wastewater	Treatment Plant	2021	\$ 8,305	\$ 8,305	\$ 6,795	\$ 5,538	\$ 35,865	\$ 35,865	\$ 33,222
		2022	\$ 9,476	\$ 9,476	\$ 7,753	\$ 6,319	\$ 40,921	\$ 40,921	\$ 37,905
	East Conveyance	2021	\$ 2,969	\$ 2,969	\$ 2,430	\$ 1,979	\$ 12,823	\$ 12,823	\$ 11,878
		2022	\$ 3,388	\$ 3,388	\$ 2,773	\$ 2,258	\$ 14,631	\$ 14,631	\$ 13,552
	West Conveyance	2021	\$ 1,987	\$ 1,987	\$ 1,627	\$ 1,325	\$ 8,584	\$ 8,584	\$ 7,952
		2022	\$ 2,267	\$ 2,267	\$ 1,856	\$ 1,512	\$ 9,794	\$ 9,794	\$ 9,073
Parks		2021	\$ 9,331	\$ 9,331	\$ 7,635	\$ 6,221	\$ -	\$ -	\$ -
		2022	\$ 10,646	\$ 10,646	\$ 8,711	\$ 7,098	\$ -	\$ -	\$ -
NEI Future Area Additional Fees ³	Water Conveyance	2021	NA	NA	NA	NA	NA	NA	\$ 310
		2022	NA	NA	NA	NA	NA	NA	\$ 354
	Wastewater Conveyance	2021	NA	NA	NA	NA	NA	NA	\$ 9,110
		2022	NA	NA	NA	NA	NA	NA	\$ 10,394
	Program Administration	2021	NA	NA	NA	NA	NA	NA	\$ 471
		2022	NA	NA	NA	NA	NA	NA	\$ 537
Storm Drainage ⁴	Keenan	2021	NA	\$ 2,644	\$ 1,786	\$ 1,596	NA	NA	NA
		2022	NA	\$ 3,017	\$ 2,038	\$ 1,821	NA	NA	NA
	Westside Residential	2021	NA	\$ 5,643	\$ 3,781	\$ 3,372	NA	NA	NA
		2022	NA	\$ 6,438	\$ 4,314	\$ 3,847	NA	NA	NA
	NW WSO	2021	NA	NA	NA	NA	\$ 20,229	\$ 20,229	\$ 20,229
		2022	NA	NA	NA	NA	\$ 23,080	\$ 23,080	\$ 23,080
	Larch Clover	2021	NA	NA	NA	NA	\$ 12,415	NA	NA
		2022	NA	NA	NA	NA	\$ 14,165	NA	NA
	Eastside Industrial ⁵	2021	NA	NA	NA	NA	\$ 48,785	NA	\$ 48,785
		2022	NA	NA	NA	NA	\$ 55,662	NA	\$ 55,662
	Northeast Area ^{5,6}	2021	\$ 3,334	\$ 2,304	\$ 1,423	\$ 1,310	\$ 39,045	\$ 39,045	\$ 39,045
		2022	\$ 3,804	\$ 2,629	\$ 1,624	\$ 1,495	\$ 44,549	\$ 44,549	\$ 44,549
	South MacArthur and Rocha	2021	\$ 6,008	\$ 5,518	\$ 3,669	\$ 3,283	\$ 100,626	NA	NA
		2022	\$ 6,855	\$ 6,296	\$ 4,186	\$ 3,746	\$ 114,810	NA	NA
	Mountain House ⁷	2021	NA	NA	NA	NA	\$ 19,962	\$ 19,962	\$ 19,962
		2022	NA	NA	NA	NA	\$ 22,776	\$ 22,776	\$ 22,776
	Lammers Watershed ⁷	2021	\$ 1,814	\$ 1,666	\$ 1,108	\$ 992	\$ 30,418	\$ 30,418	\$ 30,418
		2022	\$ 2,070	\$ 1,901	\$ 1,264	\$ 1,132	\$ 34,706	\$ 34,706	\$ 34,706
	Kagehiro and West Larch Clover ⁸	2021	\$ 758	\$ 657	\$ 463	\$ 412	NA	NA	NA
		2022	\$ 865	\$ 750	\$ 528	\$ 470	NA	NA	NA

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