Tracy Infrastructure Master Plan Impact Fee Nexus Study

City of Tracy

Draft – July 2023

Prepared for:

Prepared by:

1401 Willow Pass Road, Suite 500
Concord, CA 94520
(925) 827-4900

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Table of Contents

Tables

Figures

Appendices

EXECUTIVE SUMMARY AND INTRODUCTORY SECTIONS

INTRODUCTION

The City of Tracy (City) is located in the Central Valley and is the second most populated city in San Joaquin County (County). The City spans an area of about 26 miles within a triangle formed by Interstate 205 to the north, Interstate 580 to the southwest, and Interstate 5 to the east. The City is located near both fertile and infertile agricultural lands, due to a region of hills west of Tracy. The City is a railroad town that came from the mid-19th century construction.

The City was founded in 1878 and incorporated as a city in 1910. The City of Tracy grew rapidly and prospered as the center of an agricultural area, even when larger railroad operations began to decline in the 1950s. Competition with trucking and automobiles resulted in widespread railroad restructuring. The City has its origins associated with the Central Pacific Railroad, which ran from Sacramento through Stockton to the San Francisco Bay area. The City's ties to the agriculture industry allowed for steady growth in early to mid-20th century but growth accelerated starting in the 1980's as the City served as an extended bedroom community to the San Francisco, Oakland, and Silicon Valley metropolitan areas.

The City is part of the San Jose-San Francisco-Oakland, California Combined Statistical Area, an extension of the Bay Area. At the time of the 2020 U.S. Census, the City population was 93,000. The California Department of Finance estimates that as of January 1, 2023, the City population is 95,615, incorporating the 2020 Census benchmark.

As the resident population and non-resident employment in the City increase, there exists a correlating rise in the demand for public infrastructure and services to support the increased demand on the City. California's Assembly Bill 1600 (AB 1600) adopted in 1987 and codified as California Government Code Section 66000 et. seq., allows the City to impose Development Impact Fees on new development within the City. Development Impact Fees (DIFs) are one-time charges on new development that is collected and used by the City to cover the cost of capital facilities, vehicles, and equipment that are required to serve new growth.

In 2012, the City of Tracy adopted the master plans that form the basis of the City's current Tracy Infrastructure Master Plan (TIMP) program. Following the adoption of these master plans, the current TIMP Impact Fee Nexus Studies were adopted. In the years since, Harris & Associates has assisted the City with a number of updates and supplements to the Master Plans and the respective TIMP Impact Fee Nexus Studies, including annual Engineering News Record (ENR) Construction Cost Index (CCI) increases.

The City recently hired consultants to prepare updates to the City's various Master Plans. The following Master Plans have been updated for 2023: Transportation Master Plan, Water Master

Plan, Wastewater Master Plan, Parks Master Plan, Public Safety Master Plan, and Public Facilities Master Plan. The Storm Drainage Master Plan is currently being updated. The purpose of this Nexus Study is to incorporate the findings from the completed master plans into a new Nexus Study and update the DIFs. The facilities identified in the updated master plans and included within this Nexus Study will be prioritized and evaluated through the City's Capital Improvement Plan (CIP) process to ensure that the identified projects are completed.

The goal of the City is to develop a fee program that achieves the funding objectives required to fund facilities identified in the master plans, balances fee levels with desired economic growth, and complies with the legal requirements of Assembly Bill 1600 (AB 1600) and Assembly Bill 602 (AB 602).

NEXUS STUDY

Purpose

As development occurs in the City, new backbone infrastructure and capital facilities are required to mitigate the increased demand created by new residents and workers. DIFs fund this required backbone infrastructure and capital facilities as well as the related administrative costs through the City's fee program. The fee program contains separate fee categories for each type of infrastructure and capital facilities. Incorporated in this Nexus Study are the following fees:

- Traffic
- Water
- Recycled Water
- Wastewater
- Parks
- Public Safety
- Public Facilities
- Storm Drainage
- Program Management

This report is designed to satisfy AB 1600 Nexus requirements, AB 602 guidance, and provide the necessary technical analysis to support the adoption of the updated fees. The fees will be effective 60 days after the City's final action establishing and authorizing the collection of the fees.

Fee Program Costs

Table ES-1 summarizes the costs attributable to each fee program based on the facilities identified in the adopted Master Plans, assuming the growth assumptions made within this report are accurate. This summary does not account for any future inflationary escalation of fees, current fund balances collected, or outstanding credits and reimbursements. The Storm Drainage Fee Program is not included as the facilities and regions are still being evaluated.

Table ES-1: Costs Attributable to Fee Programs

Fee Program	Costs Attributable to Fee Program
Traffic	**$665,322,948**
Water	**$278,820,650**
Distribution	$98,400,000
Supply	$71,519,650
Treatment	$108,901,000
Recycled Water	**$96,809,000**
Wastewater	**$197,570,000**
Conveyance	$72,925,000
Treatment	$124,645,000
Parks	**$417,855,526**
Neighborhood Parks	$309,462,159
Community Parks	$108,393,367
Public Safety	**$100,599,527**
Fire	$31,896,978
Police	$65,689,007
Communication Facilities	$3,013,542
Public Facilities	**$117,349,736**
Program Management	**$93,716,369**
TOTAL	**$1,968,043,756**

Updated Fees

Pursuant to AB 602, residential development fees are to be assessed on a per square foot basis. To yield consistency across fees assessed on non-residential land uses, non-residential development fees will be assessed per 1,000 building square foot. Park Fees will continue to not be assessed on non-residential development based on the assumption that non-residential development does not generate demand for park facilities. Fees on Accessory Dwelling Units, specialized projects, and rebuild projects are detailed further in Section 12: Implementation and Administration. Storm Drainage Fees will be updated upon completion and acceptance of the updated Citywide Storm Drainage Master Plan.

Table ES-2 shows a summary of the proposed updated fees. **Table ES-3** shows a summary of the existing Storm Drainage Fees converted to a per square foot (SF) fee for residential land uses and per 1,000 building SF for non-residential land uses The to be consistent with the new fee structure.

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Table ES-2: Summary of Proposed Impact Fees for Traffic, Water, Recycled Water, Wastewater, Parks, Public Safety, Public Facilities, and Program Management

		Water				Wastewater		Parks		Public Safety				
Land Use	**Traffic**	**Distribution**	**Supply**	**Treatment**	**Recycled Water**	**Conveyance**	**Treatment**	**Neighborhood**	**Community**	**Fire**	**Police**	**Communication Facilities**	**Public Facilities**	**Program Management**
Residential (per SF)														
Single Family Residential	$5.47	$1.44	$0.91	$1.12	$0.77	$0.83	$1.10	$6.25	$2.19	$0.47	$1.59	$0.04	$1.97	$1.21
Multi-Family Residential (Attached 2-4)	$5.25	$1.97	$1.24	$1.54	$1.05	$1.10	$1.47	$8.33	$2.92	$0.63	$2.12	$0.06	$2.62	$1.52
High Density Residential (Attached 4+)	$8.29	$2.12	$1.34	$1.66	$1.13	$1.41	$1.88	$12.22	$4.27	$0.92	$3.09	$0.08	$3.83	$2.11
Non-Residential (per 1,000 Bldg SF)														
Office	$14,248	$722	$457	$565	$384	$411	$549	n/a	n/a	$569	$1,905	$52	$517	$1,019
Commercial	$27,993	$1,232	$780	$963	$656	$617	$823	n/a	n/a	$344	$1,151	$31	$309	$1,745
Industrial	$7,312	$592	$375	$463	$315	$309	$412	n/a	n/a	$113	$377	$10	$104	$519

Table ES-3: Summary of Converted Impact Fees for Storm Drainage

Land Use	**Keenan**	**Westside Residential**	**NW WSO**	**Larch Clover**	**Eastside Industrial**	**Northeast Area**	**South MacArthur and Rocha**	**Mountain House**	**Lammers Watershed**	**Kagehiro and West Larch Clover**
Residential (per SF)										
Very Low Density	n/a	n/a	n/a	n/a	n/a	$1.52	$2.74	n/a	$0.83	$0.35
Low Density	$1.21	$2.58	n/a	n/a	n/a	$1.05	$2.52	n/a	$0.76	$0.30
Medium Density (Attached 2-4)	$1.36	$2.88	n/a	n/a	n/a	$1.08	$2.79	n/a	$0.84	$0.35
High Density (Attached 4+)	$1.92	$4.05	n/a	n/a	n/a	$1.57	$3.95	n/a	$1.19	$0.49
Non-Residential (per 1,000 Bldg SF)										
Office	n/a	n/a	$1,178	n/a	n/a	$461	n/a	$235	$359	n/a
Commercial	n/a	n/a	$1,767	$98	$384	$307	$791	$157	$239	n/a
Industrial	n/a	n/a	$1,060	n/a	$639	$512	n/a	$262	$399	n/a

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Proposed Fees Comparison with Existing Fees

Table ES-4 shows the comparison between the proposed TIMP fees with the existing fees. Existing fees were converted from a fee per dwelling unit to per square foot and per acre to per 1,000 building SF using the same assumptions in this study to provide a more accurate comparison to the new fee structure. Individual fee comparisons for each fee component are included within the respective sections in this report. The Storm Drainage Fee Program is not included within this comparison as those fees have only been converted to the new fee structure and not updated.

Table ES-4: Proposed Fees Comparison to Existing Fees

Land Use [1]	Proposed Total Fees	Existing Total Fees	Percent Change
Residential (per SF)			
Single Family Residential	$25.36	$20.69	23%
Multi-Family Residential (Attached 2-4)	$31.82	$26.50	20%
High Density Residential (Attached 4+)	$44.35	$33.45	33%
Non-Residential (per 1,000 Bldg SF)			
Office	$21,398.12	$15,523.30	38%
Commercial	$36,644.01	$26,764.60	37%
Industrial	$10,901.06	$9,525.27	14%

[1] Does not include Storm Drainage Fees.

NEXUS REQUIREMENT SUMMARY

AB 1600 was enacted by the State of California in 1987 creating the Mitigation Fee Act - Section 66000 et seq. of the Government Code. The Mitigation Fee Act requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified.
3. Determine how there is a reasonable relationship between the fees use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The purpose of this report is to demonstrate that all fee components comply with the Mitigation Fee Act. The assumptions, methodologies, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be charged are summarized in subsequent sections of this report.

ASSEMBLY BILL 602

Assembly Bill (AB) 602, enacted by the State of California in 2021, amended Sections 65940.1 and 66019 of, and added Section 66016.5 to the Government Code. AB 602 requires that if a local agency conducts and adopts an impact fee nexus study after January 1, 2022, the local agency shall follow all of the following standards and practices:

1. Before the adoption of an associated development fee, an impact fee nexus study shall be adopted.
2. When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.
3. A nexus study shall include information that supports the local agency's actions, as required by subdivision (a) of Section 66001 of the Government Code.
4. If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.
5. A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development. A nexus study is not required to comply with the requirements to calculate a fee imposed on a housing development project proportionally to the square footage of the proposed units if the local agency makes the following findings:
    - An explanation as to why square footage is not appropriate metric to calculate fees imposed on housing development project.
    - An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.
    - That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.
6. Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.
7. All studies shall be adopted at a public hearing with at least 30 days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.

8. Studies shall be updated at least every eight years, beginning on January 1, 2022.
9. The local agency may use the impact fee nexus study template developed by the Department of Housing and Community Development pursuant to Section 50466.5 of the Health and Safety Code.

This report demonstrates that all fee components comply with AB 602. The methodologies performed to calculate the updated fees ensure that the costs for facilities are proportionately spread between existing and future users. Any existing deficiencies were removed and are not charged to new development. This ensures that the existing level of service does not influence the new level of service calculations determined on a cost per capita basis, as summarized in subsequent sections of this report. The new level of service is appropriate to serve the needs of new development.

FEE ADJUSTMENT PROCEDURES

The TIMP fees may be adjusted periodically to reflect revised facility requirements, receipt of funding from alternative sources (i.e., state or federal grants), revised facilities or costs, changes in demographics, changes in the average unit square footage, or changes in the land use plan. In addition, the fees will be automatically updated each year on July 1st based on the June ENR CCI for San Francisco. The base index for the next update shall be the June 2023 ENR CCI of 15367.26.

TIMING OF FEE PAYMENT

Fees will be collected at the time the building permit for the project is issued. All residential projects will pay a fee based on the livable square footage of the residential units. For residential projects that include multiple buildings, fees will be due at the time the building permit is issued for each building. The non-residential communal portion for high-density residential projects (i.e., clubhouse, maintenance facility, gym, etc.) will not be assessed impact fees as the impact is considered to be captured in the residential fees. Areas that are accessible by the public (i.e., a leasing office) will be charged impact fees according to use. Further information on what portion of a project may be subject to fees is discussed within Section 2 – Average Unit Sizes.

CREDITS AND REIMBURSEMENT POLICIES

Fee credits and reimbursements may be allowed for developer-constructed facilities in compliance with Title 13 of the Tracy Municipal code and other applicable polices. Credits and reimbursements shall be calculated specifically for each project as applicable.

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Section 1 METHODOLOGY

METHODOLOGY

Imposed fees require various findings to ensure that a reasonable relationship exists between the fee amount and the cost of the facility or portion of the facility attributable to the new development. Several methodologies are available to determine fee amounts. Choosing the appropriate methodology depends on the type of facility for which the fee is calculated and the availability of documentation to support the fee calculation. Following is a discussion of the methodologies available to calculate the separate fee components in this report.

Facility Standards Method

The facility standards method determines the facilities and associated costs required to accommodate growth based on adopted City standards. Depending on the fee analysis, the City may or may not currently have sufficient facilities to meet the adopted standard. If the City's existing facilities are below the standards, then a deficiency exists. In this case, the portion of the cost of planned facilities associated with correcting the deficiency must be satisfied with funding sources other than Development Impact Fees. AB 1600 fees can only fund facilities needed to accommodate new development at the adopted standard.

Master Plan Method

The master plan method is based on a master facilities plan in situations where the needed facilities serve both existing and new development. This approach allocates existing and planned facilities across existing and new development to determine new development's fair share of the needed facility. This approach is used when it is not possible to differentiate the benefits of new facilities between existing and new development.

Planned Facilities Method

The planned facilities method calculates the standard based solely on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities are mostly for the benefit of new development, such as a wastewater trunk line extension to a previously undeveloped area. This method may also be used when there is excess capacity in existing facilities that can accommodate new development.

Existing Inventory Method

The existing inventory method uses a facility standard based on the ratio of existing facilities to the existing service population on a cost per unit or cost per square foot basis. Under this approach, new development funds the expansion of facilities at the same standard currently serving existing

development. By definition, the existing inventory method ensures that no facility deficiencies are spread to future development. This method is often used when a long-range plan for new facilities is not available.

MARK-UPS

Soft cost mark-ups are the costs that account for the functions that support construction including design, construction management, and contingency. Mark-ups are included in the estimated construction cost of a facility. The following are the mark-ups utilized within the total project costs of the facilities identified in this Nexus Study.

Design	10%
Construction Management	10%
Contingency	15%

It should be noted that per Section 13.08.020 (e) of the Tracy Municipal Code "The Subdivider shall not be entitled to any credit for program implementation or contingencies."

PROGRAM MANAGEMENT

The City, with assistance from consultants, oversees the implementation and administration of the TIMP Fee Program, consistent with the requirements of the Mitigation Fee Act. For all TIMP fees, a Program Management Fee is added to fund the costs of City's management and ongoing fee program administration, collection, and reporting. This includes costs associated with City staff and consultant time, studies, and administration to support the program. Industry standard ranges from three to six percent (3-6%) for the administrative component of a development fee program. The City has historically collected five percent (5%) for administrative costs on each fee, which was previously included as a soft cost mark-up. Administratively, the five percent (5%) charge per fee was difficult to account for throughout the numerous fee funds.

Thus, this report creates a separate Program Management Fee that will be collected in a separate fund for ease of administration. Additional information regarding the Program Management Fee is presented in Section 11. The administrative functions of the Program Management Fund include, but is not limited to, the following:

- Annual fee adjustments
- Annual fee reporting
- Additional fee reporting every five years
- Application and tracking of fee credits and reimbursements
- Posting of nexus studies and fee schedules on the City's website
- Periodic nexus study updates
- Staff and consultant time related to fee preparation, collection, tracking, and administration

FUND BALANCE

The fund balances used throughout this analysis were based on the City's reported fund balances through June 01, 2023. **Table 1-1** displays the balances of the TIMP funds used within this study.

Table 1-1: TIMP Fund Balance as of June 01, 2023

Fund Description	Fund Balance [1]
Traffic	**$ 24,598,338**
Water [2]	**$ 20,067,701**
Distribution	$ 9,098,123
Supply	$ 3,892,487
Treatment	$ 7,077,091
Recycled Water	**$ 4,284,825**
Wastewater [3]	**$ 24,713,725**
Conveyance	$ 4,170,810
Treatment	$ 20,542,915
Parks	**$ 10,651,176**
Public Safety Fire	**$ 137,187**
Public Safety Police	**$ 1,379,627**
Pub Safety Communication	**$ 977,893**
Public Facilities	**$ 6,022,559**

1 Fund Balance as of June 1, 2023 and rounded to the nearest dollar.

2 The TIMP Water fund balance was split between the water fee components based upon the percentage each component makes up of the total Water Fee. The City will be creating new fund accounts for the three fee components that make up the Water Fee.

3 The TIMP Wastewater fund balance was split between the wastewater fee components based upon fee collection and expenditure history provided by the City. The City will be creating new fund accounts for the two fee components that make up the Wastewater Fee.

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Section 2 POPULATION AND LAND USE ASSUMPTIONS

LAND USE TYPES

To ensure a reasonable relationship between each fee and the type of development paying the fee, different land use types must be distinguished. The land use categories used in this analysis are defined below.

- **Single Family Residential (SFR)**: Detached single-family dwelling units. Includes very low density, low density, and age-restricted units.
- **Multi-Family Residential (MFR)**: Attached residential project consisting of 2 to 4 units.
- **High Density Residential (HDR)**: Attached residential project consisting of 4 or more attached units.
- **Accessory Dwelling Unit (ADU)**: A second unit, attached or detached from a SFR.
- **Office**: All general, professional, and medical office development.
- **Commercial**: All commercial, retail, educational, hotel/motel development, and mixed-use development.
- **Industrial**: All manufacturing and warehouse development.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both Single and Multi-Family uses. In these cases, the fees will be calculated separately for each land use type.

GROWTH FORECASTS

Growth projections are used as indicators of demand. The City's existing population, as well as 2040 and Buildout population projections, are critical assumptions used throughout the fee sections that follow in this report. The following resources were used as part of this analysis:

- Estimates of total development and population projections through 2040 and Buildout were based on the City's Land Use Plan by TAZ provided by the City's Planning Department.
- Estimated persons per household data were based on the 2021 US Census American Community Survey.
- Existing population estimates are from the 2022 California Department of Finance.
- Existing non-residential worker populations were based on existing square feet and estimated square feet per worker based on previous and current Tracy Master Plans.
- Worker projections were based on the employment density per worker identified in the U.S. Green Building Council LEED BD+C Default Occupancy Counts.

Table 2-1 identifies the estimated growth in population and employment to year 2040 and to Buildout. **Table 2-2** shows the estimated growth in dwelling units and non-residential acreage to year 2040 and to Buildout.

Table 2-1: Projected New Population and Employee Growth (2040 and Buildout)

Land Use	Density	Total Projected New Development by 2040		Total Projected New Development at Buildout	
Residential	*Persons Per Household*[1]	*Dwelling Units*	*New Population*	*Dwelling Units*	*New Population*
Single Family Residential[2]	3.50	8,925	31,238	16,225	56,788
Multi-Family Residential (Attached 2-4)[3]	2.80	325	910	881	2,467
High Density Residential (Attached 4+)[4]	2.60	1,412	3,671	3,871	10,065
Subtotal Residential		**10,662**	**35,819**	**20,977**	**69,320**
Non-Residential	*Employment Density*[5]	*Square Feet*	*New Employees*	*Square Feet*	*New Employees*
Office	300	1,678,715	5,596	4,952,249	16,507
Commercial	500	4,232,072	8,464	12,268,892	24,538
Industrial	1,500	39,483,590	26,322	72,284,270	48,190
Subtotal Non-Residential		**45,394,377**	**40,382**	**89,505,411**	**89,235**

Source: City provided land use TAZ data. Updated to remove developments that have pulled permits as of 06/01/2023.

[1] Persons per household assumption using data from the US Census American Community Survey (2021).

[2] Includes Very Low Density, Low Density Residential, and Single Family Age Restricted.

[3] Includes Medium Density Residential.

[4] Includes High Density and Very High Density Residential.

[5] Employment density is the square feet per worker based on U.S. Green Building Council LEED BD+C Default Occupancy Counts.

Table 2-2: Projected New Unit and Acreage Growth (2040 and Buildout)

Land Use	Total Projected New Development by 2040[1,2]	Total Projected New Development at Buildout[1,2]
Residential	*Units*	*Units*
Single Family Residential[3]	8,925	16,225
Multi-Family Residential (Attached 2-4)[4]	325	881
High Density Residential (Attached 4+)[5]	1,412	3,871
Subtotal Residential	**10,662**	**20,977**
Non-Residential	*Acres*	*Acres*
Office	86	253
Commercial	324	939
Industrial	1,813	3,319
Subtotal Non-Residential	**2,222**	**4,510**

Source: City provided land use TAZ data. Updated to remove developments that have pulled permits as of 06/01/2023.

[1] Does not include units/acreage already built.

[2] Does not include institutional, parks, and schools.

[3] Includes Very Low Density, Low Density Residential, and Single Family Age Restricted.

[4] Includes Medium Density Residential.

[5] Includes High Density and Very High Density Residential.

Figure 2-1 illustrates the City's Sphere of Influence (SOI) boundary and the land uses included in the General Plan (updated as of August 2021). The City's General Plan is the principal policy document for guiding future planning and development in the City of Tracy, including the SOI, which is the area outside of the City limits that the City expects to annex and urbanize in the future. The SOI area in the City's General Plan is about 16 square miles and the existing City limits encompasses approximately 26 square miles for a total General Plan area of about 42 square miles. The City's most recent General Plan was adopted by City Council on February 1, 2011, and is used as the basis for the City's Infrastructure Master Plans.

Figure 2-2 shows the TIMP Fee program areas. Cordes Ranch and Tracy Hills are depicted in separate colors to differentiate that while they are generally subject to the TIMP fees, they have agreements in place with the City that details their specific fees. Although the Core Fees program area has their own set of fees as outlined in the "Core Fees Development Impact Fee Study" adopted August 2021 and the Ellis program area has their own set of fees as outlined in the "Ellis Program Area Finance and Implementation Plan" adopted August 2013, these two program areas may be subject to the new Storm Drainage Fees established once the updated Citywide Storm Drainage Master Plan is adopted.

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Figure 2-1: City of Tracy General Plan Land Uses

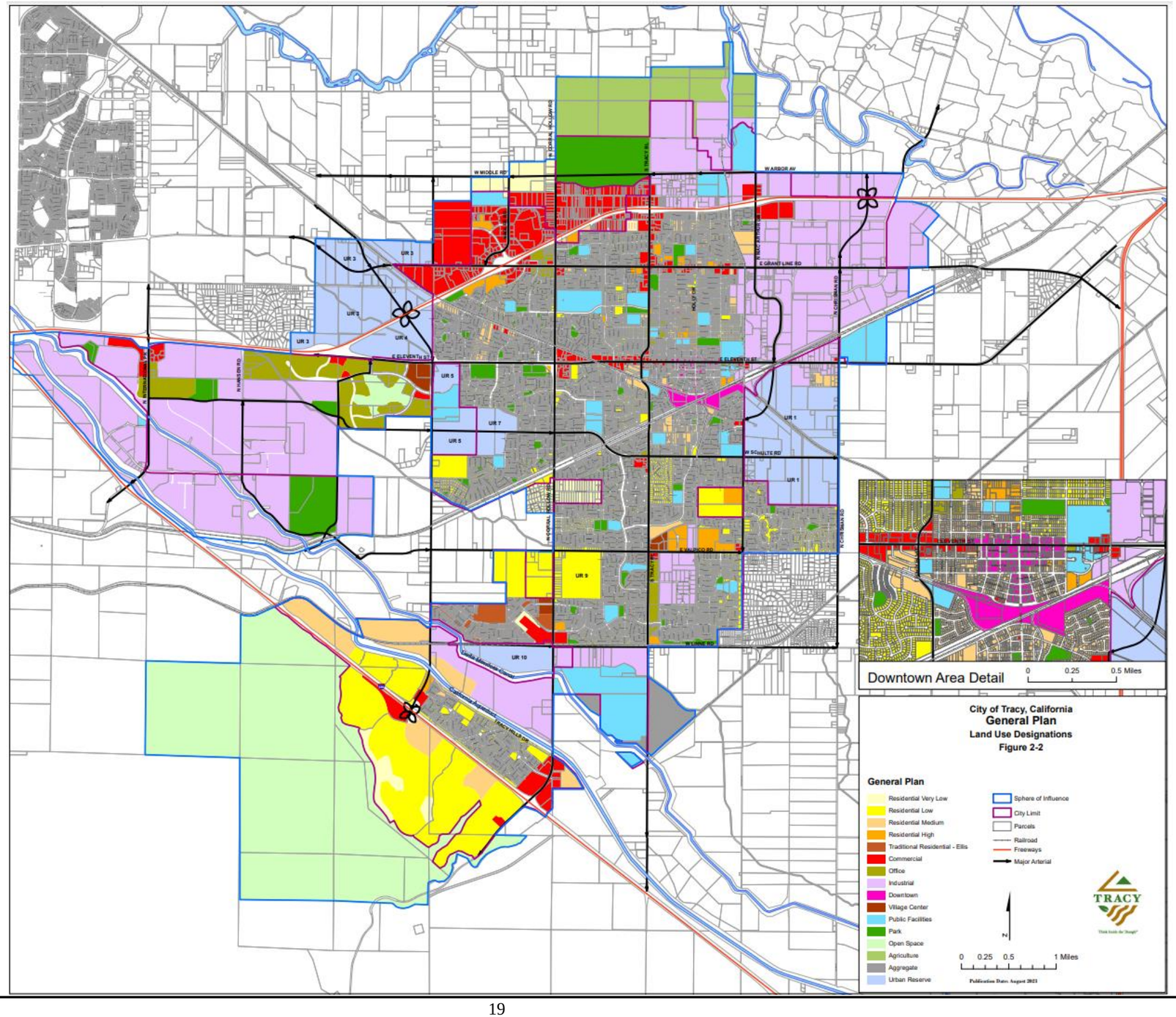

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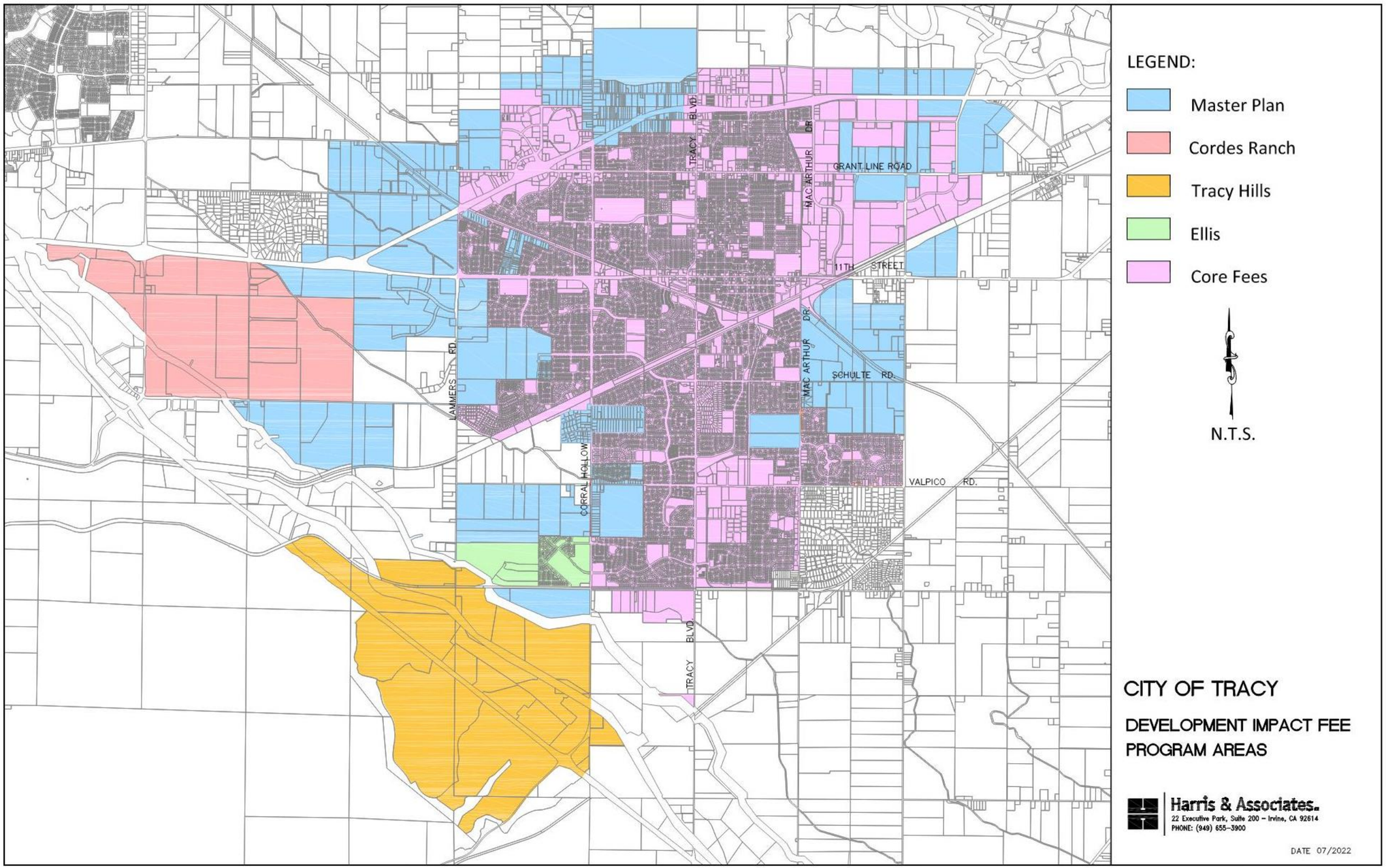
Figure 2-2: City of Tracy Fee Program Areas



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RESIDENT AND EMPLOYMENT DENSITY

Using persons per household (PPH) data for residential units and employment density data for non-residential buildings is a common metric used to establish a reasonable relationship between the demand created by the development project and the fees charged. The residential density factors were derived using information from the US Census American Community Survey (2021) and the non-residential employment density factors are based on U.S. Green Building Council LEED BD+C Default Occupancy Counts. The following average density factors are used for each land use type.

Residential	**Density**
Single Family	3.50 residents per dwelling unit
Multi-Family (Attached 2-4)	2.80 residents per dwelling unit
High Density (Attached 4+)	2.60 residents per dwelling unit
Non-Residential	**Density**
Office	1 worker per 300 square feet
Commercial	1 worker per 500 square feet
Industrial	1 worker per 1,500 square feet

FLOOR AREA RATIO

For non-residential land uses, the estimated building square footage is determined by using an average Floor Area Ratio (FAR). The FAR assumptions are based on assumptions the Tracy Travel Demand Model used in the *Citywide Roadway & Transportation Master Plan Update*, prepared by Kimley-Horn (February 2023), and is calculated based on the proportion of the total building floor area to the building's lot size. The FARs used in this analysis are shown below.

Non-residential fees are assessed per 1,000 building SF. Calculations performed in this study require the conversion of a non-residential fee per acre to a fee per 1,000 building SF. This conversion is calculated by multiplying the fee per acre by a FAR conversion factor shown below. The FAR conversion factors are calculated by converting 1 acre to 43,560 SF, multiplying by the corresponding FAR and then dividing by 1,000. These factors are rounded to the nearest ten-thousandths. The FAR conversion factors are shown below.

Non-Residential	**FAR**	**FAR Conversion**
Office	0.45	0.0510
Commercial	0.30	0.0765
Industrial	0.50	0.0459

AVERAGE UNIT SIZES

To meet AB 602 requirement five (5), that states that a fee imposed on a housing development project shall be calculated proportionately to the square footage of proposed units of the development, this Nexus Study calculates a fee per unit and then uses the average unit size for Single Family Residential, Multi-Family Residential (Attached 2-4), and High Density Residential (Attached 4+) based on the estimated average size of planned new development within each land use category in the City to convert to a fee per square foot. The average unit size is based on the livable square footage of the residential units.

Basing the average unit size on livable square footage for all residential units is not only consistent with industry standard for fee calculations, but it also provides a strong nexus between the impact of the unit and the fee amount. A good example of industry standard are school fees in California. In California, school fees are based on assessable space, which means a quantity equal to the area (expressed in square feet) within the perimeter of a residential structure, not including the carport, communal walkway, garage, overhang, patio, enclosed patio, detached accessory structure or similar structure.

Multi-Family and High Density Residential projects that include communal spaces (i.e., clubhouse, maintenance facility, gym, etc.) will not be assessed impact fees on such areas as the impact is considered to be captured within the residential fees. Areas that contain employees and are accessible by the public will be charged impact fees according to use (i.e., leasing office would pay office fees).

Based on the estimated average size of planned new development within each land use category in the City of Tracy, the following average unit sizes are utilized in this study.

Single Family Residential…… 2,500 Square Feet Per Unit
Multi-Family Residential (Attached 2-4)…….. 1,500 Square Feet Per Unit
High Density Residential (Attached 4+)...……. 950 Square Feet Per Unit

The City will monitor the average size of new housing units in the City on an annual basis and if the average size of units is significantly less than anticipated, the fees will be updated as part of the annual update to reflect this change in order to ensure the fee program does not fall short.

As detailed in the next sections, the fee per square foot is calculated by dividing the fee per unit by the average size shown above for each residential unit type. Fees for Multi-Family Residential and High Density Residential result in a higher fee per square foot than Single Family Residential due to the higher density of people per square foot of space.

Section 3 TRAFFIC FEE

BACKGROUND

This section presents an analysis of the City's TIMP Traffic Fee. The Traffic Fee covers the costs to mitigate the effects of new development on the City's traffic facilities. The TIMP fee program area shown in **Figure A-1** will pay the Traffic Impact Fee at building permit issuance for the facilities described in this section and shown in **Figure A-2, Figure A-3, Figure A-4,** and **Figure A-5** in **Appendix A**. The Traffic Fee is based on the cost of facilities identified in the *Citywide Roadway & Transportation Master Plan Update*, prepared by Kimley-Horn (August 2022, with revised costs June 2023, V5).

SERVICE POPULATION

Demand for services and the associated facilities for traffic facilities are based on the additional trips that will be generated by new growth through 2042. The Transportation Master Plan (TMP) analyzes a Horizon Year of 2042, consistent with the planned San Joaquin Council of Governments (SJCOG) Travel Demand Model. The TMP groups the planned Traffic Facilities in the following categories: Structures, Intersections, Roadway Segments, and Intelligent Transportation Systems. All categories were analyzed to the Horizon Year, except Structures were sized for Buildout conditions as it would not make sense to expand structures in phases.

Due to the difference in Horizon Year between the TMP and other Master Plans that use 2040 as the Horizon Year, the land use growth projections identified in **Table 2-1** and **Table 2-2** were extended to reflect estimated growth through 2042. The Traffic Fee utilizes the growth projections as outlined in **Table 3-1**.

Table 3-1: Land Use Growth Projections for 2042

	Horizon Year (2042)
Residential [1]	*Units*
Single Family Residential	9,917
Multi-Family Residential (Attached 2-4)	361
High Density Residential (Attached 4+)	1,569
Subtotal Residential	**11,847**
Non-Residential [1]	*1,000 Bldg SF*
Office	1,865
Commercial	4,702
Industrial	43,871
Subtotal Non-Residential	**50,438**

[1] Projections have been expanded to include two additional years of growth projections using assumed average growth per year.

COST SUMMARY

The Traffic Fee will fund the expansion of traffic facilities necessary to serve new growth. The TIMP Fee Program obligation towards traffic facilities is approximately $640 million. **Table 3-2, Table 3-3, Table 3-4, and Table 3-5** summarize the traffic facilities, project costs, other funding sources, and costs attributable to the fee program four traffic categories: Structures, Intersections, Roadway Segments, and Intelligent Transportation Systems. The column "Contributions from Other Fee Sources" consists of fair share contributions from the Ellis and Core Fee program area that will contribute towards the identified facilities in the tables.

Table 3-2: Traffic Structure Improvements

Imp #	Structure Type	Intersection	Improvement Description	Status	Length	Width	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
1	Bridge	Delta Mendota Canal/International Parkway	Widen	Planned	335	80	1	EA	$5,913,080	$7,982,658	$0	$7,982,658
2	Bridge	Delta Mendota Canal/Old Schulte Road	Widen	Planned	325	87	1	EA	$4,954,087	$6,688,017	$0	$6,688,017
3	Bridge	Delta Mendota Canal/Lammers Road	Widen	Planned	130	102	1	EA	$6,641,102	$8,965,488	$0	$8,965,488
4	Bridge	California Aqueduct/Lammers Road	Widen	Planned	170	102	1	EA	$8,685,102	$11,724,888	$0	$11,724,888
5	Bridge	Delta Mendota Canal/Corral Hollow Road	Widen	Planned	130	68	1	EA	$4,426,068	$5,975,192	$0	$5,975,192
6	Bridge	California Aqueduct/Corral Hollow Road	Widen	Planned	220	68	1	EA	$7,488,068	$10,108,892	$819,350	$9,289,542
7	Culvert	Upper Main Canal/Capital Parks Drive	New Culvert	Planned	240	14	1	EA	$1,348,014	$1,819,819	$0	$1,819,819
8	Culvert	Upper Main Canal/Pavilion Parkway	New Culvert	Planned	240	14	1	EA	$1,348,014	$1,819,819	$0	$1,819,819
9	Culvert	Upper Main Canal/Promontory Parkway	New Culvert	Planned	180	14	1	EA	$1,011,014	$1,364,869	$0	$1,364,869
10	Culvert	Upper Main Canal/Lammers Road	Widen	Planned	65	142	1	EA	$1,278,142	$1,725,492	$0	$1,725,492
11	Culvert	Upper Main Canal/Corral Hollow Road	Widen	Planned	65	108	1	EA	$469,108	$633,296	$0	$633,296
12	Interchange/Overpass/Underpass	I-205/Pavilion Parkway	New 4 Lane Overcrossing	Planned	350	98	1	EA	$17,260,098	$23,301,132	$0	$23,301,132
13	Interchange/Overpass/Underpass	I-205/Lammers Extension	New Interchange	Planned	N/A	N/A	1	EA	$39,180,000	$52,893,000	$0	$52,893,000
14	Interchange/Overpass/Underpass	I-205/Tracy Boulevard	Widen WB On/Off-ramps	Planned	N/A	N/A	1	EA	$7,500,000	$10,125,000	$0	$10,125,000
15	Interchange/Overpass/Underpass	I-205/Grant Line Road	Add EB Loop On-ramp	Planned	N/A	N/A	1	EA	$2,500,000	$3,375,000	$853,128	$2,521,872
16	Interchange/Overpass/Underpass	I-205/MacArthur Drive	Widen WB/On-ramp	Planned	N/A	N/A	1	EA	$2,500,000	$3,375,000	$1,528,593	$1,846,407
17	Interchange/Overpass/Underpass	I-205/Chrisman Road	New Interchange	Planned	N/A	N/A	1	EA	$36,056,267	$48,675,960	$17,976,749	$30,699,211
18	Interchange/Overpass/Underpass	I-580/International Parkway	Replace Interchange	Planned	350	98	1	EA	$17,260,098	$23,301,132	$33,554	$23,267,578
19	Interchange/Overpass/Underpass	I-580/Lammers Road	New Interim Interchange	Planned	N/A	N/A	1	EA	$17,000,000	$22,950,000	$0	$22,950,000
20	Interchange/Overpass/Underpass	I-580/Lammers Road	New Undercrossing, Modify Interim	Planned	242	155	1	EA	$22,470,000	$30,334,500	$226,419	$30,108,081
21	Interchange/Overpass/Underpass	I-580/Corral Hollow Road	Replace Interchange	Planned	350	98	1	EA	$14,074,074	$19,000,000	$915,395	$18,084,605
22	Railroad Crossing	Lammers Road at Western Pacific Way (#1)	Widen At-grade Crossing to 6 Lanes	Planned	N/A	N/A	1	EA	$1,250,000	$1,687,500	$0	$1,687,500
23	Railroad Crossing	Lammers Road North of Linne Road (#2)	New 6 Lane Bridge	Planned	100	110	1	EA	$5,563,110	$7,510,199	$0	$7,510,199
24	Railroad Crossing	Corral Hollow Road North of Linne Road (#5)	Widen At-grade Crossing to 4 lanes	Planned	N/A	N/A	1	EA	$1,250,000	$1,687,500	$0	$1,687,500
25	Railroad Crossing	Tracy Boulevard North of Linne Road (#8)	Widen At-grade Crossing to 4 lanes	Planned	N/A	N/A	1	EA	$1,250,000	$1,687,500	$0	$1,687,500
26	Railroad Crossing	11th Street/MacArthur Drive (#9)	New Bridge	Partially Completed	N/A	N/A	1	EA	$0	$0	$0	$0
27	Railroad Crossing	MacArthur Drive South of 6th Street (#15)	Close Crossing to Vehicles, Add Pedestrian/Bicycle	Planned	N/A	N/A	1	EA	$1,250,000	$1,687,500	$0	$1,687,500
28	Railroad Crossing	Chrisman Road at Schulte Road (#16)	Widen At-grade Crossing to 4 Lanes	Planned	N/A	N/A	1	EA	$1,250,000	$1,687,500	$0	$1,687,500
29	Railroad Crossing	MacArthur Drive Extension (#21)	New 4 Lane Bridge	Planned	100	86	1	EA	$4,349,086	$5,871,266	$0	$5,871,266
30	Railroad Crossing	Chrisman Road (#22)	New 6 Lane Bridge	Planned	100	110	1	EA	$5,563,110	$7,510,199	$0	$7,510,199
31	Railroad Crossing	Hansen Road (#23)	New 4 Lane Bridge	Planned	100	86	1	EA	$4,349,086	$5,871,266	$0	$5,871,266
32	Railroad Crossing	Pavilion Parkway (#24)	New 6 Lane Bridge	Planned	100	110	1	EA	$5,563,110	$7,510,199	$0	$7,510,199
								Total	**$250,999,838**	**$338,849,781**	**$22,353,187**	**$316,496,594**

Source: Tracy Citywide Roadway & Transportation Master Plan Update, Prepared by Kimley Horn (August 2022, Revised Costs June 2023 (V5)).

Note: These improvements are identified using Buildout conditions.

[1] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[2] Contributions from other Fee Programs include Ellis & Core Fees contributions. Core Fees contribution have been adjusted using June 2023 ENR index.

Table 3-3: Traffic Intersection Improvements

Int. #	Intersection	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
1	International Parkway/I-205 Westbound Ramps	N/A	1	EA	$0	$0	$0	$0
2	International Parkway/I-205 Eastbound Ramps	N/A	1	EA	$0	$0	$0	$0
3	International Parkway/Capital Parks Drive	Planned	1	EA	$4,230,000	$5,710,500	$0	$5,710,500
4	International Pkwy/Promontory Parkway	Partially Complete	1	EA	$450,500	$608,175	$0	$608,175
5	International Pkwy/Old Schulte Road	Planned	1	EA	$0	$0	$0	$0
6	International Pkwy/Patterson Pass Rd/I-580 Westbound Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
7	International Pkwy/Patterson Pass Rd/I-580 Eastbound Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
8	Hansen Road/Capital Parks Dr	Partially Complete	1	EA	$3,853,000	$5,201,550	$0	$5,201,550
9	Hansen Road/Promontory Parkway	Complete	1	EA	$0	$0	$0	$0
10	Hansen Road/Old Schulte Road	Partially Complete	1	EA	$1,777,500	$2,399,625	$0	$2,399,625
11	Pavillion Parkway/Capital Parks Dr	Planned	1	EA	$4,448,000	$6,004,800	$0	$6,004,800
12	Pavillion Parkway/Promontory Parkway	Planned	1	EA	$3,332,000	$4,498,200	$0	$4,498,200
13	Pavillion Parkway/Old Schulte Road	Planned	1	EA	$3,707,000	$5,004,450	$0	$5,004,450
14	Pavillion Parkway/Hansen Road	Planned	1	EA	$2,699,000	$3,643,650	$0	$3,643,650
15	Commerce Way/Capital Parks Drive	Planned	1	EA	$4,666,000	$6,299,100	$0	$6,299,100
16	Road M/Capital Parks Drive	Planned	1	EA	$4,038,000	$5,451,300	$0	$5,451,300
17	Hansen Road/Valpico Road	Planned	1	EA	$2,699,000	$3,643,650	$0	$3,643,650
18	Pavillion Parkway/Grant Line Road	Planned	1	EA	$2,699,000	$3,643,650	$0	$3,643,650
19	Pavillion Parkway/Von Sosten Road	Planned	1	EA	$2,803,000	$3,784,050	$0	$3,784,050
20	Lammers Extension/Pavillion Pkwy	Planned	1	EA	$3,707,000	$5,004,450	$0	$5,004,450
21	Lammers Extension/Grant Line Road	Planned	1	EA	$3,707,000	$5,004,450	$0	$5,004,450
22	Lammers Extension/Van Sosten Road	Planned	1	EA	$3,707,000	$5,004,450	$0	$5,004,450
23	Lammers Extension/I-205 WB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
24	Lammers Extension/I-205 EB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
25	Lammers Extension/Commerce Road	Planned	1	EA	$5,771,000	$7,790,850	$0	$7,790,850
26	Eleventh Street/Road M	Planned	1	EA	$4,415,000	$5,960,250	$0	$5,960,250
27	Grant Line Road/Pavillion Pkwy	Planned	1	EA	$2,699,000	$3,643,650	$0	$3,643,650
28	Byron Road/Grant Line Road	Planned	1	EA	$0	$0	$0	$0
29	Lammers Road/Pavillion Pkwy	Planned	1	EA	$3,063,000	$4,135,050	$0	$4,135,050
30	Grant Line Road/Lammers Road	Planned	1	EA	$2,494,000	$3,366,900	$80,414	$3,286,486
31	Lammers Road/Byron Road	Existing	1	EA	$0	$0	$0	$0
32	Lammers Road/Eleventh Street	Existing	1	EA	$0	$0	$0	$0
33	Lammers Road/Capital Parks Drive	Planned	1	EA	$392,000	$529,200	$0	$529,200
34	Lammers Road/Promontory Pkwy	Planned	1	EA	$4,201,000	$5,671,350	$0	$5,671,350
35	Lammers Road/Crossroads Drive	Planned	1	EA	$3,193,000	$4,310,550	$0	$4,310,550

Table 3-3 Continued: Traffic Intersection Improvements

Int. #	Intersection	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
36	Lammers Road/Redbridge Rd	Planned	1	EA	$2,741,000	$3,700,350	$0	$3,700,350
37	Lammers Road/Old Schulte Road	Planned	1	EA	$2,741,000	$3,700,350	$275,881	$3,424,469
38	Lammers Road/Western Pacific Wy	Planned	1	EA	$2,946,000	$3,977,100	$0	$3,977,100
39	Lammers Road/Valpico Road	Planned	1	EA	$4,201,000	$5,671,350	$126,816	$5,544,534
40	Lammers Road/Samuel James Way	Planned	1	EA	$3,193,000	$4,310,550	$0	$4,310,550
41	Lammers Road/Hansen Rd/Ellis Town Drive	Planned	1	EA	$4,051,000	$5,468,850	$0	$5,468,850
42	North Tracy Hills Drive/Linne Dr	Planned	1	EA	$3,323,000	$4,486,050	$0	$4,486,050
43	Lammers Road/Linne Road	Planned	1	EA	$3,323,000	$4,486,050	$0	$4,486,050
44	Lammers Road/Tracy Hills Dr	Planned	1	EA	$0	$0	$0	$0
45	Lammers Road/I-580 WB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
46	Lammers Road/I-580 EB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
47	Naglee Road/Middle Road	Existing	1	EA	$0	$0	$0	$0
48	Naglee Road/Auto Plaza Drive	Planned	1	EA	$1,431,000	$1,931,850	$706,803	$1,225,047
49	Naglee Road/I-205 Westbound Ramps	Existing	1	EA	$0	$0	$0	$0
50	Park & Ride/Naglee Road	Existing	1	EA	$0	$0	$0	$0
51	Naglee Road/Grant Line Road/I-205 Westbound Ramps	Planned	1	EA	$405,000	$546,750	$77,840	$468,910
52	Grant Line Road/I-205 EB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
53	Crossroads Drive/Eleventh Road	Existing	1	EA	$0	$0	$0	$0
54	Crossroads Drive/Schulte Road	Planned	1	EA	$3,967,000	$5,355,450	$0	$5,355,450
55	Corral Hollow Road/Larch Road	Existing	1	EA	$0	$0	$0	$0
56	Corral Hollow Road/Auto Plaza Drive	Planned	1	EA	$2,205,000	$2,976,750	$219,492	$2,757,258
57	Corral Hollow Road/Grant Line Road	Existing	1	EA	$0	$0	$0	$0
58	Corral Hollow Road/Eleventh Street	Planned	1	EA	$652,000	$880,200	$77,328	$802,872
59	Corral Hollow Road/Schulte Road	Existing	1	EA	$0	$0	$0	$0
60	Corral Hollow Road/Valpico Road	Planned	1	EA	$4,285,000	$5,784,750	$1,015,108	$4,769,642
61	Corral Hollow Road/Samuel James Way	Planned	1	EA	$2,088,000	$2,818,800	$0	$2,818,800
62	Corral Hollow Road/Peony Drive	Planned	1	EA	$363,000	$490,050	$0	$490,050
63	Corral Hollow Road/Middlefield Drive	Planned	1	EA	$454,000	$612,900	$0	$612,900
64	Corral Hollow Road/Linne Road	Planned	1	EA	$4,197,000	$5,665,950	$173,737	$5,492,213
65	Corral Hollow Road/North Tracy Hills Drive	Planned	1	EA	$3,323,000	$4,486,050	$0	$4,486,050
66	Corral Hollow Road/Tracy Hills Drive	Planned	1	EA	Funded by Developer	Funded by Developer	$0	$0
67	Corral Hollow Road/I-580 WB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
68	Corral Hollow Road/I-580 EB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
69	Corral Hollow Road/Lammers Road	Planned	1	EA	Funded by Developer	Funded by Developer	$0	$0

Table 3-3 Continued: Traffic Intersection Improvements

Int. #	Intersection	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
70	Tracy Boulevard/Sugar Road	Existing	1	EA	$0	$0	$0	$0
71	Tracy Boulevard/Larch Road	Planned	1	EA	$1,931,750	$2,607,863	$0	$2,607,863
72	Tracy Blvd/I-205 WB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
73	Tracy Blvd/I-205 EB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
74	Tracy Boulevard/Grant Line Road	Existing	1	EA	$0	$0	$0	$0
75	Tracy Boulevard/Eleventh Street	Existing	1	EA	$0	$0	$0	$0
76	Tracy Boulevard/6th Street	Existing	1	EA	$0	$0	$0	$0
77	Tracy Boulevard/Mount Diablo Avenue	Existing	1	EA	$0	$0	$0	$0
78	Tracy Boulevard/Schulte Road	Existing	1	EA	$0	$0	$0	$0
79	Tracy Boulevard/Central Avenue	Existing	1	EA	$0	$0	$0	$0
80	Tracy Boulevard/Valpico Road	Existing	1	EA	$0	$0	$0	$0
81	Tracy Boulevard/Whispering Wind Drive	Existing	1	EA	$0	$0	$0	$0
82	Tracy Boulevard/ACE Station	Existing	1	EA	$0	$0	$0	$0
83	Tracy Boulevard/Linne Road	Planned	1	EA	$3,498,000	$4,722,300	$73,358	$4,648,942
84	Central Avenue/Eleventh Street	Existing	1	EA	$0	$0	$0	$0
85	Central Avenue/Schulte Road	Existing	1	EA	$0	$0	$0	$0
86	MacArthur Drive/Arbor Avenue	Existing	1	EA	$0	$0	$0	$0
87	MacArthur Drive/I-205 WB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
88	MacArthur Drive/I-205 EB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
89	MacArthur Drive/Pescadero Avenue	Existing	1	EA	$0	$0	$0	$0
90	MacArthur Drive/Grant Line Road	Planned	1	EA	$363,000	$490,050	$0	$490,050
91	MacArthur Drive/Eleventh Street	Planned	1	EA	$3,297,000	$4,450,950	$0	$4,450,950
92	MacArthur Drive/Eleventh Street (South)	Existing	1	EA	$0	$0	$0	$0
93	MacArthur Drive/6th Street	Existing	1	EA	$0	$0	$0	$0
94	MacArthur Drive/Mount Diablo Avenue	Planned	1	EA	$2,816,000	$3,801,600	$0	$3,801,600
95	MacArthur Drive/Schulte Road	Planned	1	EA	$844,000	$1,139,400	$0	$1,139,400
96	MacArthur Drive/Valpico Road	Existing	1	EA	$0	$0	$0	$0
97	Chrisman Road/Pescadero Avenue	Planned	1	EA	$3,427,000	$4,626,450	$0	$4,626,450
98	Chrisman Road/Grant Line Road	Planned	1	EA	$1,961,000	$2,647,350	$0	$2,647,350
99	Chrisman Road/Eleventh Street	Planned	1	EA	$1,613,000	$2,177,550	$219	$2,177,331
100	Chrisman Road/Schulte Road	Planned	1	EA	$3,323,000	$4,486,050	$157,484	$4,328,566
101	Chrisman Road/Valpico Road	Planned	1	EA	$1,431,000	$1,931,850	$348,422	$1,583,428
102	Paradise Road/Arbor Avenue	Planned	1	EA	$4,737,000	$6,394,950	$0	$6,394,950
103	Paradise Road/I-205 WB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0
104	Paradise Road/I-205 EB Ramps	See Interchange Cost Estimates	1	EA	$0	$0	$0	$0

Table 3-3 Continued: Traffic Intersection Improvements

Int. #	Intersection	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
105	Paradise Road/Pescadero Avenue	Planned	1	EA	$4,457,000	$6,016,950	$0	$6,016,950
106	Paradise Road/Grant Line Road	Planned	1	EA	$778,250	$1,050,638	$0	$1,050,638
107	Eleventh Street/Grant Line Road	Existing	1	EA	$0	$0	$0	$0
a	Power Road/Pavillion Parkway	Planned	1	EA	$4,009,000	$5,412,150	$0	$5,412,150
b	Power Road/Grant Line Road	Planned	1	EA	$2,447,000	$3,303,450	$976,998	$2,326,452
c	Hansen Road/Old Hansen Road	Planned	1	EA	$2,428,000	$3,277,800	$0	$3,277,800
				Total	**$172,001,000**	**$232,201,350**	**$4,309,900**	**$227,891,450**

Source: Tracy Citywide Roadway & Transportation Master Plan Update, Prepared by Kimley Horn (August 2022, Revised Costs June 2023 (V5)).

Note: These improvements are identified using 2042 as the Horizon Year.

[1] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[2] Contributions from other Fee Programs include Ellis & Core Fees contributions. Core Fees contributions have been adjusted using June 2023 ENR index.

Table 3-4: Traffic Roadway Improvements

Seg. #	Street	From	To	Improvement Description	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
1	International Pkwy	I-205 WB	I-205 EB	N/A - Interchange Project	Planned	1	EA	$0	$0	$0	$0
2	International Pkwy	I-205 EB	Capital Parks Dr	Widen 2- to 8-Lane Major Arterial (curb-curb)	Planned	1,200	LF	$4,080,000	$5,508,000	$0	$5,508,000
3	International Pkwy	Capital Parks Dr	Promontory Pkwy	Widen 2- to 6-Lane Major Arterial (curb-curb)	Partially Completed	700	LF	$930,000	$1,255,500	$0	$1,255,500
4	International Pkwy	Promontory Pkwy	Old Schulte Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Partially Completed	3,500	LF	$3,500,000	$4,725,000	$0	$4,725,000
5	International Pkwy	Old Schulte Rd	I-580 WB	N/A - Interchange Project	Planned	1	EA	$0	$0	$0	$0
6	International Pkwy	I-580 WB	I-580 EB	N/A - Interchange Project	Planned	1	EA	$0	$0	$0	$0
7	Hansen Rd	I-205	Capital Parks Dr	Widen 2- to 2-Lane Divided Arterial	Planned	1,200	LF	$2,280,000	$3,078,000	$0	$3,078,000
8	Hansen Rd	Capital Parks Dr	Promontory Pkwy	Widen 2- to 4-Lane Major Arterial	Completed	700	LF	$0	$0	$0	$0
9	Hansen Rd	Promontory Pkwy	Old Schulte Rd	Widen 2- to 4-Lane Major Arterial	Completed	3,500	LF	$0	$0	$0	$0
10	Pavilion Pkwy	Power Rd	Lammers Rd	2-Lane Divided Arterial	Planned	1,600	LF	$3,840,000	$5,184,000	$0	$5,184,000
11	Pavilion Pkwy	Lammers Rd	Grant Line Rd	2-Lane Divided Arterial	Planned	2,600	LF	$6,240,000	$8,424,000	$0	$8,424,000
12	Pavilion Pkwy	Grant Line Rd	Lammers Extn	2-Lane Divided Arterial	Planned	1,100	LF	$2,640,000	$3,564,000	$0	$3,564,000
13	Pavilion Pkwy	Lammers Extn	Grant Line Rd	2-Lane Divided Arterial	Planned	500	LF	$1,200,000	$1,620,000	$0	$1,620,000
14	Pavilion Pkwy	Grant Line Rd	Von Sosten Rd	2-Lane Divided Arterial	Planned	1,900	LF	$4,560,000	$6,156,000	$0	$6,156,000
15	Pavilion Pkwy	Von Sosten Rd	Capital Parks Dr	2-Lane Divided Arterial	Planned	4,900	LF	$11,760,000	$15,876,000	$0	$15,876,000
16	Pavilion Pkwy	Capital Parks Dr	Promontory Pkwy	2-Lane Divided Arterial	Planned	2,000	LF	$4,800,000	$6,480,000	$0	$6,480,000
17	Pavilion Pkwy	Promontory Pkwy	Old Schulte Rd	2-Lane Divided Arterial	Planned	2,300	LF	$5,520,000	$7,452,000	$0	$7,452,000
18	Pavilion Pkwy	Old Schulte Rd	Hansen Rd	2-Lane Divided Arterial	Planned	3,000	LF	$7,200,000	$9,720,000	$0	$9,720,000
19	Lammers Extn	Pavilion Pkwy	Byron Rd	2-Lane Major Arterial	Planned	1,100	LF	$2,640,000	$3,564,000	$0	$3,564,000
20	Lammers Extn	Byron Rd	Von Sosten Rd	2-Lane Major Arterial	Planned	800	LF	$1,920,000	$2,592,000	$0	$2,592,000
21	Lammers Extn	Von Sosten Rd	I-205 WB	2-Lane Major Arterial	Planned	1,100	LF	$2,640,000	$3,564,000	$0	$3,564,000
22	Lammers Extn	I-205 WB	I-205 EB	N/A - Interchange Project	Planned	900	LF	$0	$0	$0	$0
23	Lammers Extn	I-205 EB	Commerce Wy	8-Lane Major Arterial	Planned	200	LF	$660,000	$891,000	$0	$891,000
24	Lammers Extn	Commerce Wy	Road M	8-Lane Major Arterial	Planned	700	LF	$2,310,000	$3,118,500	$0	$3,118,500
25	Lammers Extn	Road M	11th St	8-Lane Major Arterial	Planned	900	LF	$2,970,000	$4,009,500	$0	$4,009,500
26	Lammers Rd	City Limits	Pavilion Pkwy	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
27	Lammers Rd	Pavilion Pkwy	Grant Line Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
28	Lammers Rd	Byron Rd	11th St	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
29	Lammers Rd	11th St	Capital Parks Dr	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
30	Lammers Rd	Capital Parks Dr	Promontory Pkwy	4-Lane Major Arterial (curb-curb)	Partially Completed	1,600	LF	$900,000	$1,215,000	$220,434	$994,566
31	Lammers Rd	Promontory Pkwy	Crossroads Dr	4-Lane Major Arterial (curb-curb)	Planned	700	LF	$2,100,000	$2,835,000	$96,440	$2,738,560
32	Lammers Rd	Crossroads Dr	Redbridge Rd	4-Lane Major Arterial (curb-curb)	Planned	800	LF	$2,400,000	$3,240,000	$110,217	$3,129,783
33	Lammers Rd	Redbridge Rd	Old Schulte Rd	4-Lane Major Arterial (curb-curb)	Planned	300	LF	$900,000	$1,215,000	$41,331	$1,173,669
34	Lammers Rd	Old Schulte Rd	Western Pacific Wy	4-Lane Major Arterial (curb-curb)	Planned	1,300	LF	$3,900,000	$5,265,000	$179,102	$5,085,898

Table 3-4 Continued: Traffic Roadway Improvements

Seg. #	Street	From	To	Improvement Description	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
35	Lammers Rd	Western Pacific Wy	Valpico Rd	4-Lane Major Arterial (curb-curb)	Planned	900	LF	$2,700,000	$3,645,000	$123,994	$3,521,006
36	Lammers Rd	Valpico Rd	Samual James Wy	4-Lane Major Arterial (curb-curb)	Planned	700	LF	$2,100,000	$2,835,000	$96,440	$2,738,560
37	Lammers Rd	Samual James Wy	Hansen Rd	4-Lane Major Arterial (curb-curb)	Planned	1,300	LF	$3,900,000	$5,265,000	$179,102	$5,085,898
38	Lammers Rd	Hansen Rd	Linne Rd	4-Lane Major Arterial (curb-curb)	Planned	2,400	LF	$7,200,000	$9,720,000	$330,651	$9,389,349
39	Lammers Rd	Linne Rd	Tracy Hills Dr	4-Lane Major Arterial (curb-curb)	Planned	1,400	LF	$4,200,000	$5,670,000	$0	$5,670,000
40	Lammers Rd	Tracy Hills Dr	I-580 WB	4-Lane Major Arterial (curb-curb)	Planned	400	LF	$1,200,000	$1,620,000	$0	$1,620,000
41	Lammers Rd	I-580 WB	I-580 EB	N/A - Interchange Project	Planned	1	EA	$0	$0	$0	$0
42	Lammers Rd	I-580 EB	Corral Hollow Rd	N/A - Onsite Street Project	Planned	1	EA	$0	$0	$0	$0
43	Power Rd	Pavilion Pkwy	Grant Line Rd	6-Lane Divided Arterial	Planned	1,600	LF	$4,160,000	$5,616,000	$0	$5,616,000
44	Naglee Rd	Middle Rd	Auto Plaza Dr	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
45	Naglee Rd	Auto Plaza Dr	Pavilion Pkwy	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
46	Naglee Rd	Pavilion Pkwy	Private Dwy	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
47	Naglee Rd	Private Dwy	Grant Line Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
48	Crossroads Dr	11th St	Schulte Rd	4-Lane Divided Arterial	Partially Completed	1,500	LF	$2,850,000	$3,847,500	$271,591	$3,575,909
49	Corral Hollow Rd	Larch Rd	Auto Plaza Dr	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
50	Corral Hollow Rd	Auto Plaza Dr	Grant Line Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
51	Corral Hollow Rd	Grant Line Rd	11th St	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
52	Corral Hollow Rd	11th St	Schulte Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
53	Corral Hollow Rd	Schulte Rd	Valpico Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	4,000	LF	$10,000,000	$13,500,000	$777,625	$12,722,375
54	Corral Hollow Rd	Valpico Rd	Samuel James Wy	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	800	LF	$2,000,000	$2,700,000	$280,842	$2,419,158
55	Corral Hollow Rd	Samual James Wy	Ellis Town Dr/Peony Dr	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	500	LF	$1,250,000	$1,687,500	$175,526	$1,511,974
56	Corral Hollow Rd	Ellis Town Dr/Peony Dr	Summit Dr/Middlefield Dr	Widen 2- to 4-Lane Major Arterial (curb-curb)	Completed	1,000	LF	$0	$0	$270,865	-$270,865
57	Corral Hollow Rd	Summit Dr/Middlefield	Linne Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Partially Completed	300	LF	$212,500	$286,875	$81,260	$205,615
58	Corral Hollow Rd	Linne Rd	North Tracy Hills Dr	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	4,000	LF	$10,000,000	$13,500,000	$771,416	$12,728,584
59	Corral Hollow Rd	North Tracy Hills Dr	Tracy Hills Dr	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	2,400	LF	$6,000,000	$8,100,000	$462,850	$7,637,150
60	Corral Hollow Rd	Tracy Hills Dr	I-580 WB	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	1,000	LF	$2,500,000	$3,375,000	$192,854	$3,182,146
61	Corral Hollow Rd	I-580 WB	I-580 EB	N/A - Interchange Project	Planned	N/A	LF	$0	$0	$0	$0
62	Corral Hollow Rd	I-580 EB	Lammers Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	1,400	LF	$3,500,000	$4,725,000	$0	$4,725,000
63	Corral Hollow Rd	Lammers Rd	City Limits	Widen 2- to 2-Lane Divided Arterial (curb-curb)	Planned	2,000	LF	$3,800,000	$5,130,000	$0	$5,130,000
64	Tracy Blvd	Larch Rd	I-205 WB	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
65	Tracy Blvd	I-205 WB	I-205 EB	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0

Table 3-4 Continued: Traffic Roadway Improvements

Seg. #	Street	From	To	Improvement Description	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
66	Tracy Blvd	I-205 EB	Grant Line Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
67	Tracy Blvd	Grant Line Rd	11th St	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
68	Tracy Blvd	11th St	6th St	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
69	Tracy Blvd	6th St	Mt Diablo Ave	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
70	Tracy Blvd	Mt Diablo Ave	Schulte Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
71	Tracy Blvd	Schulte Rd	Central Ave	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
72	Tracy Blvd	Central Ave	Valpico Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
73	Tracy Blvd	Valpico Rd	Whispering Wind Dr	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
74	Tracy Blvd	Whispering Wind Dr	ACE Station	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
75	Tracy Blvd	ACE Station	Linne Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
76	Holly Dr	11th St	Schulte Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
77	MacArthur Dr	Arbor Ave	I-205 WB	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
78	MacArthur Dr	I-205 WB	I-205 EB	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
79	MacArthur Dr	I-205 EB	Pescadero Ave	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
80	MacArthur Dr	Pescadero Ave	Grant Line Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
81	MacArthur Dr	Grant Line Rd	11th St	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
82	MacArthur Dr	11th St	Mt Diablo Ave	4-Lane Divided Arterial	Planned	4,700	LF	$8,930,000	$12,055,500	$1,187,215	$10,868,285
83	MacArthur Dr	Mt Diablo Ave	Schulte Rd	4-Lane Divided Arterial	Planned	1,300	LF	$2,470,000	$3,334,500	$328,379	$3,006,121
84	MacArthur Dr	Schulte Rd	Valpico Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Completed	2,800	LF	$0	$0	$269,460	($269,460)
85	Chrisman Rd	Paradise Rd	Pescadero Ave	6-Lane Major Arterial (curb-curb)	Planned	1,300	LF	$4,680,000	$6,318,000	$733,756	$5,584,244
86	Chrisman Rd	Pescadero Ave	Grant Line Rd	4-Lane Major Arterial (curb-curb)	Planned	2,200	LF	$6,600,000	$8,910,000	$1,241,741	$7,668,259
87	Chrisman Rd	Grant Line Rd	11th St	Widen 2- to 4-Lane Major Arterial (curb-curb)	Partially Completed	2,800	LF	$7,130,000	$9,625,500	$0	$9,625,500
88	Chrisman Rd	11th St	Schulte Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	4,800	LF	$12,000,000	$16,200,000	$0	$16,200,000
89	Chrisman Rd	Schulte Rd	Valpico Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	3,800	LF	$9,500,000	$12,825,000	$0	$12,825,000
90	Paradise Rd	Arbor Ave	I-205 WB	Widen 2- to 6-Lane Major Arterial (curb-curb)	Planned	800	LF	$2,480,000	$3,348,000	$0	$3,348,000
91	Paradise Rd	I-205 WB	I-205 EB	N/A - Interchange Project	Planned	1	EA	$0	$0	$0	$0
92	Paradise Rd	I-205 EB	Paradise Rd	8-Lane Major Arterial	Planned	700	LF	$2,310,000	$3,118,500	$395,099	$2,723,401
93	Paradise Rd	Paradise Rd	Pescadero Ave	6-Lane Major Arterial	Partially Completed	1,300	LF	$2,400,000	$3,240,000	$733,756	$2,506,244
94	Arbor Ave	City Limits	City Limits	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
95	Larch Rd	City Limits	City Limits	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
96	Auto Plaza Dr	Power Rd	Naglee Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
97	Auto Plaza Dr	Naglee Rd	Corral Hollow Rd	2-Lane Divided Arterial	Planned	2,100	LF	$5,040,000	$6,804,000	$0	$6,804,000

Table 3-4 Continued: Traffic Roadway Improvements

Seg. #	Street	From	To	Improvement Description	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
98a	Grant Line Rd (Interim)	Byron Rd	Lammers Rd	Widen 2- to 4- Divided Arterial	Partially Completed	900	LF	$1,260,000	$1,701,000	$269,289	$1,431,711
98b	Grant Line Rd	Pavilion Pkwy	Lammers Rd	4-Lane Divided Arterial	Planned	3,300	LF	$6,270,000	$8,464,500	$185,349	$8,279,151
99	Grant Line Rd	Lammers Rd	Naglee Rd/I-205 WB	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
100	Grant Line Rd	Naglee Rd/I-205 WB	I-205 EB	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
101	Grant Line Rd	I-205 EB	Corral Hollow Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
102	Grant Line Rd	Corral Hollow Rd	Tracy Blvd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
103	Grant Line Rd	Tracy Blvd	MacArthur Dr	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
104	Grant Line Rd	MacArthur Dr	Chrisman Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
105	Grant Line Rd	Chrisman Rd	Paradise Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
106	Grant Line Rd	Paradise Rd	City Limits	Widen 2- to 4-Lane Divided Arterial	Partially Completed	800	LF	$700,000	$945,000	$0	$945,000
107	Byron Rd	Pavilion Pkwy	Lammers Extn	N/A - No Existing Street Widening	Existing	600	LF	$0	$0	$0	$0
108	Byron Rd	Lammers Extn	Existing Byron Rd	N/A - No Existing Street Widening	Existing	1,900	LF	$0	$0	$0	$0
109	Von Sosten Rd	Pavilion Pkwy	Lammers Extn	2-Lane Divided Arterial	Planned	1,300	LF	$3,120,000	$4,212,000	$0	$4,212,000
110	Von Sosten Rd	Lammers Extn	Existing Byron Rd	2-Lane Divided Arterial	Planned	1,800	LF	$4,320,000	$5,832,000	$0	$5,832,000
111	11th St	City Limits	City Limits	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
112	Commerce Wy	Pavilion Pkwy	New Street	4-Lane Major Arterial	Planned	1,300	LF	$2,600,000	$3,510,000	$0	$3,510,000
113	Commerce Wy	New Street	Lammers Extn	4-Lane Major Arterial	Planned	1,000	LF	$2,000,000	$2,700,000	$0	$2,700,000
114	Capital Parks Dr	International Pkwy	Hansen Rd	4-Lane Divided Arterial	Planned	4,800	LF	$9,120,000	$12,312,000	$0	$12,312,000
115	Capital Parks Dr	Hansen Rd	Pavilion Pkwy	4-Lane Divided Arterial	Planned	4,800	LF	$9,120,000	$12,312,000	$0	$12,312,000
116	Capital Parks Dr	Pavilion Pkwy	Commerce Wy	4-Lane Divided Arterial	Planned	1,200	LF	$2,280,000	$3,078,000	$0	$3,078,000
117	Capital Parks Dr	Commerce Wy	Road M	4-Lane Divided Arterial	Planned	1,800	LF	$3,420,000	$4,617,000	$0	$4,617,000
118	Capital Parks Dr	Road M	Lammers Rd	6-Lane Divided Arterial	Planned	1,000	LF	$2,600,000	$3,510,000	$0	$3,510,000
119	Promontory Pkwy	Road H	Pavilion Pkwy	4-Lane Divided Arterial (curb-curb)	Planned	3,400	LF	$8,840,000	$11,934,000	$552,756	$11,381,244
120	Promontory Pkwy	Pavilion Pkwy	Lammers Rd	4-Lane Divided Arterial (curb-curb)	Planned	1,100	LF	$2,860,000	$3,861,000	$529,054	$3,331,946
121	Schulte Rd	Lammers Rd	Crossroads Dr	4-Lane Divided Arterial (curb-curb)	Planned	3,500	LF	$9,100,000	$12,285,000	$524,344	$11,760,656
122	Schulte Rd	Crossroads Dr	Mabel Josephine Dr	4-Lane Divided Arterial (curb-curb)	Planned	2,000	LF	$5,200,000	$7,020,000	$640,944	$6,379,056
123	Schulte Rd	Mabel Josephine Dr	Corral Hollow Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
124	Schulte Rd	Corral Hollow Rd	Tracy Blvd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
125	Schulte Rd	Tracy Blvd	Central Ave	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
126	Schulte Rd	Central Ave	MacArthur Dr	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
127	Schulte Rd	MacArthur Dr	Chrisman Rd	Widen 2- to 4-Lane Divided Arterial (curb-curb)	Planned	4,800	LF	$10,080,000	$13,608,000	$0	$13,608,000
128	Crossroads Dr	Lammers Rd	Schulte Rd	2-Lane Divided Arterial	Planned	4,000	LF	$9,600,000	$12,960,000	$0	$12,960,000
129	Old Schulte Rd	International Pkwy	Hansen Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Partially Completed	400	LF	$1,875,000	$2,531,250	$26,940	$2,504,310
130	Old Schulte Rd	Hansen Rd	Pavilion Pkwy	Widen 2- to 4-Lane Major Arterial (curb-curb)	Partially Completed	4,800	LF	$9,750,000	$13,162,500	$323,281	$12,839,219
131	Old Schulte Rd	Pavilion Pkwy	Lammers Rd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	N/A	LF	$12,000,000	$16,200,000	$0	$16,200,000

Table 3-4 Continued: Traffic Roadway Improvements

Seg. #	Street	From	To	Improvement Description	Status	Quantity		Estimated Construction Cost	CIP Cost [1]	Contributions from Other Fee Programs [2]	Fee Program Cost
132	Hansen Rd	Old Schulte Rd	Pavilion Pkwy	2-Lane Divided Arterial	Planned	6,400	LF	$15,360,000	$20,736,000	$0	$20,736,000
133	Hansen Rd	Pavilion Pkwy	Valpico Rd	2-Lane Divided Arterial	Planned	900	LF	$2,160,000	$2,916,000	$0	$2,916,000
134	Hansen Rd	Valpico Rd	Lammers Rd	2-Lane Divided Arterial	Planned	4,800	LF	$11,520,000	$15,552,000	$0	$15,552,000
135	Valpico Rd	Hansen Rd	Lammers Rd	2-Lane Divided Arterial	Planned	3,800	LF	$9,120,000	$12,312,000	$0	$12,312,000
136	Valpico Rd	Lammers Rd	Corral Hollow Rd	Widen 2- to 4-Lane Divided Arterial	Planned	6,300	LF	$8,820,000	$11,907,000	$1,008,606	$10,898,394
137	Valpico Rd	Corral Hollow Rd	Cagney Wy	Widen 2- to 4-Lane Divided Arterial (curb-curb)	Planned	2,500	LF	$5,250,000	$7,087,500	$178,072	$6,909,428
138	Valpico Rd	Cagney Wy	Tracy Blvd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
139	Valpico Rd	Tracy Blvd	Glenbriar Dr	Widen 2- to 4-Lane Divided Arterial	Partially Completed	2,700	LF	$3,780,000	$5,103,000	$6,731,943	($1,628,943)
140	Valpico Rd	Glenbriar Dr	MacArthur Dr	Widen 2- to 4-Lane Divided Arterial	Completed	3,500	LF	$0	$0	$59,116	($59,116)
141	Valpico Rd	MacArthur Dr	Chrisman Rd	N/A - No Existing Street Widening	Existing	N/A	LF	$0	$0	$0	$0
142	Samuel James Wy	Lammers Rd	Corral Hollow Rd	2-Lane Collector	Planned	6,300	LF	$10,080,000	$13,608,000	$0	$13,608,000
143	Linne Rd	Lammers Rd	North Tracy Hills Dr	4-Lane Major Arterial (curb-curb)	Planned	300	LF	$900,000	$1,215,000	$0	$1,215,000
144	Linne Rd	North Tracy Hills Dr	Corral Hollow Rd	4-Lane Major Arterial (curb-curb)	Planned	5,600	LF	$16,800,000	$22,680,000	$0	$22,680,000
145	Linne Rd	Corral Hollow Rd	Tracy Blvd	Widen 2- to 4-Lane Major Arterial (curb-curb)	Planned	4,800	LF	$12,000,000	$16,200,000	$0	$16,200,000
146	Linne Rd	Tracy Blvd	City Limits	2-Lane Divided Arterial (curb-curb)	Planned	3,400	LF	$8,160,000	$11,016,000	$0	$11,016,000
147	North Tracy Hills Dr	Linne Rd	Corral Hollow Rd	4-Lane Divided Arterial	Planned	6,400	LF	$12,160,000	$16,416,000	$0	$16,416,000
				Subtotal				**$445,227,500**	**$601,057,125**	**$20,581,640**	**$580,475,485**
				Non-Developable Frontage (20 Miles of estimated frontage)				$31,954,533	$43,138,620	$0	$43,138,620
				Temporary Sidewalk (1/3 of estimated sidewalk costs)				$19,333,500	$26,100,225	$0	$26,100,225
				Total (Rounded)				**$496,515,533**	**$670,295,970**	**$20,581,640**	**$649,714,330**

Source: Tracy Citywide Roadway & Transportation Master Plan Update, Prepared by Kimley Horn (August 2022, Revised Costs June 2023 (V5)).

Note: These improvements are identified using 2042 as the Horizon Year.

[1] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[2] Contributions from other Fee Programs include Ellis & Core Fees contributions. Core Fees contributions have been adjusted using June 2023 ENR index.

Table 3-5: Traffic Intelligent Transportation System Improvements

Imp. #	Improvement Type	Improvement Description	Quantity		Estimated Construction Cost	CIP Cost [1]
1	Fiber Optic Communication System Installation (Traffic Management Improvements Only)	Furnish and Install 3" Conduit	386,000	LF	$23,160,000	$31,266,000
2	Fiber Optic Communication System Installation (Traffic Management Improvements Only)	Furnish and Install Pull Boxes	1,544	EA	$3,088,000	$4,168,800
3	Fiber Optic Communication System Installation (Traffic Management Improvements Only)	Furnish and Install 144 Strand Singlemode Fiber Optic Cable	386,000	LF	$6,948,000	$9,379,800
4	Fiber Optic Communication System Installation (Traffic Management Improvements Only)	Signalized Intersection Upgrades (Includes Splice Vault/Enclosure/Communication Equipment/Controller & Cabinet Modifications)	109	EA	$4,687,000	$6,327,450
5	Fiber Optic Communication System Installation (Traffic Management Improvements Only)	Furnish and Install CCTV Camera System (includes CCTV Camera, Cables, Mounting and Video Encoder)	33	EA	$495,000	$668,250
6	Fiber Optic Communication System Installation (Traffic Management Improvements Only)	Furnish and Install DMS System (Including Display/Sign Structure/Pole/Foundation/Splice Vault/Cabinet/Communication Equipment). This TMP includes the use of DMS signs on trailers on an “as needed” basis. Future updates may reassess the use of standard DMS signs.	0	EA	$0	$0
7	Fiber Optic Communication System Installation (Traffic Management Improvements Only)	Furnish and Install Field Communication Hub (Including Splice Vault/Enclosure/Communication Equipment/Cabinet)	4	EA	$150,000	$202,500
8	Fiber Optic Communication System Installation (Public Works Department)	PUBLIC WORKS DEPARTMENT Furnish and Install Two (2) Workstations/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
9	Fiber Optic Communication System Installation (Water Department)	WATER TREATMENT PLANT Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
10	Fiber Optic Communication System Installation (Parks / Library)	TRACY SPORTS COMPLEX Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
11	Fiber Optic Communication System Installation (Parks / Library)	EL PESCADERO PARK Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
12	Fiber Optic Communication System Installation (Parks / Library)	TRACY BALL PARK Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
13	Fiber Optic Communication System Installation (Parks / Library)	POWERS PARK Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375

Table 3-5 Continued: Traffic Intelligent Transportation System Improvements

Imp. #	Improvement Type	Improvement Description	Quantity		Estimated Construction Cost	CIP Cost [1]
14	Fiber Optic Communication System Installation (Parks / Library)	LINCOLN PARK Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
15	Fiber Optic Communication System Installation (Parks / Library)	TRACY PUBLIC LIBRARY Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
16	Fiber Optic Communication System Installation (Fire Department / Station)	TRACY FIRE DEPARTMENT BUILDING Furnish and Install One (1) Workstation (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
17	Fiber Optic Communication System Installation (Fire Department / Station)	TRACY FIRE STATION NO. 1 Furnish and Install One (1) Workstation (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
18	Fiber Optic Communication System Installation (Fire Department / Station)	TRACY FIRE STATION NO. 6 Furnish and Install One (1) Workstation (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
19	Fiber Optic Communication System Installation (Fire Department / Station)	TRACY FIRE STATION NO. 7 Furnish and Install One (1) Workstation/Computer (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Communication Equipment/Equipment Rack/Ethernet Switch/Fiber Distribution Unit/Miscellaneous)	1	LS	$62,500	$84,375
20	City Hall - Traffic Management Center	TRAFFIC MANAGEMENT CENTER (TMC) Furnish and Install TMC (Including Fiber Optic Cable/Conduit/Spice Vault-Enclosure and Video Wall/Communication Equipment & Software/Furniture)	1	LS	$500,000	$675,000
21	Other Costs Associated with Intelligent Transportation System	Testing	1	LS	$62,500	$84,375
22	Other Costs Associated with Intelligent Transportation System	Training	1	LS	$25,000	$33,750
23	Other Costs Associated with Intelligent Transportation System	System Integration	1	LS	$62,500	$84,375
				Total	**$39,928,000**	**$53,902,800**

Source: Tracy Citywide Roadway & Transportation Master Plan Update, Prepared by Kimley Horn (August 2022, Revised Costs June 2023 (V5)).

Note: These improvements are identified using 2042 as the Horizon Year.

[1] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

FEE METHODOLOGY

The Traffic Fee uses the Planned Facilities Method to calculate the fee. The fees are based on new development's fair share of the facilities identified in the TMP. The fair share costs of the facilities are divided by the anticipated number of trips that will be generated by new development within the TIMP program area to calculate a cost per trip.

To calculate the total number of new trips attributable to new development through 2042, the growth projections, detailed within **Table 3-1,** are multiplied by the corresponding trip generation rates identified in the TMP. **Table 3-6** displays the Institute of Transportation Engineers (ITE) trip generation rates per dwelling unit and per employee identified in the TMP for the land use types within this fee program. The non-residential land use Traffic Fees are assessed per 1,000 building SF, not per employee, so a conversion was done using the employee density assumptions as detailed in Section 2 of this report. The non-residential per 1,000 building SF rate are calculated by multiplying the rounded employees per 1,000 building SF with the ITE trip rate per employee.

Table 3-6: ITE Trip Generation Rates

Residential	Unit	ITE Trip Rate
Single Family	Per Dwelling Unit	9.44
Multi-Family	Per Dwelling Unit	5.44
Non-Residential		
Office	Per Employee	3.28
Commercial[1]	Per Employee	9.67
Industrial	Per Employee	5.05
Non-Residential		
Office	Per 1,000 Bldg SF	9.84
Commercial[1]	Per 1,000 Bldg SF	19.33
Industrial	Per 1,000 Bldg SF	5.05

Source: Tracy Citywide Roadway & Transportation Master Plan Update, Prepared by Kimley Horn (August 2022, Revised Costs June 2023 (V5)).

[1] ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40%-60%. This study assumes a 40% trip reduction for commercial.

Residential trips are calculated by multiplying the anticipated growth in residential units (**Table 3-1)** by the corresponding Single Family and Multi-Family trip generation rates. Non-residential trips were calculated by multiplying the anticipated growth in 1,000 building SF (**Table 3-1)** with the corresponding trip generation rates. Commercial trips often coincide with other trips (i.e., Person A stops by the store on their way home from work, Person B stops by a restaurant after grocery shopping, etc.) The ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between forty to sixty percent (40-60%). This study assumes a forty percent (40%) trip reduction for commercial. **Table 3-7** shows the breakdown of the total trip calculation using the 2042 growth assumptions identified in **Table 3-1**.

Table 3-7: Total Additional Trip Generation (2042)

Residential	Additional Units	Trips Per Unit	Total Trips
Single Family	9,917	9.44	93,613
Multi-Family / High-Density	1,930	5.44	10,499
Non-Residential	**Additional 1,000 Bldg SF**	**Trips Per 1,000 Bldg SF**	**Total Trips**
Office	1,865	9.84	18,354
Commercial[1]	4,702	19.33	90,905
Industrial	43,871	5.05	221,547
Total Trips			**434,918**

[1] ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40-60%. This study assumes a 40% trip reduction for commercial.

The cost per trip is calculated by taking the total cost of the improvements identified in the TMP, subtracting the other anticipated funding sources, outstanding credits, Cordes Ranch deferred fees, and the current TIMP Traffic Fund Balance and then dividing by the trips generated by new development. This calculation is shown in **Table 3-8.**

Table 3-8: Cost per Trip

Description	Cost Estimate
Structures	$338,849,781
Intersections	$232,201,350
Roadways	$670,295,970
Intelligent Transportation System	$53,902,800
Total Cost of Improvements[1]	**$1,295,249,901**
Grant Administration[2]	$7,000,000
RTIF/Measure K Off-Set[3]	($234,423,000)
Grant Funding Offset[4]	($140,000,000)
Buildout Fair Share[5]	($161,285,397)
Gas Tax and SB1 Potential Funding[6]	($30,000,000)
Economic Incentive Reduction[7]	($23,973,829)
Contributions from Other Fee Programs	($47,244,727)
Costs Attributable to Fee Program	**$665,322,948**
Outstanding Credits[8]	($6,113,112)
Cordes Ranch Deferred Fees[9]	($4,193,521)
Cordes Ranch ROW Credits[10]	($499,348)
TIMP Traffic Fund Balance[11]	($24,598,338)
Remaining Cost to Fund	**$629,918,629**
Horizon Year (2042) Additional Trip Generation	**434,918**
Cost per Trip[12]	**$1,448**

1 Total includes funding from the Capital Improvement Program (CIP) and other funding sources.

2 Grant Administration is calculated at 5% of anticipated Grant Funding Off-Set.

3 Anticipated RTIF/Measure K Off-Set based upon SJCOG 2022 Proposed Project List up to 2042.

4 Anticipated Grant funding Off-Set based upon last 5 years of grant funding (~$35M/5 year).

5 Structure Facilities are based on the planned circulation system at Buildout conditions. Proportion of the Structures costs must be paid for by new development beyond the Horizon Year (47.11% based on the estimated additional trips at Buildout compared to the additional trips at Horizon Year).

6 On average the City collects approximately $3 million per year from Gas Taxes and SB1 funding. The City may prioritize funding certain TIMP Traffic facilities using these funding sources. This fee assumes the City will contribute half of the funding each year (2022-2042) at $1.5 million to TIMP Traffic Facilities.

7 Represents fees not collected between 2014 and 2023 due to fee reduction implemented at fee adoption.

8 Outstanding developer credits (as of 6/01/2023) for the construction of master plan projects. Credits are negative due to the fact that developer received and applied credits for facilities that are still included in the master plan. This includes Chrisman Rd (b/w Grant Line & Paradise) and Chrisman Rd (b/w Grant Line & 11th).

9 Cordes Ranch elected to defer payment of a portion of its fee for 600 acres and will pay it back with the development of the remaining 442 acres (DA Section 6.3(c) - September 2013). Does not include PM.

10 Represents Cordes Ranch outstanding ROW credits for the remaining acres under their Development Agreement (DA) area for the first 600 acres. ROW credits are based on the DA Section 6.3(b) (September 2013), Cordes Ranch agreed to dedicate all Master Plan infrastructure and improvement land ROW for ROW credits against their impact fees.

11 Fund Balance as of June 1, 2023.

12 Cost per Trip rounded to the nearest dollar.

The Traffic Fee per unit shown in **Table 3-9** is calculated using the cost per trip from **Table 3-8** multiplied by the trips per unit from **Table 3-6**.

Table 3-9: Traffic Fee per Unit

Land Use	Unit	Fee per Trip	ITE Trip Rate	Fee per Unit[2]
Residential				
Single Family Residential	Dwelling Units	$1,448	9.44	$13,669.12
Multi-Family Residential (Attached 2-4)	Dwelling Units	$1,448	5.44	$7,877.12
High Density Residential (Attached 4+)	Dwelling Units	$1,448	5.44	$7,877.12
Non-Residential				
Office	Per 1,000 Bldg SF	$1,448	9.84	$14,248
Commercial [1]	Per 1,000 Bldg SF	$1,448	19.33	$27,993
Industrial	Per 1,000 Bldg SF	$1,448	5.05	$7,312

[1] ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40-60%. This study assumes a 40% trip reduction for commercial.

[2] Residential fee rounded to nearest hundredth. Non-Residential fee rounded to the nearest dollar.

FEE SUMMARY

The Traffic Fee per square foot for residential is calculated by dividing the fee per unit identified in **Table 3-9** by the average unit size of planned new development in the City. **Table 3-10** shows the proposed new traffic fees for new development.

Table 3-10: Traffic Fee

Land Use	Fee per Unit	Average Size[1]	Traffic Fee[2]
Residential	*per DU*		*per SF*
Single Family Residential	$13,669.12	2,500	$5.47
Multi-Family Residential (Attached 2-4)	$7,877.12	1,500	$5.25
High Density Residential (Attached 4+)	$7,877.12	950	$8.29
Non-Residential	*per 1,000 Bldg SF*		*per 1,000 Bldg SF*
Office	$14,248	n/a	$14,248
Commercial	$27,993	n/a	$27,993
Industrial	$7,312	n/a	$7,312

[1] Average unit size based on the average house size of planned new development in the City of Tracy.

[2] Residential fee rounded to nearest hundredth. Non-Residential fee rounded to the nearest dollar.

REDUCED TRAFFIC FEE

Residential developments near transit stations generate fewer trips than traditional land use configurations that rely on vehicles as the primary mode of transportation. According to various transportation studies, measurable trip reductions result for projects that are near transit stations and where there are a diversity of land uses that promote connectivity and walkability. To account

for the reduced trip rates generated by projects meeting the above criteria, an additional trip adjustment factor is applied to new residential land uses meeting the following criteria:

1. The housing development is located within one-half mile of a transit station and there is direct access between the project and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
2. Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.
3. The housing development provides either the minimum number of parking spaces required by the local ordinance, or for residential units, no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

For purposes of this reduction, the definition of transit station shall be defined by California Government Code Section 65460.1, "Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station. Also, a "housing development" shall be defined by California Government Code Section 66005.1, which is a development project with common.

FEE COMPARISON

Table 3-11 compares the proposed fee for traffic facilities to the existing fees (as of July 1, 2023). Existing fees were converted from per dwelling unit to per square foot and per acre to per 1,000 building SF using the same assumptions in this study to provide a more accurate comparison. The increase in the Traffic Fee is due to various factors:

1. The estimated construction costs for facilities have increased to keep up with the rising cost of construction and new requirements related to the Senate Bill 743 mandate.
2. Land uses have been updated based on development trends and expected growth.
3. Traffic facilities have been updated based on the most recent traffic models.
4. Prior fees were calculated with the cost of transportation facilities spread over buildout development versus horizon year development as an economic incentive reduction. The resulting amount not collected between 2014 and 2023 due to the reduction in fees is removed from the updated Traffic Fee to ensure that new development does not absorb this cost.

Table 3-11: Traffic Fee Comparison

Land Use	Proposed Traffic Fee	Existing Traffic Fee [1,2]	Percent Change
Residential (per SF)			
Single Family Residential	$5.47	$2.82	94%
Multi-Family Residential (Attached 2-4)	$5.25	$2.87	83%
High Density Residential (Attached 4+)	$8.29	$4.53	83%
Non-Residential (per 1,000 Bldg SF)			
Office	$14,248.00	$8,760.87	63%
Commercial	$27,993.00	$16,475.28	70%
Industrial	$7,312.00	$4,508.81	62%

[1] Floor Area Ratios used to convert Existing Fee per Acre to per KSF: Office (0.45), Commercial (0.3), and Industrial (0.5). Rounded to nearest dollar.

[2] Program Management (5%) removed from Construction Cost of Existing Fee for an accurate comparison.

NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Traffic Fee is to fund traffic facilities included in the Citywide Roadway and Transportation Master Plan, prepared by Kimley-Horn and Associates (February 2023) to serve future development in the TIMP Fee program area. In order to accommodate this need, new facilities must be built and/or existing facilities expanded.

Requirement 2: Identify the use of the fee.

The fee will be used to fund the traffic facilities identified in **Table 3-2, Table 3-3, Table 3-4,** and **Table 3-5**. The improvements were identified through the Citywide Roadway and Transportation Master Plan, prepared by Kimley-Horn and Associates (February 2023), as the facilities that are required to mitigate the impact of new development in the TIMP Fee program area.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Traffic Fees will be used to fund the new traffic facilities and improvements that are necessary to serve the increase in traffic due to new development in the TIMP fee program area of the City. The cost of the traffic improvements is spread to each land use based on the number of trips generated by each land use, identified in **Table 3-6**. This correlation to trips ensures that each new development pays their fair share of the traffic costs. The cost per trip calculations is shown in

Table 3-8 using the estimated trip generation count at Horizon Year calculated in **Table 3-7**. The fee calculations are shown in **Table 3-9** and **Table 3-10**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new residential and non-residential development within the City will generate additional trips that incrementally adds to the need for new traffic infrastructure and facilities to serve the increased residents and businesses within the City and ensure that traffic facilities can accommodate the increased demand. These facilities are identified in the Citywide Roadway and Transportation Master Plan, prepared by Kimley-Horn and Associates (February 2023). Each new residential and non-residential development pays an impact fee based on the additional trips that is expected to be generated by the new development. This calculation is shown in **Table 3-9** and **Table 3-10**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The traffic facilities that are necessary for new development are summarized in **Table 3-2, Table 3-3, Table 3-4,** and **Table 3-5**. Each land use pays their fair share of costs based on the number of trips generated by that land use as shown in **Table 3-6**. Other funding sources, deferred fees, credits, and future user contributions past 2042 are subtracted out from the total costs of Traffic Facilities identified in the TMP, as shown in **Table 3-8**, to ensure that each land use only pays their fair share of the traffic improvements based on the trips generated by that land use. The traffic fee calculation is shown in **Table 3-9** and **Table 3-10**.

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Section 4 WATER SYSTEM

BACKGROUND

The TIMP Fee program area will pay a water impact fee at building permit issuance for water projects described in this section. As the resident and worker population in the City increases, there exists a correlating rise in the demand for water services to support the increased demand on the City's water system. The Water Fee is calculated based on the water project costs, demand factors, and fair shares identified in the Tracy *Citywide Water System Master Plan Update*, prepared by West Yost Associates (May 2023). There are three separate components that make up the Water Fee: Water Distribution, Water Supply, and Water Treatment.

Water Distribution

Figure B-1 and **Figure B-2** in **Appendix B** show the year 2040 and Buildout improvements necessary to support the City's projected future potable water demands. Recommended improvements are based on evaluations of the existing and future potable water system's treatment, storage and pumping capacities and ability to meet recommended performance and operational criteria under maximum day demand plus fire flow and peak hour demand scenarios. The facilities in the fee program do not include required on-site infrastructure.

Water Supply

The City has a projected potable water supply production requirement of 33,500 af/yr at Buildout of the City's General Plan. The City will need to develop future water supplies to meet these projected future demands. This will include expansion of its Aquifer Storage and Recovery (ASR) Program (up to 1,000 af/yr) and implementation of a proposed Recycled Water Exchange Program (up to 7,500 af/yr) to meet its projected future potable water demands. Furthermore, 6,300 af/yr of recycled water will be needed to meet landscape irrigation demands at Buildout.

The City's participation in the Phase 2 Los Vaqueros Reservoir Expansion Project would increase the City's water supply reliability by providing storage of supplies for use in dry years. The estimated cost for 5,000 acre-feet of storage for the City is approximately $10 million plus an additional $1.5 million for implementation and will be shared by existing rate payers and new development. The City's participation in the B.F. Sisk Dam Raise & Reservoir Expansion Project would also increase the City's water supply reliability by providing an additional 5,000 acre-feet of storage. The estimated cost for this project is approximately $38 million and will be shared by existing rate payers and new development. Since both the Phase 2 Los Vaqueros Reservoir Expansion Project and the B.F. Sisk Dam Raise & Reservoir Expansion Project will provide water supply reliability to all of the City's water customers, costs are allocated proportionately to existing users and future users (using the ratio of the existing water demand to the future water demand).

Per the demand split at Buildout, 33% would be allocated to existing rate payers, and 67% would be allocated to future development.

To ensure water supply demands of the City could be met, the City purchased Water Supply from other water sources. In 2004, the United States Bureau of Reclamation (USBR) approved the assignment of 5,000 af/yr of Ag-reliability Central Valley Project (CVP) contract entitlement to the City from the Banta-Carbona Irrigation District (BCID). Also in 2004, the USBR approved the assignment of an additional 2,500 af/yr of Ag-reliability CVP contract entitlement water to the City from the West Side Irrigation District (WSID) with the option to purchase an additional 2,500 af/yr of CVP contract entitlement from the WSID. The purchase of the additional 2,500 af/yr was approved in December 2013, increasing the City's assignment of WSID water to 5,000 af/yr. The costs of these Water Supply Buy-In contracts are shared between existing and future users.

Water Treatment - John Jones Water Treatment Plant (JJWTP) Expansion

A future 10 million gallons per day (mgd) expansion of the JJWTP (for a total treatment capacity of 40 mgd) is recommended to provide the City with additional water treatment capacity, as well as operational flexibility and reliability. The expansion would also include a new administration/ maintenance building to accommodate future staffing needs and maintenance activities.

New development is also responsible to fund a portion of the $45 million capacity increasing measures completed in 2008 when the JJWTP was expanded by 15 mgd. Of the 15 mgd, 9 mgd was available to future users, therefore future users fair share is $27 million.

SERVICE POPULATION

The Water System Master Plan is intended to serve as a guiding document for the planning and implementation of water system improvements to accommodate future growth for Buildout. In calculating the service demand for new growth, land uses were assigned a water demand factor identified by the Water Master Plan update. Due to pre-existing development agreements and planning, not all new development within the TIMP program area will pay all three components of the Water Fee.

The Tracy Hills development is excluded from the Water Distribution Fee as they are building their own potable water system that is detached from the rest of the City and will be responsible for funding those facilities separately.

The Tracy Hills areas that receive water from the Byron Bethany Irrigation District ("BBID") are excluded from the Water Supply Fee as they have secured their own water supply source. The Developer has worked directly with BBID on funding improvements needed. Only a "Sub Area" of the Developer Phases in Tracy Hills will be responsible to pay the Water Fee. This "Sub Area" from the Tracy Hills FIP is shown in **Figure B-3** in **Appendix B**.

All new development in the TIMP Program Area will pay the Water Treatment Fee.

COST SUMMARY

The water facilities to be funded in the fee program are taken from the Tracy *Citywide Water System Master Plan Update* (Water Master Plan). The costs in the Water Master Plan were provided in 2020 dollars. The costs are escalated to 2023 dollars using the ENR CCI for San Francisco from November 2020 to June 2023 for the purpose of the Nexus Study.

Table 4-1 shows the water distribution facilities that are funded through the Water Distribution Fee. These facilities are shown on **Figure B-1** and **Figure B-2** in **Appendix B.**

Table 4-2 and **Table 4-3** show the water supply projects that are to be funded through the Water Supply Fee. **Figure B-1** and **Figure B-2** in **Appendix B** show the location of proposed water supply facilities.

Table 4-4 shows the water treatment projects that are to be funded through the Water Treatment Fee.

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Table 4-1: Water Distribution Facilities Summary

Improvement Type	Improvement Description	Construction Timeframe	CIP ID	Quantity		Estimated Construction Cost ($2020)[1]	Estimated Construction Cost ($2023)[2]	CIP Cost ($2023)[3,4]
Pipeline Improvement	Replace existing 12-inch diameter pipeline crossing railroad track with 18-inch diameter pipe. Replace existing 12-inch diameter pipelines in Sixth Street, Tracy Boulevard, and Eleventh Street with 24-inch diameter pipe.	2025	NCIP-PI-1	1,389	L.F.	$627,574	$732,180	$988,000
Jack and Bore Improvement	18-inch diameter (24-inch casing)	2025	NCIP-PI-2	159	L.F.	$109,451	$127,695	$172,000
New Pipeline (Developed Area)	12-inch diameter	2025	NCIP-PD-12	2,013	L.F.	$523,453	$610,703	$824,000
New Pipeline (Developed Area)	16-inch diameter	2025	NCIP-PD-16	1,051	L.F.	$351,924	$410,584	$554,000
New Pipeline (Developed Area)	20-inch diameter	2025	NCIP-PD-20	609	L.F.	$243,594	$284,197	$384,000
New Pipeline (Developed Area)	24-inch diameter	2025	NCIP-PD-24	3,426	L.F.	$1,593,146	$1,858,695	$2,509,000
New Pipeline (Undeveloped Area)	12-inch diameter	2025	NCIP-PU-12	18,666	L.F.	$4,199,794	$4,899,826	$6,615,000
New Pipeline (Undeveloped Area)	16-inch diameter	2025	NCIP-PU-16	9,270	L.F.	$2,642,003	$3,082,378	$4,161,000
New Pipeline (Undeveloped Area)[5]	20-inch diameter	2025	NCIP-PU-20	3,024	L.F.	$1,656,156	$1,932,208	$2,608,000
Jack and Bore	Boring and receiving Pits	2025	NCIP-JB-PIT	5	EACH	$200,000	$233,336	$315,000
Jack and Bore	16-inch diameter (24-inch casing)	2025	NCIP-JB-16	374	L.F.	$258,046	$301,058	$406,000
Jack and Bore	24-inch diameter (36-inch casing)	2025	NCIP-JB-24	677	L.F.	$673,911	$786,240	$1,061,000
Interconnection	PRV at Schulte Road & Bud Lyons Way	2025	NCIP-PRV-1	1	L.S.	$125,000	$145,835	$197,000
Interconnection	PRV at Schulte Road & Pavilion Pkwy	2025	NCIP-PRV-2	1	L.S.	$125,000	$145,835	$197,000
Land Acquisition[6]	Tank Sites	Buildout	BCIP-LA-T	1	SITE	$285,000	$375,000	$375,000
Storage Reservoir[7]	1.0 MG Clearwell No. 3 at JJWTP	Buildout	BCIP-T-CW3	1	L.S.	$3,008,250	$3,509,672	$4,738,000
Storage Reservoir[7]	1.0 MG Westside Tank	Buildout	BCIP-T-WS	1	L.S.	$3,008,250	$3,509,672	$4,738,000
Booster Pump Station[8]	2.16 mgd at Zone 3 Clearwell (JJWTP)	Buildout	BCIP-PS-Z3	1	L.S.	$1,554,755	$1,813,905	$2,449,000
Booster Pump Station[8]	6.48 mgd at Westside Zone 1 Tank	Buildout	BCIP-PS-WSZ1	1	L.S.	$2,263,735	$2,641,060	$3,565,000
Booster Pump Station[8]	3.46 mgd at Westside Zone 2 Tank	Buildout	BCIP-PS-WSZ2	1	L.S.	$1,767,450	$2,062,053	$2,784,000
New Pipeline (Developed Area)	8-inch diameter	Buildout	BCIP-PD-8	11	L.F.	$2,090	$2,438	$3,000
New Pipeline (Developed Area)	16-inch diameter	Buildout	BCIP-PD-16	11,349	L.F.	$3,801,881	$4,435,587	$5,988,000
New Pipeline (Developed Area)	20-inch diameter	Buildout	BCIP-PD-20	1,132	L.F.	$452,853	$528,336	$713,000
New Pipeline (Undeveloped Area)	12-inch diameter	Buildout	BCIP-PU-12	84,957	L.F.	$19,115,431	$22,301,636	$30,107,000
New Pipeline (Undeveloped Area)	16-inch diameter	Buildout	BCIP-PU-16	27,691	L.F.	$7,891,999	$9,207,456	$12,430,000
New Pipeline (Undeveloped Area)	20-inch diameter	Buildout	BCIP-PU-20	6,148	L.F.	$2,090,151	$2,438,542	$3,292,000
Jack and Bore	Boring and receiving Pits	Buildout	BCIP-JB-PIT	11	EACH	$440,000	$513,340	$693,000
Jack and Bore	12-inch diameter (21-inch casing)	Buildout	BCIP-JB-12	1,489	L.F.	$885,921	$1,033,588	$1,395,000
Jack and Bore	16-inch diameter (24-inch casing)	Buildout	BCIP-JB-16	1,257	L.F.	$867,182	$1,011,726	$1,366,000
Interconnection	Westside PRS (12-inch)	Buildout	BCIP-PRS-WS	1	L.S.	$250,000	$291,671	$394,000
Interconnection	Avenues PRV (12-inch)	Buildout	BCIP-PRV-AV	1	L.S.	$125,000	$145,835	$197,000
Interconnection[9]	Plan C PRVs (8-inch to 12-inch)	Buildout	BCIP-PRV-C	6	VALVES	$0	$0	$0

Table 4-1 Continued: Water Distribution Facilities Summary

Improvement Type	Improvement Description	Construction Timeframe	CIP ID	Quantity		Estimated Construction Cost ($2020)[1]	Estimated Construction Cost ($2023)[2]	CIP Cost ($2023)[3,4]
SCADA	Pressure Regulating Station No. 1	Buildout	BCIP-S-1	1	L.S.	$125,000	$145,835	$197,000
SCADA	Pressure Regulating Station No. 2	Buildout	BCIP-S-2	1	L.S.	$125,000	$145,835	$197,000
SCADA	Pressure Regulating Station No. 3	Buildout	BCIP-S-3	1	L.S.	$125,000	$145,835	$197,000
SCADA	Pressure Regulating Station No. 4	Buildout	BCIP-S-4	1	L.S.	$125,000	$145,835	$197,000
SCADA	Pressure Regulating Station No. 5	Buildout	BCIP-S-5	1	L.S.	$125,000	$145,835	$197,000
SCADA	Pressure Regulating Station No. 6	Buildout	BCIP-S-6	1	L.S.	$125,000	$145,835	$197,000
Water Master Plan Updates[10]	Future updates to Water Master Plan	Buildout	BCIP-WMP	3	EACH	-	$1,000,000	$1,000,000
					Total	**$61,889,000**	**$73,247,300**	**$98,400,000**

Source: Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Costs shown are from Water Master Plan and presented in 2020 dollars.

[2] Estimated construction costs escalated to 2023 dollars by Engineering News Record San Francisco Construction Cost Index, November 2020 to June 2023.

[3] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[4] Total rounded to nearest $1,000.

[5] Ellis completed the 20-inch diameter pipe that goes through the Ellis development to Lammers Road, as such the 4,951 LF has been removed from the cost.

[6] Assumes each tank site is 1.5 acres. Cost includes Westside Tank site.

[7] Recommended volume based on active volume. Cost assumes the construction of a partially buried pre-stressed concrete tank.

[8] Recommended capacity based on firm pumping capacity.

[9] The Plan C PRV is needed to resolve an existing pressure issue and the issue is not caused by future development and therefore the cost is excluded.

[10] Three updates assumed at $500,000 per update. Costs split two-thirds to the potable water system and one-third to the recycled water system.

Table 4-2: Water Supply Facilities Summary

Improvement Type	Improvement Description	Construction Timeframe	CIP ID	Quantity	Estimated Construction Cost ($2020)[1]	Estimated Construction Cost ($2023)[2]	CIP Cost ($2023)[3,4]	Attributable to New Development	Future User Cost
Groundwater Wells	Equip Lincoln Well, Park & Ride Well, Ball Park Well and Lewis Manor Well with ammonia addition	2025	NCIP-GW-1	1 L.S.	$1,500,000	$1,750,024	$2,363,000	100%	$2,363,000
ASR Expansion Study	Evaluate future ASR well sites and operation scenarios	2025	NCIP-ASR	1 L.S.	-	$350,000	$350,000	100%	$350,000
Land Acquisition[5]	ASR Well Sites	Buildout	BCIP-LA-W	4 SITES	$190,000	$250,000	$250,000	100%	$250,000
Groundwater Well	2,500 gpm ASR Well in Westside	Buildout	BCIP-W-WS	1 L.S.	$3,900,000	$4,550,061	$6,143,000	100%	$6,143,000
Groundwater Well	2,500 gpm ASR Well in Wainwright	Buildout	BCIP-W-WA	1 L.S.	$3,900,000	$4,550,061	$6,143,000	100%	$6,143,000
Groundwater Well	2,500 gpm ASR Well in Larsen Park	Buildout	BCIP-W-LP	1 L.S.	$3,900,000	$4,550,061	$6,143,000	100%	$6,143,000
Groundwater Well	1,000 gpm ASR Well in Ellis	Buildout	BCIP-W-EL	1 L.S.	$2,500,000	$2,916,706	$3,938,000	100%	$3,938,000
SCADA	Well No. 8	Buildout	BCIP-S-W8	1 L.S.	$125,000	$145,835	$197,000	100%	$197,000
Los Vaqueros Reservoir Participation (2021)[6,7]	5,000 acre-feet of storage for dry year use	Buildout	BCIP-LVE	1 L.S.	$11,500,000	$11,500,000	$11,500,000	67%	$7,705,000
B.F. Sisk Dam Raise & Reservoir Expansion Project[7]	5,000 acre-feet of storage for dry year use	Buildout	BCIP-SISK	1 L.S.	$38,000,000	$38,000,000	$38,000,000	67%	$25,460,000
			Total		**$16,015,000**	**$19,062,748**	**$75,027,000**		**$58,692,000**

Source: Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Costs shown are from Water Master Plan and presented in 2020 dollars.

[2] Estimated construction costs escalated to 2023 dollars by Engineering News Record San Francisco Construction Cost Index, November 2020 to June 2023.

[3] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[4] Total rounded to nearest $1,000.

[5] Assume each ASR well site is 0.25 acres. Cost includes Westside, Wainwright, Larsen Park, and Ellis ASR Well sites.

[6] From the City of Tracy Los Vaqueros Reservoir Participation Agenda Item 1. B (October 5, 2021). The estimated maximum cost of $10 million was increased by 15 percent per the City to cover associated costs.

[7] Per West Yost Associates, participation in these projects should be shared between existing and future users based on existing potential water shortage versus future water shortage.

Table 4-3: Water Supply Buy-In Facilities Summary

Supply Source	Assignment (af/yr)	Normal Year Availability (af/yr) (Reliability,%)		Dry Year Availability (af/yr) (Reliability,%)		Cost (Principal and Estimated Interest Payments)
WSID Assignment (2004)[1]	2,500	1,250	50%	375	15%	$3,062,500
WSID Assignment (2014)[2]	2,500	1,250	50%	375	15%	$3,625,000
BCID Assignment (2004)[3]	5,000	2,500	50%	750	15%	$6,670,000
Semitropic[4]	-	-	-	3,500	100%	$5,506,691
Total	**10,000**	**5,000**		**5,000**		**$18,864,191**
Existing Users Share[5]						($6,036,541)
Fee Program Funding						**$12,827,650**

Source: Tracy Citywide Water System Master Plan – Tier 1 Development Impact Fee Analysis for the Backbone Buildout Potable and Recycled Water Systems, prepared by West Yost (August 28, 2013), City of Tracy Los Vaqueros Reservoir Participation Agenda Item 1. B (October 5, 2021), and Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Cost was $1,000/af ($2,500,000); City paid in several installments and paid 5% interest on unpaid balance ($125,000 in interest payments for 10 years).

[2] Cost is $1,000/af ($2,500,000) with 5% interest on unpaid balance.

[3] Cost was $1,000/af ($5,000,000); City obtained a 5-year loan from BCID at 5% interest; at the end of five years, the loan was extended at an interest rate of 3%; after two more years, a principle payment of $2,000,000 was made; and $3,000,000 was paid in 2014.

[4] Purchase price was $5,506,691.

[5] Per City of Tracy Public Works Department. Represents the amount of WSID Assignments, BCID Assignment, and Semitropic Source allocated to exisiting users prior to the formation of the fee study per the 2013 West Yost Fee Technical Memo.

Table 4-4: Water Treatment Facilities Summary

Improvement Type	Estimated Construction Cost ($2020)[1]	Estimated Construction Cost ($2023)[2]	CIP Cost ($2023)[3,4]
Expand Water Treatment Plant (JJWTP) from 30 mgd to 40 mgd and new administration/maintenance building [4]	$52,000,000	$60,667,483	$81,901,000
Water Treatment Plant Expansion Cost (JJWTP) Buy-In [5]			$27,000,000
Total			**$108,901,000**

Source: Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Costs shown are from Water Master Plan and presented in 2020 dollars.

[2] Estimated construction costs escalated to 2022 dollars by Engineering News Record San Francisco Construction Cost Index, November 2020 to June 2023.

[3] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[4] A future additional 10 mgd expansion of the JJWTP (for a total treatment capacity of 40 mgd) is recommended to provide the City with additional water treatment capacity, as well as operational flexibility and reliability.

[5] In 2008 the JJWTP was expanded by 15 mgd to provide additional treatment capacity for future development. While some of this capacity is now utilized by the City's existing water users, it is estimated that 9 mgd of the expansion capacity is still available for future developments to use and represents the buy-in cost for the portion of the expanded capacity to be utilized by new developments (estimated to be 9 mgd). The cost of the 2008 expansion was $45 million, or $3 million per mgd of capacity. Therefore, the remaining JJWTP expansion cost to be allocated amongst future developments is $27 million for the 9mgd.

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FEE METHODOLOGY

The Water Fee uses the Planned Facilities methodology for calculating the fee. In order to distribute the share of the project costs to each land use type, the total water demand of new development must be calculated. The water demand factor for each land use is converted into an equivalent dwelling unit (EDU) factor, which is the estimated average water demand for each land use as compared to the average water demand of a single-family unit. This EDU factor is then multiplied by the residential units or the non-residential acreage to determine the total EDUs.

EDU calculations are created separately for each fee type as not all new developments pay all three components.

Table 4-5 shows the EDU calculation for the Water Distribution Fee. **Table 4-6** shows the EDU calculation for the Water Supply Fee. **Table 4-7** shows the EDU calculation for the Water Treatment Fee.

Table 4-5: Water Distribution Fee EDU Calculation

Land Use	Water Demand Factor	EDU Factor	Units/ Acres[3, 4]	Total EDUs
Residential [1]	*gpd/du*		*Units*	
Single Family Residential [2]	365	1.00	10,385	10,385
Multi-Family Residential (Attached 2-4)	300	0.82	881	722
High Density Residential (Attached 4+)	204	0.56	3,746	2,098
Subtotal Residential			**15,012**	**13,205**
Non-Residential [1]	*gpd/ac*		*Acres*	
Office	1,438	3.94	191	754
Commercial	1,635	4.48	898	4,024
Industrial	1,309	3.59	3,011	10,809
Subtotal Non-Residential			**4,100**	**15,587**
Total				**28,792**

Source: Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Includes exterior water use.

[2] Includes very low density and age restricted units.

[3] Tracy Hills is excluded from this fee as they are not part of the City Distribution System and will be responsible for their own facilities separately.

[4] Ellis units are not included as they will receive water credits.

Table 4-6: Water Supply Fee EDU Calculation

Land Use	Water Demand Factor	Water Demand Factor	EDU Factor	Units/ Acres[3, 4]	Total EDUs
Residential [1]	*gpd/du*	*gpd/du*		*Units*	
Single Family Residential [2]	365	365	1.00	11,976	11,976
Multi-Family Residential (Attached 2-4)	300	300	0.82	881	722
High Density Residential (Attached 4+)	204	204	0.56	3,746	2,098
Subtotal Residential				**16,603**	**14,796**
Non-Residential [1]	*af/ac/yr*	*gpd/ac*		*Acres*	
Office	1.56	1,438	3.94	191	754
Commercial	1.82	1,635	4.48	938	4,201
Industrial	1.39	1,309	3.59	3,281	11,779
Subtotal Non-Residential				**4,410**	**16,734**
Total					**31,530**

Source: Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Includes exterior water use.

[2] Includes very low density and age restricted units.

[3] Removes portion of Tracy Hills that is served by water from the Byron Bethany Irrigation District ("BBID") as they will not be subject to Water Supply Fees.

[4] Ellis units are not included as they will receive water credits.

Table 4-7: Water Treatment Fee EDU Calculation

Land Use	Water Demand Factor	Water Demand Factor	EDU Factor	Units/ Acres [3]	Total EDUs
Residential [1]	*gpd/du*	*gpd/du*		*Units*	
Single Family Residential [2]	365	365	1.00	16,225	16,225
Multi-Family Residential (Attached 2-4)	300	300	0.82	881	722
High Density Residential (Attached 4+)	204	204	0.56	3,871	2,168
Subtotal Residential				**20,977**	**19,115**
Non-Residential [1]	*af/ac/yr*	*gpd/ac*		*Acres*	
Office	1.56	1,438	3.94	253	995
Commercial	1.82	1,635	4.48	939	4,206
Industrial	1.39	1,309	3.59	3,319	11,915
Subtotal Non-Residential				**4,510**	**17,116**
Total					**36,231**

Source: Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Modified from Master Plan to include exterior water use.

[2] Includes very low density and age restricted units.

[3] Ellis units are not included as they will receive water credits.

The cost per EDU of each fee component is calculated by taking the Remaining Cost to Fund divided by the total EDUs within each fee component (**Table 4-5**, **Table 4-6,** and **Table 4-7)**. The Remaining Cost to Fund is the cost attributable to the fee program from the Water Master Plan, less the fund balance, plus any outstanding fee credits, and less the Cordes Ranch deferred fees and ROW credits. **Table 4-8** calculates the cost per EDU for each fee component.

Table 4-8: Water Cost per EDU Calculation

Fee	Cost Attributable to Fee Program	Fund Balance[1]	Outstanding Credits/ Reimb.[2]	Cordes Ranch Deferred Payment[3]	Cordes Ranch ROW Credits[4]	Remaining Cost to Fund	Total EDUs	Cost/ EDU[5]
Distribution[6]	$98,400,000	($9,098,123)	$15,114,379	($896,396)	($9,483)	$103,510,377	28,792	$3,595
Supply[7]	$71,519,650	($3,892,487)	$4,115,895	$0	$0	$71,743,058	31,530	$2,275
Treatment[8]	$108,901,000	($7,077,091)	$10,510	$0	$0	$101,834,419	36,231	$2,811
Total	**$278,820,650**	**($20,067,701)**	**$19,240,784**	**($896,396)**	**($9,483)**	**$277,087,854**		**$8,681**

[1] Fund balance provided by the City of Tracy (as of 06/01/2023). The fund balance was split proportional to the current fee split.

[2] Remaining credits due to developers as of 06/01/2023.

[3] Cordes Ranch Deferred fees per DA Section 6.3C (September 2013). Does not include PM.

[4] Represents Cordes Ranch outstanding ROW credits for the remaining acres under their Development Agreement (DA) area for the first 600 acres. ROW credits are based on the DA Section 6.3(b) (September 2013), Cordes Ranch agreed to dedicate all Master Plan infrastructure and improvement land ROW for ROW credits against their impact fees.

[5] Cost per EDU rounded to the nearest dollar.

[6] Tracy Hills Phases 1A, 1B, 2-4, and Hillview are not part of the City Distribution System and will not pay the Water Distribution Fee.

[7] Tracy Hills areas that receive BBID water are excluded from the calculation and will not pay Water Supply Fee.

[8] Treatment capacity is based on buildout EDUs.

FEE SUMMARY

The Water Fee is based on new development's fair share of the facilities identified in the Water Master Plan and buy-in to existing water supply and treatment facilities.

The Water Fee is converted into a fee per square foot for residential land uses by multiplying the cost per EDU times the EDU factor and then dividing by the average unit size of each land use in the City. The Water Fee is converted into a fee per 1,000 building SF for non-residential land uses by multiplying the cost per EDU times the EDU per acre factor and then multiplying by the floor area ratio conversion assumptions in this Nexus Study. **Table 4-9** summarizes the Water Fee for the three components.

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Table 4-9: Total Water Fee

Land Use	EDU Factor	Distribution Fee	Supply Fee	Treatment Fee	Total Fee	Average Size/ FAR Conversion [1]	Distribution Fee	Supply Fee	Treatment Fee	Total Fee
Residential [3]		*(per Unit)*					*(per SF)* [2]			
Single Family Residential	1.00	$3,595	$2,275	$2,811	**$8,681**	2,500	$1.44	$0.91	$1.12	**$3.47**
Multi-Family Residential (Attached 2-4)	0.82	$2,948	$1,866	$2,305	**$7,119**	1,500	$1.97	$1.24	$1.54	**$4.75**
High Density Residential (Attached 4+)	0.56	$2,013	$1,274	$1,574	**$4,861**	950	$2.12	$1.34	$1.66	**$5.12**
Non-Residential		*(per Acre)*					*(per 1,000 Bldg SF)* [2]			
Office	3.94	$14,164	$8,964	$11,075	**$34,203**	0.0510	$722	$457	$565	**$1,744**
Commercial	4.48	$16,106	$10,192	$12,593	**$38,891**	0.0765	$1,232	$780	$963	**$2,975**
Industrial	3.59	$12,906	$8,167	$10,091	**$31,164**	0.0459	$592	$375	$463	**$1,430**

[1] Average size based on the average unit size of planned new development in the City of Tracy. Floor Area Ratios used to convert EDU per Acre to per KSF: Office (0.45), Commercial (0.3), and Industrial (0.5).

[2] Residential fee rounded to nearest hundredth. Non-Residential fee rounded to the nearest dollar.

[3] The fee for residential will be applied to the livable square footage.

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FEE COMPARISON

Table 4-10 compares the proposed water fees to the existing water fees (as of July 1, 2023). The existing residential per unit fees were converted to fees per square foot using the same average unit sizes as the proposed fees. The existing non-residential fees were converted from a per acre fee to a per 1,000 building SF fee using the FAR assumptions in this Nexus Study. The reasons why the water distribution and water treatment components of the Water Fee is decreasing while the water supply portion increases (with the exception of the single family land use) as compared to existing fees are described in the Water Master Plan and below:

1. Reduction in Water Demands: Due to changes in water use trends and habits resulting from improved water use efficiency, water demand factors are lower for most land use categories.
2. Reduction in Maximum Day and Peak Hour Demand Factors: Due to changes in water use trends and habits from improved water use efficiency, maximum day and peak hour demand factors are lower.
3. Proposed Recycled Water Exchange Agreement: The City is evaluating the potential for indirect reuse of its available recycled water through an exchange agreement with the United States Bureau of Reclamation (USBR) whereby a portion of the City's tertiary-treated wastewater (recycled water) would be discharged to the Delta Mendota Canal (DMC) and a like amount of water (i.e., a one-to-one exchange) could then be diverted from the DMC by the City for treatment at the City's John Jones Water Treatment Plant (JJWTP) for potable use. Such supplies would be 100 percent reliable and would not be subject to drought cutbacks. With the potential reduction in reliability of the City's surface water supplies from the CVP and SSJID, this proposed recycled water exchange agreement will be a critical component of the City's future water supply portfolio.
4. Reduction in Emergency Storage Requirement: The 2012 Water Supply MP used an emergency storage volume requirement of two (2) times the average day demand. After reviewing emergency storage criteria for other similar water systems within the region, and taking into account the City's redundant sources of supply (CVP, SSJID, and groundwater), it was recommended that the City reduce the minimum quantity of emergency storage volume required to 1.5 times the average day demand for this Citywide Water System Master Plan Update
5. Completion of New Water System Facilities: Several new water system facilities have been recently completed which provide for added water system capabilities. These include the Cordes Ranch water storage tank and pump station, the Tracy Hills water storage tank and pump station, and new pump stations at the City's JJWTP to serve the City's Pressure Zone 3 and initial phases of the Tracy Hills development.

6. Shift in Supply Facilities: The wells and associated facilities were moved from the water distribution fee to the water supply fees, since wells are used to meet water supply.
7. Reduction in Water Treatment Plant Size: There was a reduction in the estimated size of the water treatment plant expansion due to the planned increase in groundwater pumping, thus reducing the estimated size and cost of expansion.

Table 4-10: Water Fee Comparison

Land Use	Water Distribution			Water Supply			Water Treatment			Total Water Fee		
	Proposed Fee	Existing Fee [1]	Percent Change	Proposed Fee	Existing Fee [1]	Percent Change	Proposed Fee	Existing Fee [1]	Percent Change	Proposed Fee	Existing Fee [1]	Percent Change
Residential (per SF)												
Single Family Residential	$1.44	$2.30	-37%	$0.91	$0.99	-8%	$1.12	$1.79	-38%	$3.47	$5.08	-32%
Multi-Family Residential (Attached 2-4)	$1.97	$2.76	-29%	$1.24	$1.18	5%	$1.54	$2.15	-28%	$4.75	$6.10	-22%
High Density Residential (Attached 4+)	$2.12	$3.09	-31%	$1.34	$1.32	1%	$1.66	$2.40	-31%	$5.12	$6.82	-25%
Non-Residential (per 1,000 Bldg SF)												
Office	$722.00	$916.47	-21%	$457.00	$392.22	17%	$565.00	$712.91	-21%	$1,744.00	$2,021.60	-14%
Commercial	$1,232.00	$1,833.01	-33%	$780.00	$784.61	-1%	$963.00	$1,425.77	-32%	$2,975.00	$4,043.39	-26%
Industrial	$592.00	$824.82	-28%	$375.00	$353.00	6%	$463.00	$641.62	-28%	$1,430.00	$1,819.44	-21%

[1] Program Management (5%) removed from Construction Cost of Existing Fee for an accurate comparison.

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NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Water Supply, Water Distribution and Water Treatment Fees (Water Fee) are to fund the facilities in each category that are necessary to provide water to future development in the TIMP Fee program area. To accommodate this increased demand, new facilities must be built and/or existing facilities expanded.

Requirement 2: Identify the use of the fee.

The Water Fee will be used to fund the water projects shown in **Table 4-1, Table 4-2, Table 4-3,** and **Table 4-4**. These water projects were identified in the *Tracy Citywide Water System Master Plan Update*, prepared by West Yost Associates (May 2023), as the facilities required to mitigate the impact of new development in the TIMP Fee program area of the City to ensure that the new development would have adequate water supply and pressure.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Water Fee will be used to fund the new water facilities and improvements that are necessary to serve the increase in water demand due to new development in the TIMP Fee program area of the City. The fee for each development project is calculated based on the estimated water use of each land use type. This correlation ensures that the fee is equal to the need generated by that specific land use. The EDU calculations based on the water demand factor for each land use are shown in **Table 4-5**, **Table 4-6,** and **Table 4-7.** The fee calculation is shown in **Table 4-8** and **Table 4-9**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

New development requires the addition of new or upsized water lines to serve the increased residents and businesses within the City and to ensure that the required water pressure can be met. In addition, new water supply must be secured to meet the water needs of the new development and this water must be treated. Each new residential and non-residential development pays an impact fee based on the amount of water it is expected to use. This calculation is shown in **Table 4-8** and **Table 4-9.**

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The water improvements required to serve new development are shown in **Table 4-1, Table 4-2, Table 4-3,** and **Table 4-4**. Service populations were identified for each fee category and EDUs were calculated based on the estimated daily demand for the various land uses in **Table 4-5**, **Table 4-6,** and **Table 4-7**. To ensure that each land use only pays their fair share of the water improvements based on their water usage, the existing fund balance, deferred fees and credits are subtracted out from the total costs of the water facilities attributable to new development as identified in the Water Master Plan, and shown in **Table 4-8**, to calculate costs per EDU for each fee component. The water fee calculation to spread the appropriate costs over the various land uses is shown in **Table 4-9** . The fee methodology ensures that each land use only pays for their fair share of the water improvements based on the amount of water required by that land use.

Section 5 RECYCLED WATER

BACKGROUND

This section presents an analysis of the City's Recycled Water Fee. The recycled water system will distribute treated wastewater to meet irrigation and other non-potable water demands in the TIMP program area to offset some existing potable water use. As new development occurs, there exists a correlating rise in the demand for recycled water infrastructure to support the increased water demand in the City. The TIMP Fee program area will pay a Recycled Water Fee at building permit issuance for recycled water projects described in this section. The Recycled Water fee is calculated based on the recycled water project costs identified in the *Tracy Citywide Water System Master Plan Update*, Prepared by West Yost Associates (May 2023).

The City's Water Master Plan outlines the City's goal to implement a Recycled Water Exchange Program to meet future potable water demands. This program would allow for indirect use of the City's recycled water through an exchange agreement with the USBR whereby a portion of the City's tertiary-treated wastewater (recycled water) would be discharged to the DMC and a like amount of water (i.e., a one-to-one exchange) could then be diverted from the DMC by the City for treatment at the City's JJWTP for potable use. This exchange agreement is an essential part of the City's projected future water supply portfolio.

SERVICE POPULATION

The Water System Master Plan is intended to serve as a guiding document for the planning and implementation of water system improvements to accommodate future growth for Buildout. Thus, demand for services and the associated facilities are based on the City's future service demand for recycled water at Buildout using the projections identified in **Table 2-1**. In calculating the service demand for new growth, land uses were assigned a water demand factor identified by the Water Master Plan update.

COST SUMMARY

The recycled water facilities to be funded in the fee program are from the *Tracy Citywide Water System Master Plan Update*, prepared by West Yost Associates (May 2023). The costs in the Water Master Plan were provided in 2020 dollars. The costs are escalated to 2023 dollars using the ENR CCI for San Francisco from November 2020 to June 2023 for the purpose of the Nexus Study.

Table 5-1 shows the recycled water projects that are to be funded through the Recycled Water Fee. These facilities are also shown on **Figure C-1** and **Figure C-2** in **Appendix C**.

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Table 5-1: Recycled Water Fee Distribution Facilities Summary

Improvement Type	Improvement Description	Timeframe	CIP ID	Quantity		Existing Quantity	Remaining Quantity	Unit Cost	Estimated Construction Cost (2020)[1]	Estimated Construction Cost (2023)[2]	CIP Cost ($2023)[3,4]
Booster Pump Station	2.45 mgd for Zone C	2025	NCIP-PS-C	1	L.S.	0	1	$1,441,820	$1,441,820	$1,682,146	$2,271,000
New Pipeline (Developed Area)	8-inch diameter	2025	NCIP-PD-8	4,962	lf	0	4,962	$175	$868,372	$1,013,114	$1,368,000
New Pipeline (Developed Area)	12-inch diameter	2025	NCIP-PD-12	3,055	lf	0	3,055	$255	$778,900	$908,729	$1,227,000
New Pipeline (Developed Area)	24-inch diameter	2025	NCIP-PD-24	131	lf	0	131	$465	$60,939	$71,096	$96,000
New Pipeline (Developed Area)	30-inch diameter	2025	NCIP-PD-30	3,218	lf	0	3,218	$565	$1,818,131	$2,121,181	$2,864,000
New DMC Pipeline (Developed Area) [5]	30-inch diameter	2025	NCIP-PD-DMC-30	16,883	lf	0	16,883	$565	$9,538,882	$11,128,846	$15,024,000
Jack and Bore	Boring and Receiving Pits	2025	NCIP-JB-PIT	2	each	0	2	$40,000	$80,000	$93,335	$126,000
Jack and Bore	8-inch diameter (16-inch casing)	2025	NCIP-JB-8	154	lf	0	154	$519	$79,907	$93,226	$126,000
Jack and Bore	30-inch diameter (42-inch casing)	2025	NCIP-JB-30	434	lf	0	434	$1,115	$483,956	$564,623	$762,000
Jack and Bore (DMC Pipeline)	Boring and Receiving Pits	2025	NCIP-JB-DMC-PIT	1	each	0	1	$40,000	$40,000	$46,667	$63,000
Jack and Bore (DMC Pipeline)	30-inch diameter (42-inch casing)	2025	NCIP-JB-DMC-30	178	lf	0	178	$1,115	$198,418	$231,491	$313,000
Land Acquisition[6]	Tank Sites	Buildout	BCIP-LA-T	1	sites	0	1		-	-	$375,000
Storage Reservoir[7]	5.7 MG Zone A Tank	Buildout	BCIP-T-A	1	L.S.	0	1	$5,809,500	$5,809,500	$6,777,841	$9,150,000
Storage Reservoir[7]	2.3 MG WWTP Diurnal Storage Tank	Buildout	BCIP-T-DS	1	L.S.	0	1	$4,262,640	$4,262,640	$4,973,147	$6,714,000
Booster Pump Station	5.00 mgd Zone A Expansion	Buildout	BCIP-PS-A	1	L.S.	0	1	$1,818,715	$1,818,715	$2,121,863	$2,865,000
Booster Pump Station	6.34 mgd for Zone F	Buildout	BCIP-PS-F	1	L.S.	0	1	$2,016,095	$2,016,095	$2,352,142	$3,175,000
Booster Pump Station	8.32 mgd for Zone B	Buildout	BCIP-PS-B	1	L.S.	0	1	$2,309,610	$2,309,610	$2,694,581	$3,638,000
Booster Pump Station	3.89 mgd for Zone D	Buildout	BCIP-PS-D	1	L.S.	0	1	$1,654,515	$1,654,515	$1,930,293	$2,606,000
Booster Pump Station	2.88 mgd for Zone E	Buildout	BCIP-PS-E	1	L.S.	0	1	$1,505,630	$1,505,630	$1,756,592	$2,371,000
New Pipeline (Developed Area)	16-inch diameter	Buildout	BCIP-PD-16	2,499	lf	0	2,499	$335	$837,072	$976,597	$1,318,000
New Pipeline (Developed Area)	24-inch diameter	Buildout	BCIP-PD-24	21,852	lf	0	21,852	$465	$10,161,175	$11,854,864	$16,004,000
New Pipeline (Undeveloped Area)[8]	12-inch diameter	Buildout	BCIP-PU-12	19,557	lf	7,804	11,753	$220	$2,585,792	$3,016,798	$4,073,000
New Pipeline (Undeveloped Area)	16-inch diameter	Buildout	BCIP-PU-16	5,343	lf	0	5,343	$285	$1,522,836	$1,776,666	$2,398,000
New Pipeline (Undeveloped Area)	18-inch diameter	Buildout	BCIP-PU-18	9,202	lf	0	9,202	$315	$2,898,523	$3,381,656	$4,565,000
New Pipeline (Undeveloped Area)	24-inch diameter	Buildout	BCIP-PU-24	7,219	lf	0	7,219	$395	$2,851,449	$3,326,735	$4,491,000
New Pipeline (Undeveloped Area)	30-inch diameter	Buildout	BCIP-PU-30	5,882	lf	0	5,882	$480	$2,823,234	$3,293,817	$4,447,000
Jack and Bore	Boring and Receiving Pits	Buildout	BCIP-JB-PIT	5	each	0	5	$40,000	$200,000	$233,336	$315,000
Jack and Bore	24-inch diameter (36-inch casing)	Buildout	BCIP-JB-24	1,234	lf	0	1,234	$995	$1,227,805	$1,432,458	$1,934,000
Jack and Bore	30-inch diameter (42-inch casing)	Buildout	BCIP-JB-30	359	lf	0	359	$1,115	$400,168	$466,869	$630,000
Water Master Plan Updates[9]	Future updates to Water Master Plan	Buildout	BCIP-WMP	3	each	0	3	n/a	-	-	$500,000
Additional Studies, Legal Costs and Staff and Consultant Time[10]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	$1,000,000
								Total	**$60,274,084**	**$70,320,711**	**$96,809,000**

Source: Tracy Citywide Water System Master Plan Update, Prepared by West Yost Associates (May 2023).

[1] Costs shown are from the Water Master Plan and are presented in 2020 dollars.

[2] Estimated construction costs escalated to 2023 dollars by Engineering News Record San Francisco Construction Cost Index, November 2020 to June 2023.

[3] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[4] Total rounded to nearest $1,000.

[5] Discharge location for the recycled water exchange to DMC moved from South End of Tracy Blvd to Lammers Road.

[6] Assumes each tank site is 1.5 acres. Cost includes Westside Tank Site.

[7] Recommended volume based on active volume. Cost assumes the Zone A tank will be an aboveground welded steel tank, and the WWTP will be a partially buried pre-stressed concrete tank.

[8] Cordes Ranch constructed a portion of this project and received fee credits.

[9] Three updates assumed at $500,000 per update. Costs split two-thirds to the potable water system and one-third to the recycled water system.

[10] Includes the costs to account for additional studies, legal costs and staff and consultant time associated with the recycled water exchange.

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FEE METHODOLOGY

The Recycled Water Fee uses the Planned Facilities Method to calculate the fee. The fees are based on new development's fair share of the facilities identified in the Water Master Plan.

In order to distribute the share of the project costs to each land use type, the total water demand of new development must be calculated. The recycled water fee uses the water demand factors in the Water Master Plan as the recycled water program is part of the City's overall water supply solution. The water demand factor for each land use is converted into an EDU factor, which is the estimated average water demand for each land use as compared to the average water demand of a single-family unit. This EDU factor is then multiplied by the residential units or the non-residential acreage to determine the total EDUs. This calculation is shown in **Table 5-2**.

Table 5-2: Recycled Water Fee per EDU Calculation

Land Use	Water Demand Factor [3]	EDU Factor	Units/ Acres	Total EDUs
Residential [1]	*gpd/du*		*Units*	
Single Family Residential [2]	365	1.00	16,225	16,225
Multi-Family Residential (Attached 2-4)	300	0.82	881	722
High Density Residential (Attached 4+)	204	0.56	3,871	2,168
Subtotal Residential			**20,977**	**19,115**
Non-Residential [1]	*gpd/ac*		*Acres*	
Office	1,438	3.94	253	995
Commercial	1,635	4.48	939	4,206
Industrial	1,309	3.59	3,319	11,915
Subtotal Non-Residential			**4,510**	**17,116**
Total				**36,231**

Source: Tracy Citywide Water System Master Plan Update, prepared by West Yost Associates (May 2023).

[1] Modified from Master Plan to include exterior water use.

[2] Includes very low density and age restricted units.

[3] Based on modified unit water demand factors from the Master Plan.

The cost per EDU for the Recycled Water Fee is calculated by taking the project costs, subtracting out the fund balance, adding remaining credits, subtracting Cordes Ranch deferred fees and ROW credits, subtracting other funding sources (grants and Ellis contributions) and then dividing by the total water demand expressed in EDUs. This calculation is shown in **Table 5-3**.

Table 5-3: Recycled Water Cost per EDU

Fee Program	Cost Attributable to Fee Program	Fund Balance[1]	Outstanding Credits/ Reimb.[2]	Cordes Ranch/ Tracy Hills Deferred Payment[3]	Cordes Ranch ROW Credits[4]	Less Grant Funding[5]	Ellis Contribution[6]	Remaining Cost to Fund	Total EDUs	Cost/ EDU[7]
Recycled Water	$96,809,000	($4,284,825)	$199,067	($2,686,707)	($8,129)	($20,000,000)	($717,679)	$69,310,727	36,231	$1,913

[1] Fund balance provided by the City of Tracy and current as of 06/01/2023.

[2] Remaining credits due to developers as of 06/01/2023. Includes costs of projects that were previously adopted in the 2013 Master Plan and have been constructed.

[3] Cordes Ranch Deferred fees of $891,576 (DA Section 6.3C 09/17/2013) plus Tracy Hills deferred fees of $1,795,131.40. Does not include PM.

[4] Represents Cordes Ranch outstanding ROW credits for the remaining acres under their Development Agreement (DA) area for the first 600 acres. ROW credits are based on the DA Section 6.3(b) (September 2013), Cordes Ranch agreed to dedicate all Master Plan infrastructure and improvement land ROW for ROW credits against their impact fees.

[5] Represents grant received from the Department of Water Resources (DWR) through the award of the Urban and Multibenefit Drought Relief Grant.

[6] Represent remaining Ellis development contribution to the Master Plan Recycled Water Fee Program improvements.

[7] Cost per EDU rounded to the nearest dollar.

FEE SUMMARY

The Recycled Water Fee is calculated by taking the cost per EDU and multiplying by the EDU factor for each land use type. Residential fees per unit are converted to a fee per square foot by dividing the fee per unit by the corresponding square foot assumptions. Non-residential fees are converted to a fee per 1,000 building SF by multiplying the cost per acre factor by the floor area ratio conversion assumptions in this Nexus Study. **Table 5-4** summarizes the Recycled Water Fee for each land use.

Table 5-4: Recycled Water Fee

Land Use	EDU Factor	Recycled Water Fee Per Unit	Average Size/ FAR Conversion [1]	Recycled Water Fee [2]
Residential [3]		*(per Unit)*		*(per SF)*
Single Family Residential	1.00	$1,913	2,500	$0.77
Multi-Family Residential (Attached 2-4)	0.82	$1,569	1,500	$1.05
High Density Residential (Attached 4+)	0.56	$1,071	950	$1.13
Non-Residential		*(per Acre)*		*(per 1,000 Bldg SF)*
Office	3.94	$7,537	0.0510	$384
Commercial	4.48	$8,570	0.0765	$656
Industrial	3.59	$6,868	0.0459	$315

[1] Average size based on the average unit size of planned new development in the City of Tracy. Floor Area Ratios used to convert EDU per Acre to per KSF: Office (0.45), Commercial (0.3), and Industrial (0.5).

[2] Residential fee rounded to nearest hundredth. Non-Residential fee rounded to the nearest dollar.

[3] The fee for residential will be applied to the livable square footage.

FEE COMPARISON

Table 5-5 compares the proposed Recycled Water Fee to the existing Recycled Water Fee (as of July 1, 2023). The existing per unit fee was converted to a fee per square foot using the same average unit sizes as the proposed fees. The existing non-residential fees were converted from a per acre fee to a per 1,000 building SF fee using the FAR assumptions in this Nexus Study. The Recycled Water Fee is decreasing for a variety of reasons, which are described in the Water Master Plan and summarized below:

1. Reduction in Water Demands: Due to changes in water use trends and habits resulting from improved water use efficiency, unit water demand factors have been reduced for most land use categories.
2. Reduction in Maximum Day and Peak Hour Demand Factors: Due to changes in water use trends and habits from improved water use efficiency, maximum day and peak hour demand factors have been reduced.
3. Changes in Recycled Water System Planning: Previously, the City was considering implementing the proposed Gateway Exchange Program, under which recycled water service would be extended to most of the existing parks and large irrigated areas in the City to offset the potable water demands from the Gateway development (now called Westside). The Gateway Exchange Program is no longer being considered, and it is projected that only a few existing parks and irrigated areas will receive recycled water supply. Expansion of the recycled water system will focus on extending service to newly developed areas thus streamlining the need for new facilities.
4. Completion of New Recycled Water System Facilities: New recycled water system facilities have been recently completed which provide for added recycled water system capabilities. This includes a recycled water pump station and pipeline on the west side of the City to distribute recycled water supplies from the City's Wastewater Treatment Plant to recycled water users on the western side of the City.
5. The City secured Grant Funding that was used to build recycled water facilities thus offsetting impact fee funding needs. The City was awarded the Urban and Multibenefit Drought Relief Grant from the Department of Water Resources (DWR).

Table 5-5: Recycled Water Fee – Fee Comparison

Land Use	Proposed Recycled Water	Existing Recycled Water [1]	Percent Change
Residential (per SF)			
Single Family Residential	$0.77	$1.44	-47%
Multi-Family Residential (Attached 2-4)	$1.05	$2.07	-49%
High Density Residential (Attached 4+)	$1.13	$2.20	-49%
Non-Residential (per 1,000 Bldg SF)			
Office	$384.00	$844.80	-55%
Commercial	$656.00	$1,554.24	-58%
Industrial	$315.00	$760.32	-59%

[1] Program Management (5%) removed from Construction Cost of Existing Fee for an accurate comparison.

NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Recycled Water Fee is to fund the recycled water facilities that are necessary to offset potable water needs with non-potable water in order to secure adequate potable water for future development in the TIMP Fee program area. In order to accommodate this need, new facilities must be built and/or existing facilities expanded.

Requirement 2: Identify the use of the fee.

The Recycled Water Fee will be used to fund the recycled water projects shown in **Table 5-1**. These recycled water projects were identified in the *Tracy Citywide Water System Master Plan Update*, prepared by West Yost Associates (May 2023) as the facilities required to mitigate the impact of new development in the TIMP Fee program area of the City. These facilities will provide distribution of treated wastewater to offset potable water needs.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Recycled Water Fee will be used to fund the new recycled water facilities and improvements that are necessary to transport treated wastewater to various future development areas to help offset potable water irrigation demands and to provide the facilities necessary for the City to implement

the Recycled Water Exchange Program with USBR. The fee for each land use is calculated based on the estimated water use of each development, as shown in **Table 5-2**, since the Recycled Water Fee will be used to help offset potable water supply. This correlation ensures that the fee is equal to the proportional share of water that is necessary to serve that specific land use. These calculations are shown in **Table 5-3** and **Table 5-4**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

New development requires additional water supply in order for the City to meet the average daily demands of the new development. In order to help meet these supply needs, the City will install a recycled water system that transports treated wastewater to various locations within the City, thus replacing potable water use with non-potable water use. This in turn frees up water supply to be used by new developments. In addition, the City is proposing a Recycled Water Exchange program with USBR where the recycled water would be discharged to the DMC and a like amount of raw water would be diverted to the City for potable use. Because all new development creates the need for potable water, the recycled water fee is being charged to each land use based on their water demands as shown in **Table 5-2** This methodology ensures each land use is paying a fee based on their fair share of the recycled water system. These calculations are shown in **Table 5-3** and **Table 5-4**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The recycled water improvements required to serve new development are shown in **Table 5-1**. Each land use pays their fair share of costs based on the estimated average daily demand for water as shown in **Table 5-2**. The Recycled Water Fee calculation is shown in **Table 5-3** and **Table 5-4**. The fee methodology ensures that each land use only pays for their fair share of the recycled water improvements based on the amount of water utilized by that land use.

Section 6 WASTEWATER FEE

BACKGROUND

This section presents an analysis of the City's TIMP Wastewater Fee. The Wastewater Fee covers the costs to mitigate the effects of new development on the City's wastewater facilities. The TIMP fee program area will pay a wastewater impact fee at building permit issuance for the wastewater facility projects described in this section. The Wastewater Fee is based on the cost identified in the *City of Tracy Wastewater Master Plan (WWMP) Update*, prepared by Carollo (July 2023). There are two general components that make up the Wastewater Fee: 1) conveyance costs for sewer trunk lines and 2) treatment and disposal costs associated with the main wastewater treatment plant.

Wastewater Conveyance

The City provides wastewater service to approximately 83,000 residents, industrial, commercial, and office customers. The wastewater collection system includes approximately 210 miles of active gravity sewer lines, ranging from 4 to 48 inches in diameter, 3 lift stations and associated force mains. Wastewater generated in the sewer service area is conveyed to the wastewater treatment plant (WWTP). The Tracy Wastewater Conveyance and Treatment Development Impact Fee Study completed for the City of Tracy in January 2013 split the Conveyance Fee between geographic catchment areas – East and West Catchment. The WWMP, prepared by Carollo (July 2023) identifies conveyance projects needed to serve the City as a whole and as such only one Wastewater Conveyance Fee will be assessed over the entire TIMP fee program area.

Wastewater Treatment Expansion

The City owns and operates its own wastewater treatment plant. The treatment facility operates municipal, industrial, and solids treatment processes. In 2019, the WWTP treated approximately 7.35 mgd of average dry weather influent flows comprised of both municipal and industrial waste streams. The City is currently undergoing a series of treatment plant upgrades. Phase 1A and 1B increased the treatment plant capacity from 6.5 mg to 10.8 mgd. Phase 2A included upgrades to the outfall pipe that increase the outfall capacity to 16 mgd. Phase 2B included secondary treatment processes needed to accommodate future increases in capacity. Phase 2C is currently being designed and will increase treatment capacity to 12 mgd. The WWMP continues the phasing of necessary upgrades to the WWTP using the calculated capacities and revised future flows and loads. Phase 3 of the revised proposed upgrades represents processes that need to be upgraded before/near the 2040 predicted flows and Phase 4 of the revised proposed upgrades represent processes that will need to be upgraded before/near Buildout conditions.

SERVICE POPULATION

The WWMP is intended to serve as a guiding document for the planning and implementation of system improvements to accommodate future growth for Buildout. Thus, demand for services and the associated facilities are based on the City's future service demand for wastewater flow at Buildout using the projections identified in **Table 2-1**. In calculating the service demand for new growth, land uses were assigned a wastewater generation rate identified by the WWMP update.

COST SUMMARY

The wastewater facilities to be funded in the fee program are from the WWMP. The costs in the WWMP were allocated between existing users and future users. This study focuses on the costs attributable to future users to calculate the Wastewater Fee.

Table 6-1 shows the wastewater conveyance projects that are to be funded by the Wastewater Conveyance Fee. These facilities are shown on **Figure D-1** and **Figure D-2** in **Appendix D**.

Table 6-2 shows the wastewater treatment expansion costs that are to be funded by the Wastewater Treatment Fee.

Table 6-1: Wastewater Conveyance Facilities Summary

Project		Existing Size/Type	Proposed Size/Type	Proposed Quantity	WWMP CIP Cost Estimate[1,2]	Attributable to New Development	Future User Cost[3]
Gravity Mains		Diameter (in)	Diameter (in)	Length (ft)			
WWGM-1	Gravity Main Along Bessie Avenue	8	12	440	$169,000	0%	$0
WWGM-2	Gravity Main along Bessie Avenue	10	12	510	$196,000	0%	$0
WWGM-3	Gravity Main along North Central Avenue	8	15	450	$185,000	0%	$0
Phase 2	Corral Hollow Phase 2	0	18	8450	$3,765,000	100%	$3,765,000
WWGM-4	Gravity Main along MacArthur Drive	12	21	600	$340,000	100%	$340,000
WWGM-11	Gravity Main along Lammers Road and Byron Road	21	27	2,710	$1,902,000	100%	$1,902,000
WWGM-12	Gravity Main along Corral Hollow Road	18	24	380	$236,000	100%	$236,000
WWGM-15	Gravity Main to Serve Acacia Street and Franklin Avenue	18	21	750	$425,000	29%	$123,000
WWGM-16	Gravity Main Along Macarthur Drive	21	24	1500	$932,000	29%	$270,000
WWGM-17	Gravity Main to Serve Chrisman Road	12	18	2700	$1,203,000	54%	$650,000
WWGM-5	Gravity Main along Lammers Road	n/a	18	3,310	$1,474,000	100%	$1,474,000
WWGM-6	Gravity Main to Serve Holly Sugar Industrial	n/a	12	1,520	$585,000	100%	$585,000
WWGM-7	Gravity Main to Serve Ellis	n/a	12	1,760	$678,000	100%	$678,000
WWGM-8	Gravity Main to Serve Rocking Horse and UR7 Bright/Castro	n/a	12	4,700	$1,809,000	100%	$1,809,000
WWGM-9	Gravity Main to Serve Avenues and SWC Valpico & Corral Hollow	n/a	12	2,650	$1,019,000	100%	$1,019,000
WWGM-10	Gravity Main to Serve Tracy Village	n/a	12	1,720	$662,000	100%	$662,000
WWGM-13	Gravity Main to Serve Chrisman	n/a	12	5,750	$2,213,000	100%	$2,213,000
WWGM-14	Gravity Main to Serve Rocha	n/a	12	1,420	$547,000	100%	$547,000
Cordes Ranch	Gravity Main to Serve Cordes Ranch	n/a	Multiple	66,160	$24,201,000	100%	$24,201,000
Lift Stations		Capacity (mgd)	Capacity (mgd)	Length (ft)			
WWLS-1	Hansen Lift Station	9.01	10.8	TBD	$7,290,000	100%	$7,290,000
WWLS-3	Larch Lift Station	12.96	17.5	TBD	$13,331,000	100%	$13,331,000
WWLS-2	Lammers Lift Station	n/a	4.36	n/a	$3,068,000	100%	$3,068,000
Force Main		Diameter (in)	Diameter (in)	Length (ft)			
WWFM-2	Hansen Force Main	12	16	6,420	$3,857,000	100%	$3,857,000
WWFM-1	Schulte Road Force Main	n/a	14	7,790	$4,680,000	100%	$4,680,000
Other Projects		Diameter (in)	Diameter (in)	Length (ft)			
WWRR-1	Annual Sewer Line Replacement Program	n/a	n/a	n/a	$2,700,000	0%	$0
WWO-1	Wastewater Master Plan Update	n/a	n/a	n/a	$450,000	50%	$225,000
Total Development Related Improvements					**$77,917,000**		**$72,925,000**

Source: City of Tracy Wastewater Master Plan Update, prepared by Carollo (July 2023).

[1] Costs shown are presented in 2022 dollars.

[2] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

[3] Total rounded to nearest $1,000.

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Table 6-2: Wastewater Treatment Cost Summary

Project		Proposed Quantity	CIP Cost Estimate[1,2]	Attributable to Fee Program	Future User Cost
Treatment Cost					
WWO-2	WWTP Expansion Phase 2C	1 L.S.	$35,000,000	100%	$35,000,000
WWO-3	WWTP Expansion Phase 3	1 L.S.	$55,587,000	100%	$55,587,000
WWO-4	WWTP Expansion Phase 4	1 L.S.	$34,058,000	100%	$34,058,000
Total Treatment Cost			**$124,645,000**		**$124,645,000**

Source: City of Tracy Wastewater Master Plan Update, prepared by Carollo (July 2023).

[1] Costs shown are presented in 2022 dollars.

[2] Costs include mark-ups equal to 35 percent (General Contingency: 15 percent; Design and Planning: 10 percent; and Construction Management: 10 percent).

FEE METHODOLOGY

The Wastewater Fee uses the Planned Facilities Method to calculate the fee. The fee is based on new development's fair share of the facilities identified in the Wastewater Master Plan.

In order to distribute the share of the project costs to each land use type, the total wastewater demand of new development at Buildout must be calculated. The wastewater demand factor for each land use is converted into an EDU factor, which is the estimated average wastewater flow factor for each land use as compared to the average flow factor of a single-family unit.

The EDU factor is then multiplied by the residential units and the non-residential acreage within each land use to determine the total EDUs. Wastewater Treatment Single Family Residential units is reduced by 1,470 units to account for the pre-payment agreement the City has with Tracy Hills Phase 2 (COA dated 10/19/21).

Table 6-3 shows the EDU calculation for the Wastewater Fee.

Table 6-3: Wastewater Fee EDU Calculation

Land Use	Wastewater Flow Factor	EDU Factor	Conveyance Units/ Acres	Treatment Units/ Acres [1]	Conveyance Total EDUs	Treatment Total EDUs
Residential	*gpd/unit*		*Units*	*Units*		
Single Family Residential	230	1.00	16,225	14,755	16,225	14,755
Multi-Family Residential (Attached 2-4)[2]	184	0.80	881	881	705	705
High Density Residential (Attached 4+)	150	0.65	3,871	3,871	2,516	2,516
Subtotal Residential			**20,977**	**19,507**	**19,446**	**17,976**
Non-Residential	*gpd/ac*		*Acres*	*Acres*		
Office[3]	900	3.91	253	253	988	988
Commercial	900	3.91	939	939	3,671	3,671
Industrial	750	3.26	3,319	3,319	10,819	10,819
Subtotal Non-Residential			**4,510**	**4,510**	**15,478**	**15,478**
Total					**34,924**	**33,454**

[1] Single Family unit count reduced by 1,470 units for WW Treatment to account for pre-payment agreement for Tracy Hills Phase 2 (COA dated 10/19/21).

[2] GPD/unit for MFR calculated by multiplying population proportion of medium-density residential to low-density with the gpd/day of a SFR.

[3] Office land use assumed to have the same wastewater flow assumptions as commercial which is consistent with the previous master plan assumption.

The cost per EDU is calculated by taking the remaining cost to fund the facilities within each fee component divided by the respective EDUs. The remaining cost to fund is the cost attributable to the fee program, less the fund balance, plus any outstanding fee credits, less Cordes Ranch deferred fee payments, less Tracy Hills Ph 2 Deferred Payment, and less Ellis Contributions. **Table 6-4** calculates the cost per EDU.

FEE SUMMARY

The Wastewater Fee per EDU for each fee component from **Table 6-4** is applied across all land uses by multiplying the costs per EDU by the EDU factor for each land use. The fees are then converted into a fee per square foot for residential land uses based on the average unit size assumptions and fee per 1,000 building SF for non-residential land uses based on the FAR conversion assumptions. **Table 6-5** summarizes the Wastewater Conveyance Fee and Wastewater Treatment Fee that make up the total Wastewater Fee.

Table 6-4: Wastewater Cost per EDU Calculation

Program	Cost Attributable to Fee Program	Fund Balance[1]	Outstanding Credits/ Reimb.[2]	Ranch Deferred Payment[3]	Tracy Hills Ph 2 Deferred Payment[4]	Ellis Contribution[5]	Remaining Cost to Fund	Total EDUs[6]	Cost/ EDU[7]
Conveyance	$72,925,000	($4,170,810)	$4,496,293	($703,136)	$0	($510,540)	$72,036,807	34,924	$2,063
Treatment	$124,645,000	($20,542,915)	$0	($2,937,887)	($6,964,860)	($2,133,086)	$92,066,252	33,454	$2,752
Total	**$197,570,000**	**($24,713,725)**	**$4,496,293**	**($3,641,023)**	**($6,964,860)**	**($2,643,626)**	**$164,103,059**		**$4,815**

[1] Fund balance provided by the City of Tracy and current as of 06/01/2023.

[2] Represents credits that developers have taken through approved OIA's that have not been applied against their building permit fees as of 06/01/2023.

[3] Cordes Ranch deferred fees per DA Section 6.3C (09/17/2013). Does not include PM.

[4] Tracy Hills Developer will pay 735 SFDUs WWTP Fees $6,964,860 prior to 12/31/23 (Phase 2 COA dated 10/19/21).

[5] Represent remaining Ellis development contribution to the Master Plan Wastewater Fee Program improvements.

[6] Wastewater Treatment EDUs do not include Tracy Hills 1,470 SFR units that have entered into a separate agreement for two pre-payments (Phase 2 COA dated 10/19/21). First payment of $6,964,860 was completed on 5/31/2023 and is included in the fund balance. Second payment to be completed prior to 12/31/23 (see footnote 4).

[7] Cost per EDU is rounded to the nearest dollar.

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Table 6-5: Wastewater Fee

Land Use	EDU Factor	Conveyance Fee	Treatment Fee	Total Fee	Average Size/ FAR Conversion [1]	Conveyance Fee	Treatment Fee	Total Fee
Residential [3]		*(per Unit)*				*(per SF)* [2]		
Single Family Residential	1.00	$2,063	$2,752	**$4,815**	2,500	$0.83	$1.10	**$1.93**
Multi-Family Residential (Attached 2-4)	0.80	$1,650	$2,202	**$3,852**	1,500	$1.10	$1.47	**$2.57**
High Density Residential (Attached 4+)	0.65	$1,341	$1,789	**$3,130**	950	$1.41	$1.88	**$3.29**
Non-Residential		*(per Acre)*				*(per 1,000 Bldg SF)* [2]		
Office	3.91	$8,066	$10,760	**$18,826**	0.0510	$411	$549	**$960**
Commercial	3.91	$8,066	$10,760	**$18,826**	0.0765	$617	$823	**$1,440**
Industrial	3.26	$6,725	$8,972	**$15,697**	0.0459	$309	$412	**$721**

[1] Average size based on the average unit size of planned new development in the City of Tracy. Floor Area Ratios used to convert EDU per Acre to per KSF: Office (0.45), Commercial (0.3), and Industrial (0.5).

[2] Residential fee rounded to nearest

[3] The fee for residential will be applied to

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FEE COMPARISON

Table 6-6 compares the proposed fee for wastewater facilities to the existing fees (as of July 1, 2023). The existing per unit fee was converted to a fee per square foot using the same average unit sizes as the proposed fees. The existing non-residential fees were converted from a per acre fee to a per 1,000 building SF fee using the FAR assumptions in this Nexus Study. The Wastewater Fee is decreasing for a variety of reasons, including but not limited to:

1. The wastewater flow factor assumptions per land use have decreased since the last WWMP which are due to changes in water use trends and habits resulting from improved water use efficiency. This reduces the facilities that are needed to serve new development.
2. Wastewater Treatment Plant Capacity needed at Buildout decreased due to reduced flow factors, thus decreasing the estimated cost needed to fund the WWTP expansion project.
3. Key improvements have been completed and/or have been determined to not be required as part of the Wastewater Master Plan Update.

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Table 6-6: Wastewater Fee Comparison

Land Use	Conveyance				Treatment			Total		
	Proposed Fee	Existing East Fee [1]	Existing West Fee [1]	Percent Change[2]	Proposed Fee	Existing Fee [1]	Percent Change	Proposed Fee	Existing Fee [1,2]	Percent Change[1,2]
Residential (per SF)										
Single Family Residential	$0.83	$1.31	$0.88	-24%	$1.10	$3.66	-70%	$1.93	$4.75	-59%
Multi-Family Residential (Attached 2-4)	$1.10	$1.78	$1.19	-26%	$1.47	$4.99	-71%	$2.57	$6.48	-60%
High Density Residential (Attached 4+)	$1.41	$2.29	$1.54	-26%	$1.88	$6.42	-71%	$3.29	$8.33	-61%
Non-Residential (per 1,000 Bldg SF)										
Office	$411.00	$720.24	$482.14	-32%	$549.00	$2,014.46	-73%	$960.00	$2,615.65	-63%
Commercial	$617.00	$1,080.36	$723.21	-32%	$823.00	$3,021.69	-73%	$1,440.00	$3,923.48	-63%
Industrial	$309.00	$600.44	$401.96	-38%	$412.00	$1,679.40	-75%	$721.00	$2,180.60	-67%

[1] Program Management (5%) removed from Construction Cost of Existing Fee for an accurate comparison.

[2] Uses the average of the existing East and West Conveyance Fee for the fee comparison purposes.

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NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Wastewater Conveyance and Wastewater Treatment Fees (Wastewater Fees) is to fund the facilities in each category that are necessary to provide wastewater services to future development in the TIMP Fee program area. To accommodate this increased demand, new facilities must be built and/or existing facilities expanded.

Requirement 2: Identify the use of the fee.

The fees will be used to fund the wastewater projects shown in **Table 6-1** and **Table 6-2.** These wastewater projects were identified in the *City of Tracy Wastewater Master Plan (WWMP) Update*, prepared by Carollo (July 2023) as the facilities required to mitigate the impact of new development in the TIMP Fee program to ensure that the new development would have adequate wastewater services.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Wastewater Fee will be used to fund the new wastewater facilities and expanded improvements that are necessary to serve the increase in wastewater demand due to new development in the TIMP Fee program area of the City. The fee for each development project is calculated based on the estimated wastewater generated by each land use type as identified in the Wastewater Master Plan. This correlation ensures that the fee is equal to the need generated by that specific land use. The EDU calculations are shown in **Table 6-3.** The fee calculation is shown in **Table 6-4** and **Table 6-5**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

New development requires the addition and upsizing of wastewater conveyance lines to serve the increase in residents and businesses within the City and to ensure that the required wastewater needs can be met. Each new residential and non-residential development pays an impact fee based on the amount of wastewater it is expected to generate. This calculation is shown in **Table 6-4** and **Table 6-5**. The proposed development projects require conveyance capacity to transport the wastewater generated from their properties to the wastewater treatment plant; they additionally require a treatment plant that can achieve the requirements imposed by the Regional Water Quality Control Board for disposal of effluent into the Old River. Failure to provide both conveyance and

treatment for the wastewater generated by the proposed development projects would make development impossible. Therefore, there is a reasonable relationship between the need for the public facilities noted in this report and the development projects upon which the proposed impact fees are imposed.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The wastewater improvements required to serve new development are shown in **Table 6-1** and **Table 6-2**. To distribute the fair share of the project costs, the total wastewater demand of new development at Buildout was calculated and converted to EDUs, as shown in **Table 6-3**. Each land use pays their fair share of the total program costs based on the estimated average daily wastewater flow production identified in the Wastewater Master Plan. The Wastewater Fee calculation is shown in **Table 6-4** and **Table 6-5**. The fee methodology ensures that each land use only pays for their fair share of the wastewater improvements based on the amount of flow produced by that land use.

Section 7 PARKS FEE

BACKGROUND

This section presents an analysis of the need for additional park land and facilities to accommodate new development in the City and the fees that are necessary in order to ensure that new development provides adequate funding to meet increased park needs.

Residential development in the TIMP Fee program area will pay a parks development impact fee at building permit issuance. The Parks Fee is based on the cost for neighborhood and community parks in the City's *Citywide Parks, Recreation, and Trails Master Plan Update* (Parks Master Plan), prepared by WRT (August 2022). The Parks Master Plan outlines the plan for new development to fund three acres of neighborhood park and one acre of community park per 1,000 new residents. The costs for the future neighborhood and community parks are based on the estimated cost per acre identified in the Parks Master Plan escalated from 2021 to 2023 dollars by the ENR CCI for San Francisco from June 2021 to June 2023.

CURRENT LEVEL OF SERVICE

As of 2021, Tracy's park system has a collection of 364.3 acres of community, neighborhood, and mini parks, providing 4.05 acres of park land per 1,000 residents and meeting its current standard of 4 acres of park per 1,000 residents.

PLANNED LEVEL OF SERVICE

The Parks Master Plan aims to maintain a 4 acre per 1,000 residents ratio. The following park allocations and policies have been established:

- 3 acres per 1,000 residents for new neighborhood parks and linear parks. Up to half of this amount may be provided in the form of linear parks, at the City's discretion, and provided that the parks meet size, locational and access characteristics and typical amenities defined in the Master Plan Policy 1A.
- 1 acre per 1,000 residents for new community parks, sports complexes and special use parks.
- Parks that are collocated with schools or other community facilities must be fully open to the public during regular park hours to be counted as park acreage.
- Park acreage that is collocated with stormwater detention basins may be counted if it is designed and programmed for recreational use. This acreage shall be counted as a percentage equivalent to the percentage of the year the basin is designed to be available for recreation based on anticipated drainage.
- Parks that are collocated with trails must meet park size and locational characteristic requirements.

PARK CLASSIFICATIONS

Neighborhood Parks

Neighborhood parks should be provided within walking or biking distance for residents in one or more neighborhoods. Parks shall be between 2 and 10 acres. Parks between 2 and 4 acres in size must be connected via a continuous accessible route through a linear park or greenbelt/open space to another existing park or planned park at or above 4 acres in size. Proposed connections using standard city sidewalks will not be considered. Typically, developers will build and dedicate their neighborhood parks and in exchange, can receive fee credits in accordance with the City's municipal code. Further neighborhood park guidelines are provided in the City's Park Master Plan.

Linear Parks

Linear parks are recognized by the City as a type of neighborhood park and treated as such for park planning and development. Linear parks should be at least 50 feet wide and at least 0.5 miles long. If linear parks are designed to be integrated into utility easement and corridors, the park widths shall be in addition to the widths of the easements. Developers may be eligible to receive fee credits for building linear parks that align with the guidelines in the City's Park Master Plan.

Community Parks

Community Parks are large parks that provide opportunities for community-scale facilities and are typically 10 to 30 acres. These parks are typically built by the City, however at times, developers may fund a community park that meets the guidelines of the City's Park Master Plan.

Sports Complexes

Sports complexes are parks that are primarily devoted to sports fields, play courts, and other facilities for organized athletics and are recognized as a type of community park. They are typically 10 to 100+ acres in size. These are classified under community parks for development impact fee purposes and are typically built by the City.

Special Use Parks

Special Use Parks are designed around a specialized facility or site such as an aquatic center or indoor recreation/community center and are recognized as a type of community park. Special use parks can vary from 1 acre to over 100 acres. These are considered community parks and are typically built by the City.

Mini Parks

Mini parks are small-sized parks that provide basic recreation amenities for nearby residents in a specific neighborhood or subdivision. New mini parks may be provided as part of new development but will not earn credit towards park fee requirements and shall be the sole responsibility of an HOA to manage and maintain.

SERVICE POPULATION

Assembly Bill 1191, commonly referred to as the Quimby Act, outlines the requirements for imposing fees for park purposes with a minimum of three (3) acres and a maximum of five (5) acres of green space per 1,000 residents. The Parks Master Plan notes that the City currently provides 4.05 acres of parkland per 1,000 residents, which meets its current standard of 4 acres per 1,000 residents. The Parks Fee does not apply to non-residential development because of the assumption that workers typically do not use park facilities.

FEE METHODOLOGY

The parks fee is calculated using the Facility Standards Method. The fees are based on the facilities needed to maintain the General Plan standard of 3 acres of neighborhood park per 1,000 residents and 1 acre of community park per 1,000 residents.

Based on the updated Parks Master Plan, the estimated cost per acre for neighborhood parks is approximately $1.5 million and the estimated cost per acre for community parks is approximately $1.6 million. These cost estimates include the construction cost, soft costs, and land acquisition cost. The cost estimates from the Parks Master Plan are in 2021 dollars and have been updated by the ENR CCI for San Francisco from June 2021 to June 2023 for the fee calculation. The original cost estimates in 2021 dollars can be found in **Table E-1, Table E-2,** and **Table E-3** located in **Appendix E.**

Table 7-1 summarizes the cost per acre for park construction, soft costs, and land acquisition and then converts these into a cost per resident. It should be noted that land dedication is a requirement under Quimby, however land costs are included in the fees and the developer will receive credit for dedicating land. The cost per resident is calculated by taking the total cost per acre, multiplying it by the required acres per 1,000 residents, and then dividing it by 1,000 to arrive at the cost per resident.

Table 7-1: Park Cost Per Resident

	Neighborhood Parks[5]	Community Parks	Total
Costs[1, 2]			
Park Construction Cost per Acre	$917,188	$971,270	
Mark-Up			
Design and Planning (10%)	$91,719	$97,127	
Construction Management (10%)	$91,719	$97,127	
General Contingency (15%)	$137,578	$145,691	
Total Park Construction Cost per Acre	**$1,238,204**	**$1,311,215**	
Land Cost[3]	$250,000	$250,000	
Total Park Cost per Acre	**$1,488,204**	**$1,561,215**	
Required Acres/1,000 Residents[4]	3.0	1.0	4.0
Park Construction Cost per Resident	$3,715	$1,311	$5,026
Land Acquisition Cost per Resident	$750	$250	$1,000
Total Park Cost per Resident	**$4,465**	**$1,561**	**$6,026**

Source: City of Tracy Citywide Parks, Recreation & Trails Master Plan Update prepared by WRT (August 2022).

[1] Park construction costs are from the Tracy Parks Master Plan prepared by WRT, August 2022. Per the Master Plan, the capital improvement costs are established in 2021 dollars and should be adjusted annually for inflation. Estimated construction costs are escalated to 2023 dollars by Engineering News Record San Francisco Construction Cost Index, June 2021 to June 2023.

[2] Includes site work (temporary protection, clear and grub, clean and structural fill, storm water allowance, drainage allowance, laser grading) at 45 percent of other construction cost.

[3] Based on discussions with City staff.

[4] Requirement from the City of Tracy General Plan.

[5] Up to half the required neighborhood parks may be built as Linear Parks.

FEE SUMMARY

The Neighborhood Park Fee and the Community Park Fee per unit is calculated by multiplying the cost per resident by the average number of residents per unit type (density). The fee per unit must then be converted to a fee per square foot for each unit type. **Table 7-2** and **Table 7-3** calculates the Neighborhood Park Fee and the Community Park Fee per unit square footage by taking the cost per unit and dividing by the estimated average unit size for each land use.

Table 7-2: Neighborhood Park Fee Calculation

Land Use	Construction Cost per Resident	Land Cost per Resident	Density	Construction Cost	Land Cost	Total Neighborhood Park Fee	Average Size[1]	Construction Cost	Land Cost	Total Neighborhood Park Fee
Neighborhood Park Facilities and Parkland Acquisition										
Residential				*(per Unit)*				*(per SF)*		
Single Family Residential	$3,715	$750	3.50	$13,003	$2,625	**$15,628**	2,500	$5.20	$1.05	**$6.25**
Multi-Family Residential (Attached 2-4)	$3,715	$750	2.80	$10,402	$2,100	**$12,502**	1,500	$6.93	$1.40	**$8.33**
High Density Residential (Attached 4+)	$3,715	$750	2.60	$9,659	$1,950	**$11,609**	950	$10.17	$2.05	**$12.22**

[1] Average size based on the average unit size of planned new development in the City of Tracy.

[2] The fee for residential will be applied to the livable square footage.

Table 7-3: Community Park Fee Calculation

Land Use	Construction Cost per Resident	Land Cost per Resident	Density	Construction Cost	Land Cost	Total Community Park Fee	Average Size[1]	Construction Cost	Land Cost	Total Community Park Fee
Community Park Facilities and Parkland Acquisition										
Residential				*(per Unit)*				*(per SF)*		
Single Family Residential	$1,311	$250	3.50	$4,589	$875	**$5,464**	2,500	$1.84	$0.35	**$2.19**
Multi-Family Residential (Attached 2-4)	$1,311	$250	2.80	$3,671	$700	**$4,371**	1,500	$2.45	$0.47	**$2.92**
High Density Residential (Attached 4+)	$1,311	$250	2.60	$3,409	$650	**$4,059**	950	$3.59	$0.68	**$4.27**

[1] Average size based on the average unit size of planned new development in the City of Tracy.

[2] The fee for residential will be applied to the livable square footage.

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REVENUE PROJECTIONS

Table 7-4 summarizes the anticipated park revenue from future development. This does not take into account the City's current fund balance. The revenue will be available to expand the City's Park facilities to meet the needs of new residents in the City. It is anticipated that the neighborhood parks will primarily be built and dedicated by developers within each development. Based on the population estimates in this Nexus Study and using the City General Plan standard of 3 acres per 1,000 residents for Neighborhood Parks and 1 acre per 1,000 residents for Community Parks, it is anticipated that an additional 215.8 acres of neighborhood park and 71.9 acres of community park are needed to meet the needs of future development.

Per the Parks Master Plan, the City is planning the expansion of Legacy Fields as well as an Aquatics Center, a multi-generational recreation center, and the Tracy Nature Park - improvements totaling 202 acres. Approximately 63 acres of new park land is planned as part of specific plans and development proposals for Avenues, Ellis, Hillview, Rocking Horse, Tracy Hills, and Regency at Tracy Village. Future development at the "Bowtie" could add park land Downtown. In addition to future developer-provided parks in urban expansion areas, the City will pursue land acquisition and park development opportunities in areas of the City that are more than half a mile from an existing neighborhood or community park.

Table 7-4: Neighborhood and Community Park Fee Estimated Fee Revenue

Land Use	Buildout Units	Average Size[1]	Construction Cost [2]	Land Cost [2]	Total Anticipated Fee Revenue [3]
Neighborhood Park Facilities and Parkland Acquisition					
Residential (Fee per Dwelling Unit)			*(per SF)*	*(per SF)*	
Single Family Residential	16,225	2,500	$5.20	$1.05	$253,515,625
Multi-Family Residential (Attached 2-4)	881	1,500	$6.93	$1.40	$11,008,095
High Density Residential (Attached 4+)	3,871	950	$10.17	$2.05	$44,938,439
Total	**20,977**				**$309,462,159**
Community Park Facilities and Parkland Acquisition					
Residential (Fee per Dwelling Unit)			*(per SF)*	*(per SF)*	
Single Family Residential	16,225	2,500	$1.84	$0.35	$88,831,875
Multi-Family Residential (Attached 2-4)	881	1,500	$2.45	$0.47	$3,858,780
High Density Residential (Attached 4+)	3,871	950	$3.59	$0.68	$15,702,712
Total	**20,977**				**$108,393,367**

[1] Average size based on the average unit size of planned new development in the City of Tracy.
[2] The fee for residential will be applied to the livable square footage.
[3] Total rounded to the nearest dollar.

FEE COMPARISON

Table 7-5 compares the proposed Parks Fee (summing the neighborhood and community park components) to the existing Parks Fee (as of July 1, 2023). The existing per unit fee was converted to a fee per square foot using the same average unit sizes as the proposed fees for comparison purposes. The Parks Fee is increasing due to significant increases in estimated costs to build parks. Furthermore, the population assumptions from the previous master plan changed based on the US Census American Fact Finder Data, increasing the persons per household from the prior master plan, thus increasing the park acreage that is required to serve each new unit. Most developers will build and dedicate their neighborhood parks and will not be required to pay the neighborhood park component. The park fee also includes land costs that would otherwise be required to be dedicated under Quimby, which is typically a requirement outside of the fee program.

Table 7-5: Parks Fee Comparison

			Total Parks Fee		
Land Use	**Proposed Neighborhood Parks**	**Proposed Community Parks**	**Proposed Parks Fee**	**Existing Parks Fee**	**Percent Change**
Residential (per SF) [1]					
Single Family Residential	$6.25	$2.19	$8.44	$4.11	105%
Multi-Family Residential (Attached 2-4)	$8.33	$2.92	$11.25	$5.60	101%
High Density Residential (Attached 4+)	$12.22	$4.27	$16.49	$7.21	129%

[1] Residential fee is calculated on habitable square footage.

[2] Program Management (5%) removed from Construction Cost of Existing Fee for an accurate comparison.

NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Parks Fee is to fund the park needs generated by new development in the City. Each new resident creates a demand for additional neighborhood and community parks. The City's adopted standard is to provide three acres of neighborhood park and one acre of community park per 1,000 new residents. In order to accommodate these needs, new parks must be built and/or existing parks must be expanded**. Table 7-1** shows the cost per acre identified in the *Citywide Parks, Recreation, and Trails Master Plan Update* (Parks Master Plan), prepared by WRT (August 2022) for the construction of neighborhood and community parks to meet this need.

Requirement 2: Identify the use of the fee.

The Parks Fee will be used to fund new park development in order to meet the City's standards discussed in this chapter and the Parks Master Plan. Park expansion is necessary to meet the City's adopted standards of three acres of neighborhood park and one acre of community park for each 1,000 new residents. The location of the neighborhood parks will be determined based on the location of the new development project, as they are typically located within each development. The community park locations have tentatively been identified in the Parks Master Plan. The anticipated fee revenue is shown on **Table 7-4**. it is anticipated that an additional 215.8 acres of neighborhood park and 71.9 acres of community park are needed to meet the needs of future development.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Park Fee will be used to fund new neighborhood and community parks that are necessary to serve the increased residents in the City. New residential development generates additional residents which increases the demand for park facilities. The Parks Fee is calculated using the City's general plan standard of four (4) acres of park per 1,000 residents. Residential development is responsible for paying its fair share to maintain the City's standard. Non-residential uses do not pay the fee since they do not generate additional residents and it is assumed workers have minimal impact on the City's park system. **Table 7-1** calculates the cost per resident. The cost per resident is then allocated to each development type based on the estimated persons per household. **Table 7-2** and **Table 7-3** then calculate the cost per square foot for the residential units based on the estimated average unit size. By basing the fee on the size of the unit and the estimated number of new residents that is anticipated to be generated by the addition of that square footage, the fee is directly correlated to the increased need for new parks.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new residential development is anticipated to generate new residents. The addition of new residents creates the need for additional neighborhood and community parks to maintain the City's General Plan park standard of four (4) acres per 1,000 residents. The fee is directly correlated to the number of new residents expected to be generated by each type of development. These calculations are shown in **Table 7-2** and **Table 7-3**. Non-residential development does not pay for parks as non-residential developments do not generate demand for park facilities.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The Parks Fee will fund the park facilities that are required to serve the new development in the City. As new residential units are constructed, new park facilities are necessary to maintain the City's General Plan standard of four (4) acres per 1,000 residents. The City is currently providing a level of service exceeding this standard, so new development is not funding existing deficiencies.

The neighborhood park fee component is calculated by taking the per acre neighborhood park and land acquisition costs times three acres of park per 1,000 residents and then dividing that by 1,000 to determine the cost per resident. The cost per resident is then spread to each development type based on the estimated persons per household. **Table 7-2** calculates the cost per square foot for each land use based on the estimated average unit size for each land use. For developments that dedicate park land and/or construct parks, the developer will receive fee credits in accordance with the municipal code.

The community park fee component is calculated by taking the per acre community park and land acquisition costs times one acre of parks per 1,000 residents and then dividing that by 1,000 to determine the cost per resident. The cost per resident is then spread to each development type based on the estimated persons per household. **Table 7-3** then calculates the cost per square foot for each land use based on the estimated average unit size for each land use.

By spreading the fees based on the estimated new residents that would be generated, each new residential unit is paying only its fair share of the facilities required to maintain the City's Parks Master Plan Standard. Non-residential land uses do not have a Park Fee as non-residential development will not generate an increase in park facility demand.

Section 8 PUBLIC SAFETY

BACKGROUND

This section presents an analysis of the City's TIMP Public Safety Fees. The Public Safety Fees cover the costs to mitigate the effects of new development on the City's public safety facilities. The TIMP fee program area will pay the Public Safety Fees at building permit issuance for the public safety facility projects described in this section. The Public Safety Fees are based on the cost identified in the *Citywide Public Safety Master Plan Update*, prepared by Hammond & Playle Architects, LLP (June 2023). The Public Safety Fees are separated into three fee components and will be collected into separate funds: Fire Fee, Police Fee, and Communication Facilities Fee.

SERVICE POPULATION

Demand for services and the associated facilities is based on the City's future service population, which includes residents and workers. In calculating the service population for new growth, workers are weighted less than residents to reflect a lower service demand. Workers are weighted at half that of a resident based on the methodology established in the City's 2013 Public Safety Master Plan. The discount factor reflects the fact that employees typically generate less service demand than residents because they are present in the community for a limited portion of the day.

Demand for fire services and the associated facilities is based on the City's service population at Buildout while the demand for police and communication services and the associated facilities is based on the City's 2040 projected service population. The Nexus Study uses Buildout land uses for the fire stations to be consistent with the 2023 Public Safety Master Plan and the 2019 City of Tracy Public Safety AB 1600 Development Impact Fee Update, prepared by Harris & Associates, which analyzed fire facilities at Buildout of the City. The Nexus Study uses 2040 land uses for the police facilities and communication tower to follow the 2023 Public Safety Master Plan's analysis of police and communication facility needs of the City up to 2040.

COST SUMMARY

The Public Safety Fees will fund the expansion of public safety facilities for Fire, Police and Communication facilities. This study focuses on the costs that are attributable to new development. The 2023 Public Safety Master Plan updated the cost estimates for Fire facilities identified as needed by the City's buildout population and Police and Communication facilities identified as needed by the City's Horizon Year population (2040). The fair share allocations are based mostly on the 2013 Master Plan and related and subsequent fee studies since the baseline for the fees and existing deficiencies were identified at that time.

The percent attributable to future development for Fire facilities remains mostly consistent and in line with the 2019 AB 1600 Development Impact Fee Update that analyzed the four proposed fire stations. However, based on discussions with the Tracy Rural Fire Department, a few changes were made to better reflect development's fair share of the new fire stations. These changes included swapping the fair shares for the Ellis and Cordes Ranch stations so that Cordes Ranch is 93.5% paid for through the fees and Ellis is now 100% funded through the fees. In addition, the training facility cost was reduced from 100% funded through the fee program to 90% to reflect Tracy Rural's fair share. The Fire Station Headquarters facility project does not have improvements funded through the fee program anymore since the planned remodel at this site to meet training facility need is met at the new Training Facility site.

The percentage attributable to future development for Police facilities aligns with the percentages identified in the 2013 Public Safety Master Plan with a population growth assumption for buildout at 137,000 that yields similar results as the updated Horizon Year population assumptions of 141,000. The 2023 Public Safety Master Plan expansion costs are 100% attributable to new development consistent with the 2013 master plan, however, the remodel costs have been removed and will be paid for by sources outside the fee study.

Communication Facilities percent attributable to new development carries over the assumptions in the 2019 AB 1600 Development Impact Fee Update since that forms the baseline of the fee program establishment. This percentage was based on the existing population's fair share of the new equipment based on a residential equivalent calculation.

Table 8-1 and **Table 8-2** summarizes the public safety facilities, costs, and cost attributable to the fee program.

Table 8-1: Public Safety Facilities Costs - Fire

Facility Name	Construction Cost	35% Mark-up [1]	FF&E and Vehicles	Solar [1]	Land Acquisition	Total Project Cost	Other Funding Sources[2]	Remaining Cost	Percent of Remaining Cost Attributable to Fee Program[3]	Total Cost Attributable to Fee Program[4]	Other Funding Sources to Cover Cost Share of Existing Development
Fire Facilities											
Fire Headquarters | Station "A"	$0	$0	$0	$0	$0	$0	$0	$0	n/a	**$0**	$0
Fire Station 91	$0	$0	$0	$0	$0	$0	$0	$0	n/a	**$0**	$0
Fire Station 92	$0	$0	$0	$0	$0	$0	$0	$0	n/a	**$0**	$0
Fire Station 93	$0	$0	$0	$0	$0	$0	$0	$0	n/a	**$0**	$0
~~Fire Station 94~~ (To be relocated, property owned by SCFA)	$0	$0	$0	$0	$0	$0	$0	$0	n/a	**$0**	$0
Fire Station 94 (Relocation - Cordes Ranch Area) [5]	$6,942,300	$2,429,805	$2,600,000	$620,356	$500,000	$13,092,000	($1,000,000)	$12,092,000	93.5%	**$11,306,020**	$785,980
Fire Station 95 (Tracy Hills Area) [6]	$0	$0	$0	$0	$0	$0	$0	$0	n/a	**$0**	$0
~~Fire Station 97~~ (To be relocated and property sold) [7]	$0	$0	$0	$0	$0	($451,350)	$0	($451,350)	100.0%	**($451,350)**	$0
Fire Station 97 (Relocation - Valpico, incl. Ladder Bay) [8]	$6,942,300	$2,429,805	$1,000,000	$620,356	$500,000	$11,492,000	($4,470,000)	$7,022,000	82.0%	**$5,758,040**	$1,263,960
Fire Station 99 (Ellis Area) [9]	$5,427,849	$1,899,747	$1,000,000	$561,813	$233,012	$9,122,000	($825,332)	$8,296,668	100.0%	**$8,296,668**	$0
Fire Training Facility - Phase 2 & 3 [10]	$6,793,881	$2,377,858	$500,000	$692,252	$0	$10,364,000	($2,600,000)	$7,764,000	90.0%	**$6,987,600**	$776,400
Total Fire Facilities	**$26,106,330**	**$9,137,215**	**$5,100,000**	**$2,494,777**	**$1,233,012**	**$43,618,650**	**($8,895,332)**	**$34,723,318**	-	**$31,896,978**	**$2,826,340**

Source: City of Tracy Public Safety Master Plan, prepared by Indigo and Hammond & Playle Architects, LLP (June 2023).

[1] Mark-up includes: 10% Design and Planning, 10% Construction Maintenance, 15% General Contingency. Solar Costs include mark-ups.

[2] Based on the City of Tracy Public Safety Master Plan, prepared by Indigo and Hammond & Playle Architects, LLP (February 15, 2023).

[3] Based on the percentages from the 2019 AB 1600 Development Impact Fee Update (Harris & Associates) and updated to reflect development changes and agreements with Tracy Rural Fire.

[4] Total may be slightly different than the Master Plan due to rounding.

[5] $1,000,000 of City's obligation is coming from the fire engine relocation from existing Fire Station.

[6] Fire Station 95 completed and accepted by the City February 15, 2022. Tracy Hills received $6,790,794 in credits. City purchased apparatus for the fire station.

[7] The Master Plan proposes that the City sell the decommissioned property once the replacement station has been built.

[8] For the relocation of Fire Station 97, the City Core Area contributes to the cost of the fire station and also the City is contributing $1,000,000 in the form of the fire engine relocation.

[9] Other City Funding Contribution is Ellis Fair Share.

[10] The Fire Training Facility other funding sources include funding from a ARPA grant.

Table 8-2: Public Safety Facilities Costs – Police and Communication Facilities

Facility Name	Construction Cost	35% Mark-up [1]	FF&E and Vehicles	Solar [1]	Land Acquisition	Total Project Cost	Other Funding Sources[2]	Remaining Cost	Percent of Remaining Cost Attributable to Fee Program[3]	Total Cost Attributable to Fee Program	Other Funding Sources to Cover Cost Share of Existing Development
Police Facilities											
Police Dept Remodel & Addition (Civic Center Site)	$31,599,384	$11,059,784	$2,160,114	$2,123,317	$0	$46,943,000	$ (2,298,891)	$44,644,109	74.9%	**$33,459,629**	$11,184,480
South Tracy Police Substation	$9,479,695	$3,317,893	$648,049	$704,235	$1,760,000	$15,910,000	$0	$15,910,000	100.0%	**$15,910,000**	$0
Police Dept Training Facility	$4,887,202	$1,710,521	$36,098	$1,033,927	$402,925	$8,071,000	$0	$8,071,000	99.6%	**$8,037,378**	$33,622
Police Dept Animal Shelter (Phase II)	$5,044,104	$1,765,436	$1,000,000	$472,114	$0	$8,282,000	$0	$8,282,000	100.0%	**$8,282,000**	$0
Subtotal Police Facilities	**$51,010,385**	**$17,853,634**	**$3,844,261**	**$4,333,593**	**$2,162,925**	**$79,206,000**	**($2,298,891)**	**$76,907,109**		**$65,689,007**	**$11,218,102**
Communication Facilities											
Radio Communications Tower	$862,240	$301,784	$4,067,185	$0	$125,000	$5,356,000	$ (195,826)	$5,160,174	58.4%	**$3,013,542**	$2,146,632
Subtotal Communications Facilities	**$862,240**	**$301,784**	**$4,067,185**	**$0**	**$125,000**	**$5,356,000**	**($195,826)**	**$5,160,174**		**$3,013,542**	**$2,146,632**

Source: City of Tracy Public Safety Master Plan, prepared by Indigo and Hammond & Playle Architects, LLP (June 2023).

[1] Mark-up includes: 10% Design and Planning, 10% Construction Maintenance, 15% General Contingency. Solar Costs include mark-ups.

[2] Includes contributions from Core Fees (August 2021) indexed to June 2023 (rounded to nearest dollar) and estimated Ellis contribution.

[3] Police Facilities cost attribution percent incorporates remodel costs (plus 35% mark-up costs) attributable to existing development identified in the 2023 Public Safety Master Plan ($8,284,800 on the Police Remodel & $137,760 on the Police Training Remodel) with the identified cost attribution shares from the 2019 AB 1600 Development Impact Fee Update (Harris & Associates).

FEE METHODOLOGY

The Public Safety Fees uses the Planned Facilities Method as the basis of the fee methodology. The fees are based on new development's fair share of the facilities identified as needed in the Public Safety Master Plan.

Each component of the Public Safety Fees are calculated based on the cost per equivalent dwelling unit (EDU). An EDU factor is used to equate each land use to that of a single family home. The EDU factor is calculated based on the density factor for each residential and non-residential land use. Density is measured as "persons per dwelling unit" for residential uses or "square feet per worker" for nonresidential uses. The following steps are used to calculate the EDU Factor for each land use.

1. The residential units and non-residential square feet are multiplied by the density to calculate the resident and worker projections.
2. The resident equivalents for non-residential land uses are calculated by multiplying the employee projections by 0.5.
3. The EDUs are then calculated by dividing the resident equivalents by the Single Family Residential density (3.50).
4. Finally, the EDU factor is calculated by dividing each land uses EDUs by the residential units or nonresidential square feet in that category.

The EDU calculations for the Fire Facilities are shown in **Table 8-3** and are based on Buildout population projections for the City as shown in **Table 2-1**.

Table 8-3: Equivalent Dwelling Units – Fire Facilities

Land Use	Units / Building SF [1]	Density [2]	Resident/ Employee Projection	Resident Equivalent [3]	EDUs	EDU Factor
Residential						
Single Family Residential	16,225	3.50	56,788	56,788	16,225	1.00
Multi-Family Residential (Attached 2-4)	881	2.80	2,467	2,467	705	0.80
High Density Residential (Attached 4+)	3,871	2.60	10,065	10,065	2,876	0.74
Subtotal Residential	**20,977**		**69,320**	**69,320**	**19,806**	
Non-Residential						
Office	4,952,249	300	16,507	8,254	2,358	0.48
Commercial	12,268,892	500	24,538	12,269	3,505	0.29
Industrial	72,284,270	1,500	48,190	24,095	6,884	0.095
Subtotal Non-Residential	**89,505,411**		**89,235**	**44,618**	**12,747**	
Total				**113,938**	**32,553**	

[1] Based on projected land use at Buildout of the City.

[2] Density is measured as "persons per dwelling unit" for residential land uses and "square feet per worker" for non-residential land uses.

[3] Workers are weighted at 0.5 that of a resident. Resident Equivalents for Non-Residential is rounded to nearest whole number.

The EDU calculations for the Police and Communication Facilities are shown in **Table 8-4** and are based on the 2040 population projections for the City as shown in **Table 2-1**.

Table 8-4: Equivalent Dwelling Units – Police and Communication Tower

Land Use	Units / Building SF [1]	Density [2]	Resident/ Employee Projection	Resident Equivalent [3]	EDUs	EDU Factor
Residential						
Single Family Residential	8,925	3.50	31,238	31,238	8,925	1.00
Multi-Family Residential (Attached 2-4)	325	2.80	910	910	260	0.80
High Density Residential (Attached 4+)	1,412	2.60	3,671	3,671	1,049	0.74
Subtotal Residential	**10,662**		**35,819**	**35,819**	**10,234**	
Non-Residential						
Office	1,678,715	300	5,596	2,798	799	0.48
Commercial	4,232,072	500	8,464	4,232	1,209	0.29
Industrial	39,483,590	1,500	26,322	13,161	3,760	0.095
Subtotal Non-Residential	**45,394,377**		**40,382**	**20,191**	**5,768**	
Total				**56,010**	**16,002**	

[1] Based on projected land use at 2040.

[2] Density is measured as "persons per dwelling unit" for residential land uses and "square feet per worker" for non-residential land uses.

[3] Workers are weighted at 0.5 that of a resident. Resident Equivalents for Non-Residential is rounded to nearest whole number.

The cost per EDU for each fee component is calculated by taking the costs attributable to new development, subtracting the fund balance, adding outstanding credits, subtracting deferred fees and dividing by the total number of EDUs. The cost per EDU calculations is shown in **Table 8-5**.

Table 8-5: Public Safety Cost per EDU

Public Safety Fee Component	Cost Attributable to Fee Program[1]	Fund Balance[2]	Outstanding Credits/ Reimb.[3]	Cordes Ranch Deferred Payment[4]	Remaining Cost to Fund[5]	Total EDUs	Cost/EDU[5]
Fire	$31,896,978	($137,187)	$6,946,073	($116,922)	$38,588,942	32,553	$1,185
Police	$65,689,007	($1,379,627)	($618,816)	($183,110)	$63,507,454	16,002	$3,969
Communication Facilities	$3,013,542	($977,893)	($242,059)	($63,534)	$1,730,056	16,002	$108
Total	**$100,599,527**	**($2,494,707)**	**$6,085,198**	**($363,566)**	**$103,826,452**		**$5,262**

[1] Total may be slightly different than the Master Plan due to rounding.

[2] Fund balance as of 06/01/2023.

[3] Credit/reimbursements as of 06/01/2023.

[4] Cordes Ranch deferred fees per DA Section 6.3C (09/17/2013). Does not include PM.

[5] Rounded to the nearest dollar.

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FEE SUMMARY

The Public Safety Fee is converted into a fee per square foot for residential land uses by multiplying the EDU factors (**Table 8-3** and **Table 8-4**) by the cost per EDUs (**Table 8-5**) and then dividing by the average unit size of each land use in the City. The Public Safety Fees are converted into fee per 1,000 building square feet for non-residential land uses by multiplying the EDU factors (**Table 8-3** and **Table 8-4**) by the costs per EDU for each non-residential land use (**Table 8-5**). **Table 8-6** summarizes the Public Safety Fees by the three components that make up the fee.

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Table 8-6: Public Safety Fees

Land Use	EDU Factor	Fire Fee	Police Fee	Communication Facilities Fee	Total Fee	Average Size[1]	Fire Fee	Police Fee	Communication Facilities Fee	Total Fee
Residential [2]		*(per Unit)*					*(per SF)* [4]			
Single Family Residential	1.00	$1,185	$3,969	$108	**$5,262**	2,500	$0.47	$1.59	$0.04	**$2.10**
Multi-Family Residential (Attached 2-4)	0.80	$948	$3,175	$86	**$4,209**	1,500	$0.63	$2.12	$0.06	**$2.81**
High Density Residential (Attached 4+)	0.74	$877	$2,937	$80	**$3,894**	950	$0.92	$3.09	$0.08	**$4.09**
Non-Residential [3]		*(per 1,000 Bldg SF)*					*(per 1,000 Bldg SF)* [4]			
Office	0.48	$569	$1,905	$52	**$2,526**	n/a	$569	$1,905	$52	**$2,526**
Commercial	0.29	$344	$1,151	$31	**$1,526**	n/a	$344	$1,151	$31	**$1,526**
Industrial	0.095	$113	$377	$10	**$500**	n/a	$113	$377	$10	**$500**

[1] Average size based on the average unit size of planned new development in the City of Tracy.

[2] The fee for residential will be applied to the livable square footage.

[3] The fee for non-residential will be applied to the building square footage.

[4] Residential fee rounded to nearest hundredth. Non-Residential fee rounded to the nearest dollar.

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FEE COMPARISON

Table 8-7 compares the proposed fee for public safety to the existing fee (as of July 1, 2023). The existing per residential unit fee was converted to a fee per square foot using the same average unit sizes as the proposed fees. The total Public Safety Fee is increasing due to the following reasons.

1. The estimated construction costs for facilities have been reassessed to better align with current market conditions and escalated construction costs.
2. Needs have been re-assessed as part of the master plan process and several additional police facilities have been added including a South Substation, a dedicated training facility, and Animal Shelter. In addition, a larger standalone fire training facility was identified as being required.
3. The Communication Facilities Fee is decreasing due to the fact that the anticipated cost of the facility has not risen at the same rate as the ENR CCI for San Francisco that has been applied to the fees annually. In addition, a public safety center and Emergency Operations Center that were in the prior master plan is not included as the needs are being met by other facilities within the police and fire categories.
4. Population assumptions have been updated from the previous master plan. This change in assumptions results in more persons per unit. Due to the nature of this fee spreading impact by population, an increase in the estimated persons per household corresponds with an increasing fee.
5. Effective January 1, 2023, the 2022 California Energy Code requires electrical solar systems on all new City office buildings, including, by and large, the proposed public safety facilities envisioned in this report. These solar costs have been included in the cost estimates for Public Safety facilities.

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Table 8-7: Public Safety – Fee Comparison

Land Use	Fire			Police			Communication Facilities			Total Public Safety Fee		
	Proposed Fee	Existing Fee	Percent Change	Proposed Fee	Existing Fee	Percent Change	Proposed Fee	Existing Fee	Percent Change	Proposed Fee	Existing Fee	Percent Change
Residential (per SF)												
Single Family Residential	$0.47	$0.32	47%	$1.59	$0.39	312%	$0.04	$0.13	-69%	$2.10	$0.83	152%
Multi-Family Residential (Attached 2-4)	$0.63	$0.43	45%	$2.12	$0.53	304%	$0.06	$0.18	-66%	$2.81	$1.14	147%
High Density Residential (Attached 4+)	$0.92	$0.56	65%	$3.09	$0.68	357%	$0.08	$0.23	-65%	$4.09	$1.46	180%
Non-Residential (per 1,000 Bldg SF)												
Office	$569.00	$402.04	42%	$1,905.12	$487.16	291%	$52.00	$164.71	-68%	$2,526.12	$1,053.91	140%
Commercial	$344.00	$241.22	43%	$1,151.01	$292.31	294%	$31.00	$98.83	-69%	$1,526.01	$632.36	141%
Industrial	$113.00	$80.41	41%	$377.06	$97.45	287%	$10.00	$32.94	-70%	$500.06	$210.80	137%

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NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Public Safety Fees are to fund additional fire, police, and communication facilities that are needed to serve new development in the City. Each new resident and worker generate the need for the City to expand their facilities in order to provide adequate response times, hire and house new public safety personnel, and improve the City's emergency communication facilities. In order to accommodate these needs, new facilities will be built, or existing facilities will be expanded as shown within **Table 8-1** and **Table 8-2**.

Requirement 2: Identify the use of the fee.

The fees will be used to fund the public safety facilities including fire, police, and communication facilities summarized in **Table 8-1** and **Table 8-2**. These projects were identified in the Citywide Public Safety Master Plan Update, prepared by Hammond & Playle Architects, LLP (June 2023) as facilities required to mitigate the impact of new development in the TIMP Fee program area.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Public Safety Fees will be used to fund public safety projects consisting of new fire, police, and communication facilities necessary to serve the increased residents and workers in the City as shown in **Table 8-1** and **Table 8-2**. The Public Safety Fees are calculated based on the estimated number of new residents and workers that are generated by each new development. Workers are weighted at a lower weight than residents to reflect their lesser impact on the facilities. This weighting is calculated as resident equivalents and each component of the Public Safety Fee uses the resident equivalents to calculate an EDU factor to equate each land use to that of a single family home. The EDU factor is calculated based on the density factor for each residential and non-residential land use. Density is measured as "persons per dwelling unit" for residential uses or "square feet per worker" for nonresidential uses. The cost per EDU is calculated and spread to each land use based on the EDU equivalent methodology ensuring a reasonable relationship between the fees use and the type of development project. These calculations are shown in **Table 8-3, Table 8-4, Table 8-5,** and **Table 8-6**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new development is anticipated to generate either new residents or workers. The addition of these new residents and workers directly creates the need for additional public safety facilities for fire, police, and communication facilitates, which are necessary in order to maintain the required level of service. The fees are based on the number of resident equivalents each new development is expected to generate, thus ensuring that the need for the facility is directly related to a particular development's impact. New workers generate a smaller demand than a resident and thus one worker is considered, on average, as equivalent to 0.5 times that of a resident. The relationship between the need for the facility and the type of development project is shown in **Table 8-3, Table 8-4, Table 8-5,** and **Table 8-6**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The Public Safety Fees will provide the funding for the required public safety facilities for fire, police, and communication facilities. These facilities and costs are summarized in **Table 8-1** and **Table 8-2**. The cost is spread to each land use based on the number of new resident equivalents that the land use will generate calculated as an EDU factor shown in **Table 8-3** and **Table 8-4**. The fees per EDU calculated in **Table 8-5** are then converted into fees for each land use in **Table 8-6**. By spreading the fees based on the EDU factors, each new development is only paying for their fair share of the required facilities since the need for the facilities directly correlates to the addition of new residents and worker equivalents.

Section 9 PUBLIC FACILITIES FEE

BACKGROUND

This section presents an analysis of the City's TIMP Public Facilities Fee. The Public Facilities Fee covers the costs to mitigate the effects of new development on the City's public facilities. As the resident population and non-resident employment in the City increases, there exists a correlating rise in the demand for public facilities to support the increased demand on the City's infrastructure. New development in the TIMP Fee program area will pay a Public Facilities Fee at building permit issuance for the public facility projects described in this section. The Public Facilities Fee is based on the costs identified in the Tracy Public Facilities Master Plan, prepared by KPA (Spring 2023).

Per the Public Facilities Master Plan, eleven (11) new Capital Improvement Projects are recommended to be constructed to serve the City and its growing population. City residents will be better served with increased departmental operations efficiency through planned new construction and facility remodels. Public facilities such as the Multi-Generational Recreation Center, Aquatics Center and Library will provide services for the expanding population in the City. Recommended new facilities include:

- A new Administration facility at the site of the current Support Services Building
- A Bus Maintenance and Public Works Facility located adjacent to the current Boyd Service Center
- Civic Center Parking Garage
- A new Public Works facility at Tracy Hills
- A Multi-Generational Recreation Center
- An Aquatics Center with pools, water slides and other public use activities
- Community Center
- Senior Center
- An additional Library
- Temporary Emergency Housing to be located near the site of the current Wastewater Treatment Plant
- Boyd Service Center buildings

Parking to accommodate the new construction will be provided at each of the respective planned new facilities.

SERVICE POPULATION

Demand for services and the associated facilities is based on the City's future service population, which includes residents and non-residential workers. In calculating the service population for growth, workers were weighted less than residents to reflect the lower service demand of workers. Non-resident workers spend less time in the City and use fewer services, so the demand for City services is considered to be less than that of a resident. Workers are weighted at 0.24 that of a resident based on worker utilizing services 40-hours a week versus a resident having access to services 168 hours a week. This methodology was established in the City's 2013 Public Facilities Master Plan.

While the Master Plan stated that it identifies facilities needed to serve the City in 2040, based on discussions with the Master Plan Consultant, the facilities identified will likely serve buildout of the City. In addition, the facilities identified in the Public Facilities Master Plan are consistent with the facilities identified as serving buildout in the previous master plan, therefore, the Nexus Study uses Buildout land assumptions for the fee calculations. The fair share calculations in the newly adopted Public Facilities Master Plan also utilizes Buildout population assumptions.

Nine of the eleven facilities identified in the Public Facilities Master plan are considered improvements that are needed to serve both the existing and future service population. Thus, the improvement costs of these facilities are proportionately allocated between existing and future development. These calculations can be found within the Public Facilities Master Plan.

COST SUMMARY

Based on the updated Public Facilities Master Plan, the estimated total cost of public facilities attributable to the fee program is approximately $117.35 million.

Table 9-1 summarizes the costs, other identified funding sources, cost attributable to new development and the remaining City cost. The methodology for the cost attributable to new development is established and detailed further within the Public Facilities Master Plan. This methodology ensures that new development is not funding existing deficiencies. The City will be required to fund the costs shown in the "Remaining City Costs" column through the use of Grants, Measure V, and other available non-fee revenue sources. These funding sources will be identified as part of the City's Capital Improvement Program (CIP) process.

Table 9-1: Public Facilities Cost Summary

Building	Start Year	Proposed Area (Sq. Ft.)	Unit Cost/ Sq. Ft.	Construction Cost	Site Development	35% Mark-up [1]	Furniture, Fixtures, & Equipment / Vehicles	Land	Other Funding Sources [2]	Remaining Cost	Percent of Remaining Cost Attributable to Fee Program [3]	Total Cost Attributable to Fee Program	Remaining City Cost [4]
Administration Building	2026	21,000	$833	$17,493,000	$200,000	$6,192,550	$357,000	n/a	$0	$24,242,550	38.60%	**$9,357,624**	$14,884,926
Bus Maintenance/Corp Yard	2024	17,400	$1,121	$19,500,000	$4,500,000	$8,400,000	$4,000,000	n/a	$0	$36,400,000	38.60%	**$14,050,400**	$22,349,600
Civic Center Parking Garage	N/A	60,000	$130	$7,800,000	$300,000	$2,835,000	$1,020,000	$625,000	$0	$12,580,000	38.60%	**$4,855,880**	$7,724,120
Tracy Hills Public Works Facility	2021	400	$778	$311,200	$0	$108,920	$6,800	n/a	$0	$426,920	38.60%	**$164,791**	$262,129
Aquatic Center	2025	16,134	$2,394	$38,632,659	$7,600,000	$16,181,431	$274,278	n/a	($53,007,854)	$9,680,514	100.00%	**$9,680,514**	$0
Multi-Generational Recreation Center	2023	52,637	$1,051	$55,305,357	$7,800,000	$22,086,875	$2,385,000	$0	($73,000,000)	$14,577,232	100.00%	**$14,577,232**	$0
Community Center	2036	9,000	$739	$6,648,333	$225,000	$2,405,667	$221,000	n/a	$0	$9,500,000	94.32%	**$8,960,400**	$539,600
Senior Center	2038	5,000	$760	$3,798,519	$200,000	$1,399,481	$102,000	n/a	$0	$5,500,000	89.10%	**$4,900,500**	$599,500
Tracy Library	2029	20,000	$840	$16,800,000	$1,425,000	$6,378,750	$340,000	$633,250	$0	$25,577,000	68.27%	**$17,461,418**	$8,115,582
Temporary Emergency Housing Ph 2	2021	9,596	$603	$5,786,569	$1,500,000	$2,550,299	$163,132	n/a	$0	$10,000,000	38.50%	**$3,850,000**	$6,150,000
Boyd Service Center													
Overall	N/A	28,370	$705	$20,000,000	$1,900,000	$7,665,000	$482,290	n/a	$0	$30,047,290	77.20%	**$23,196,508**	$6,850,782
Administration	N/A	2,500	$2,060	$5,150,000	$129,150	$1,847,703	$127,347	n/a	$0	$7,254,200	86.77%	**$6,294,469**	$959,731
Total		**242,037**	**$12,013**	**$197,225,637**	**$25,779,150**	**$78,051,675**	**$9,478,847**	**$1,258,250**	**($126,007,854)**	**$185,785,705**		**$117,349,736**	**$68,435,969**

Source: City of Tracy Public Facilities Master Plan, prepared by KPA (July 2022, Revised Costs February 2023).

[1] Mark-up includes: 10% Design and Planning, 10% Construction Maintenance, 15% General Contingency.

[2] Funding from Measure V, Grants, and other fee programs.

[3] Percent attributable to new development from the Tracy Public Facilities Master Plan, prepared by KPA.

[4] The City will be required to fund the costs shown in the Remaining City Costs column through the use of Grants, Measure V, and other available non-fee revenue sources.

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FEE METHODOLOGY

The Public Facilities Fee uses the Planned Facilities Method to calculate the fee. The fees are based on new development's fair share of the facilities identified in the Public Facilities Master Plan needed at Buildout.

The Public Facility Fee is calculated based on the estimated number of new residents and workers that are generated by each new development. Workers are weighted at a lower weight than residents to reflect their lesser impact on the facilities. This weighting is calculated as resident equivalents and each component of the Public Facility Fee uses the resident equivalents to calculate an EDU factor to equate each land use to that of a single family home. The EDU factor is calculated based on the density factor for each residential and non-residential land use. Density is measured as "persons per dwelling unit" for residential uses or "square feet per worker" for nonresidential uses. The cost per EDU is calculated and spread to each land use based on the EDU equivalent methodology ensuring a reasonable relationship between the fees use and the type of development project. The following steps are used to calculate the EDU factor for each land use.

1. The residential units and non-residential square feet are multiplied by the density to calculate the resident and worker projections.
2. The non-residential resident equivalent is calculated by multiplying the employee projection by 0.24.
3. The EDUs are then calculated by dividing the resident equivalents by the Single-Family residential density (3.50).
4. Finally, the EDU factor is calculated by dividing each land uses' EDUs by the residential units or 1,000 square feet of nonresidential in that category.

These calculations are shown in **Table 9-2**.

Table 9-2: Total Equivalent Dwelling Units

Land Use	Buildout Units / Building SF [1]	Density[2]	Resident/ Employee Projection	Resident Equivalents[3]	EDUs	EDU Factor
Residential						
Single Family Residential	16,225	3.50	56,788	56,788	16,225	1.00
Multi-Family Residential (Attached 2-4)	881	2.80	2,467	2,467	705	0.80
High Density Residential (Attached 4+)	3,871	2.60	10,065	10,065	2,876	0.74
Subtotal Residential	**20,977**		**69,320**	**69,320**	**19,806**	
Non-Residential						
Office	4,952,249	300	16,507	3,962	1,132	0.229
Commercial	12,268,892	500	24,538	5,889	1,683	0.137
Industrial	72,284,270	1,500	48,190	11,566	3,305	0.046
Subtotal Non-Residential	**89,505,411**		**89,235**	**21,417**	**6,120**	
Total				**90,737**	**25,926**	

[1] Based on buildout population projections.

[2] Density is measured as "persons per dwelling unit" for residential land uses and "square feet per worker" for non-residential land uses.

[3] Workers are weighted a population of 0.24 based on a 40-hour work week divided by 168 hours in a week and rounded to nearest whole number.

The cost per EDU is calculated by taking the cost attributable to the fee program, subtracting the fund balance and Cordes Ranch deferred payments, and then dividing by the total number of EDUs. The new aquatic center, multi-generation recreation center, community center, senior center, and library expansion costs will only be paid by the residential land uses as the non-residential land uses do not generate the need for these facilities. Thus, the cost per EDU for residential and the cost per EDU for non-residential must be calculated separately by dividing by the appropriate EDU counts. The Public Facilities costs per EDU are calculated in **Table 9-3**. It should be noted that the fund balance and Cordes deferred fees are being spread to each facility based on the percentage of the total cost for purposes of calculating the fees only.

Table 9-3: Public Facilities Cost per EDU

Facility/Improvement	Cost Attributable to Fee Program	Fund Balance[1]	Cordes Ranch Deferred Payment[2]	Remaining Cost to Fund	Total EDUs	Cost/ EDU (Residential)	Cost/ EDU (Non-Residential)
Administration Building	$9,357,624	($480,247)	($3,992)	$8,873,385	25,926	$342	$342
Bus Maintenance/Corp Yard	$14,050,400	($721,087)	($5,994)	$13,323,319	25,926	$514	$514
Civic Center Parking Garage	$4,855,880	($249,211)	($2,072)	$4,604,598	25,926	$178	$178
Tracy Hills Public Works Facility	$164,791	($8,457)	($70)	$156,263	25,926	$6	$6
Aquatic Center	$9,680,514	($496,818)	($4,130)	$9,179,566	19,806	$463	$0
Multi-Generational Recreation Center	$14,577,232	($748,125)	($6,219)	$13,822,888	19,806	$698	$0
Community Center	$8,960,400	($459,861)	($3,823)	$8,496,717	19,806	$429	$0
Senior Center	$4,900,500	($251,501)	($2,091)	$4,646,909	19,806	$235	$0
Tracy Library	$17,461,418	($896,145)	($7,449)	$16,557,823	19,806	$836	$0
Temporary Emergency Housing	$3,850,000	($197,588)	($1,642)	$3,650,770	25,926	$141	$141
Boyd Service Center							
Overall	$23,196,508	($1,190,478)	($9,896)	$21,996,133	25,926	$848	$848
Administration	$6,294,469	($323,041)	($2,685)	$5,968,742	25,926	$230	$230
Total[3]	**$117,349,736**	**($6,022,559)**	**($50,064)**	**$111,277,113**		**$4,920**	**$2,259**

[1] Fund balance as of 06/01/2023.

[2] Cordes Ranch deferred fees per DA Section 6.3C (09/17/2013). Does not include PM.

[3] Totals rounded to nearest dollar.

FEE SUMMARY

The Public Facilities Fee is converted into a fee per square foot for residential land uses by multiplying the cost per EDU (**Table 9-3**) by the EDU factor (**Table 9-2**) and then dividing by the average unit size of each land use in the City. The Public Facilities Fee is converted into a fee per 1,000 building square feet for non-residential land uses by multiplying the cost per EDU (**Table 9-3**) by the EDU factor (**Table 9-2**) for each non-residential land use. **Table 9-4** summarizes the Public Facilities Fee calculation.

Table 9-4: Public Facilities Fee Calculation

Land Use	Cost per EDU	EDU Factor	Total Fee	Average Size[1]	Total Fee
Residential [2]			*(per Unit)*		*(per SF)*
Single Family Residential	$4,920	1.00	$4,920	2,500	$1.97
Multi-Family Residential (Attached 2-4)	$4,920	0.80	$3,936	1,500	$2.62
High Density Residential (Attached 4+)	$4,920	0.74	$3,641	950	$3.83
Non-Residential [3,4] (per 1,000 Bldg SF)					
Office	$2,259	0.229	$517	n/a	$517
Commercial	$2,259	0.137	$309	n/a	$309
Industrial	$2,259	0.046	$104	n/a	$104

[1] Average size based on the average unit size of planned new development in the City of Tracy.

[2] The fee for residential will be applied to the livable square footage.

[3] The fee for non-residential will be applied to the building square footage. Fee is rounded to the nearest

[4] Non-Residential EDU factor rounded to the nearest thousandth for greater accuracy.

FEE COMPARISON

Table 9-5 compares the proposed fee for public facilities to the existing fee (as of July 1, 2023). The existing per unit fee was converted to a fee per square foot using the same average unit sizes as the proposed fees. The public facilities fee is slightly increasing the existing fees for residential and increasing greater for non-residential for three main reasons discussed below.

1. The estimated construction costs for facilities have increased to keep up with the rising cost of construction.
2. Additional facilities have been included such as the Civic Center Parking Garage, Tracy Hills Public Works facility, Temporary Shelter, and Bus Maintenance/Corporation Yard.
3. The facilities funded by both residential and non-residential increased at a higher percentage than the facilities funded only by residential, resulting in a larger increase to non-residential land uses.
4. Population assumptions have been updated from the previous master plan. This change in assumptions results in more persons per unit. Due to the nature of this fee spreading impact by population, an increase in the estimated persons per household corresponds with an increasing fee.

Table 9-5: Public Facilities – Fee Comparison

Land Use	Proposed Public Facilities Fee	Existing Public Facilities Fee	Percent Change
Residential (per SF)			
Single Family Residential	$1.97	$1.61	23%
Multi-Family Residential (Attached 2-4)	$2.62	$2.19	20%
High Density Residential (Attached 4+)	$3.83	$2.82	36%
Non-Residential (per 1,000 Bldg SF)			
Office	$517.00	$173.76	198%
Commercial	$309.00	$104.25	196%
Industrial	$104.00	$34.76	199%

[1] Program Management (5%) removed from Construction Cost of Existing Fee for an accurate comparison.

NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Public Facilities Fee is to fund public facilities needed to serve new development in the City. In order to accommodate these needs, new facilities will be built, or existing facilities will be expanded. Each new resident and worker creates a demand for additional public facilities: such as additional space at City Hall or expansion of the Corporation Yard. In addition, new residents create the additional need for recreational facilities such as an aquatic center, library, and recreation center. These facilities are shown in **Table 9-1** and are further defined in the Public Facilities Master Plan.

Requirement 2: Identify the use of the fee.

The Public Facilities Fee will be used to fund the public facilities listed in **Table 9-1**. These projects were identified in the updated Public Facilities Master Plan, prepared by KPA (Spring 2023) as the facilities required to mitigate the impact of new development.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Public Facilities Fee will be used to fund the public facilities projects listed on **Table 9-1** necessary to serve increased residents and workers generated by new development. The Public Facilities Fee is calculated based on the number of new residents and workers that are generated

by each type of new development. The new aquatic center, multi-generation recreation center, community center, senior center, and library expansion costs will only be paid by the residential land uses as the non-residential land uses do not generate the need for these facilities. The remaining facilities are funded by both residential and non-residential land uses. Residential and Non-Residential EDUs are calculated separately (**Table 9-2**) to ensure facilities that are not utilized by non-residential developments are not incorporated in each facility's cost per EDU calculation (**Table 9-3)**. The cost per EDU is then spread to each land use based on the EDU equivalent methodology ensuring a reasonable relationship between the fees use and the type of development project. These calculations is shown in **Table 9-4**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new development is anticipated to generate either new residents or workers. The addition of these new residents and workers directly creates the need for new public facilities. These facilities are necessary in order to maintain the required level of service. The new aquatic center, multi-generation recreation center, community center, senior center, and library expansion costs will only be paid by the residential land uses as the non-residential land uses do not generate the need for these facilities. The remaining facilities are funded by both residential and non-residential land uses. The Public Facilities Fee is based on the number of applicable workers and/or residents each new development is expected to generate, thus ensuring that the need for the facilities is directly related to a particular development's impact. New workers generate a smaller demand than a resident, thus one worker is considered, on average, as equivalent to 0.24 that of a resident. This relationship is calculated in **Table 9-2, Table 9-3,** and **Table 9-4**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The Public Facilities Fee will provide the funding for the required public facilities. These facilities and costs are summarized in **Table 9-1**. The cost is spread to each land use based on the number of new resident equivalents that the land use will generate calculated as an EDU factor as shown in **Table 9-2**. By spreading the fee based on the EDU factor, as shown in **Table 9-3** and **Table 9-4**, each new development is only paying for their fair share of the required facilities since the need for the facilities directly correlates to the addition of new residents and workers. Non-residential land uses will not be allocated a cost for the new aquatic center, multi-generation recreation center, community center, senior center, and library expansion costs facilities as these land uses do not generate a need for these facilities based on the impact of their development on the facilities.

Section 10 STORM DRAINAGE FEE

BACKGROUND

The City is currently working with Wood Rogers to prepare the *City of Tracy Storm Drainage Master Plan Update*. Once accepted, the TIMP Program Storm Drainage Fee will be updated to reflect the Storm Drainage facility projects identified as needed to serve new development.

To keep fees consistent with the assessment of Residential Fees on a per square foot basis and Non-Residential Fees on a per 1,000 building SF, the existing Storm Drainage fees that were adopted based on the *Citywide Storm Drainage Master Plan, prepared by Stantec (November 2012),* and periodically amended since, have been converted. The Residential Fees were converted from a per unit fee to a per SF fee using the average unit size identified in this Nexus Study and Non-Residential Fees were converted from a per acre fee to a per 1,000 building SF fee using the FAR assumptions in this Nexus Study. The converted fees are shown in **Table 10-1**.

NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Storm Drainage Fee is to fund the facilities that are necessary to handle increased storm water runoff from new development in the City. To accommodate this increased flow, new storm drainage facilities must be built and/or existing facilities be expanded. The list of facilities needed to serve new development were identified in the *Citywide Storm Drainage Master Plan, prepared by Stantec (November 2012)* and through the subsequent amendments.

Requirement 2: Identify the use of the fee.

The Storm Drainages fees will be used to construct the needed program storm drainage facilities that are necessary to convey and store increased storm water runoff generated by new development identified in the currently adopted *Citywide Storm Drainage Master Plan, prepared by Stantec (November 2012)* and the corresponding adopted amendments and fee studies. The following fee studies set the currently adopted fees. The fees are updated by ENR on July 1st of each year.

- Final Report SDMP Impact Fee Analysis – Nov. 2013
- NEI and Eastside Industrial Expanded SDMP Impact Fee Study – Jan. 2018
- Lammers and Mountain House MP Update Impact Fee Study – Aug. 2019

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

New development generates additional runoff during storm events. The fees collected from new development will be used to fund the improvements necessary to mitigate the increase in storm water from these new developments within their respective storm drainage shed areas, as identified in the fee studies identified in Requirement 2.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

New residential and non-residential development will create additional run-off directly creating the need for new storm drainage facilities and improvements. The Storm Drainage Fees are directly correlated to the runoff created by the residential and non-residential development based on additional impervious area generated by the development. Based on the 2012 Master Plan and subsequent updates, hydrologic and hydraulic technical evaluations were performed to determine quantities and rates of runoff that will be generated by new development within the new impact fee program areas. Based on these evaluations, relevant storm drainage infrastructure improvements were recommended to serve said new development and proportional fair share responsibilities to utilize excess capacity in existing downstream facilities were derived. The adopted residential fees are being converted to a fee per square foot at this time by dividing by the average unit size within each residential land use. No other changes are proposed.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The storm drainage improvements required to serve new development in the current TIMP fee program are shown in the current master plan and subsequent fee study and amendments. Based on the 2013 fee study and subsequent amendments, the impact fees allocate a fair share of the estimated storm drainage infrastructure costs to the various proposed land uses associated with new development based on the increase in impervious area and related increased run-off of each land use within each drainage shed. The Storm Drainage fee calculations are shown in the 2013 fee study and subsequent amendments and has not changed besides being updates by ENR annually. At this time, the residential fees are being converted into a fee per square foot and the non-residential fees are being converted to a fee per 1,000 building square foot. This is achieved by taking the currently adopted residential fee and dividing by the average unit size and taking the non-residential fee and converting the acreage to 1,000 SF and multiplying by the FAR assumptions within this report. The methodology used in the original fee study and the methodology of converting the fees to a fee per square foot and 1,000 building square foot, ensures that each land use only pays for their fair share of the storm drainage facilities based on the amount of additional run-off generated by that land use.

Table 10-1: Existing Storm Drainage Fees

Land Use by Type	Average Unit Size [1] / FAR	Keenan	Westside Residential	NW WSO	Larch Clover	Eastside Industrial	Northeast Area	South MacArthur and Rocha	Mountain House	Lammers Watershed	Kagehiro and West Larch Clover
Residential (per SF)[2,3,4]											
Residential-Very Low Density	2,500	n/a	n/a	n/a	n/a	n/a	$1.52	$2.74	n/a	$0.83	$0.35
Residential-Low Density	2,500	$1.21	$2.58	n/a	n/a	n/a	$1.05	$2.52	n/a	$0.76	$0.30
Residential-Medium Density (Attached 2-4)	1,500	$1.36	$2.88	n/a	n/a	n/a	$1.08	$2.79	n/a	$0.84	$0.35
Residential-High Density (Attached 4+)	950	$1.92	$4.05	n/a	n/a	n/a	$1.57	$3.95	n/a	$1.19	$0.49
Non-Residential (per 1,000 Bldg SF)[4]											
Office	0.45	n/a	n/a	$1,178	n/a	n/a	$461	n/a	$235	$359	n/a
Commercial/Retail	0.3	n/a	n/a	$1,767	$98	$384	$307	$791	$157	$239	n/a
Industrial	0.5	n/a	n/a	$1,060	n/a	$639	$512	n/a	$262	$399	n/a

[1] Average size based on the average unit size of planned new development in the City of Tracy.

[2] The fee for single family residential and multi-family residential (Attached 2-4) will be applied to the livable square footage. High density residential will pay a fee based on the entire gross building square footage, including the clubhouse, storage buildings, garages, covered patios, etc.

[3] Fees are the July 1, 2023 fees divided by the average unit size to calculate the residential fee per square foot.

[4] Residential fee rounded to nearest hundredth. Non-Residential fee rounded to the nearest dollar.

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Section 11 PROGRAM MANAGEMENT FEE

BACKGROUND

The City, with assistance from consultants, oversees the implementation and administration of the TIMP Fee Program, consistent with the requirements of the Mitigation Fee Act. AB 602, which came into effect on January 1, 2022, adds additional nexus study requirements. Furthermore, AB1483, which became effective January 1, 2020, requires that public agencies make certain information available on their website, increasing the administrative responsibilities of the City.

The five percent (5%) Program Management Fee is added to fund the costs of the City's management and ongoing fee program administration, collection, and reporting. This includes costs associated with City staff and consultant time, studies, and administration to support the program. City staff time includes one full time fee program administrator and half time of a management analyst in the finance department. Industry standard ranges from three to six percent (3-6%) for the administrative component of a development fee program. The City has historically collected program management as an additional soft cost mark-up equal to five percent (5%) of the construction cost of projects and then transferred this money to a separate fee account. This practice has been difficult to administer and therefore, the City has been migrating to a separate five percent (5%) Program Management Fee.

The five percent (5%) administration component of the TIMP Fee Program includes, but is not limited to, the following activities:

- Posting of nexus studies and fee schedules on City's Websites
- Annual fee adjustments
- Annual fee reporting
- Five year fee reporting
- Application and tracking of fee credits/reimbursements.
- Periodic nexus study updates
- Staff and consultant time related to fee preparation, collection, tracking and administration.

Table 11-1 summarizes the proposed Program Management Fee calculated as five percent (5%) of the total TIMP fees. Existing Storm Drainage Fees are not included in this Program Management Fee and will continue to be assessed a 5% PM fee on the construction portion of each program.

For projects that are subject to only certain TIMP fees, the Program Management Fee will be five percent (5%) of the TIMP fees that are assessed on the project. For example, if an area is subject to the Recycled Water Fee but not the other TIMP fees, the project will be charged a Program Management Fee equal to five percent (5%) of the Recycled Water Fee. The City will calculate the applicable Program Management Fee on case by case basis for such projects.

Table 11-1: Program Management Fee

Land Use	Program Management Fee
Residential (per SF)	
Single Family Residential	$1.21
Multi-Family Residential (Attached 2-4)	$1.52
High Density Residential (Attached 4+)	$2.11
Non-Residential (per 1,000 Bldg SF)[1]	
Office	$1,019
Commercial	$1,745
Industrial	$519

[1] Non-Residential fee rounded to the nearest dollar.

Table 11-2 below shows the past three audited fiscal years' (FY) program management fee revenue and program management expenditures, not including any interest or investment earnings. The TIMP program management revenue was collected at five percent (5%) of the fee program and is proportionate to the prior year's expenditures. The annual expenditures were slightly higher than revenue FY19-20 and FY20-21 due to increased activity related to the City's updates to existing Master Plans and other fee programs. In FY21-22, the City's revenue increased significantly, likely due to an increase in permit activity. It should be noted that the program management revenue and expenditures are from all fee sources, not just the master plan fee program. Based on this analysis, continuing to collect a five percent (5%) Program Management Fee is justifiable to cover the annual administrative expenditures.

Table 11-2: Historic Program Management Fund Revenue & Expenditure

Fiscal Year	Revenue	Expenditure
FY 19-20 Program Management	$770,465	$797,252
FY 20-21 Program Management	$1,256,709	$1,410,209
FY 21-22 Program Management	$1,998,884	$1,172,557

It is anticipated that administrative requirements will increase due to the additional requirements of state legislation. It is also anticipated that revenue and expenditures will vary year to year due to the cyclical nature of five-year reporting requirements, nexus study updates, and the housing market.

NEXUS REQUIREMENT SUMMARY

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Program Management Fee is to provide the funding necessary to administer and update the TIMP Fees. This includes consultant and City staff time related to services such as providing fee quotes, updating the fee program, tracking revenue and expenditures, updating the City's website, and preparing annual and five-year reports.

Requirement 2: Identify the use of the fee.

The Program Management Fee will be used to fund the management and administration of the TIMP Fees. This includes consultant and City staff time related to services such as posting of nexus studies and fee schedules on the City's website, annual fee adjustments, annual fee reporting, additional fee reporting every five years, application and tracking of fee credits/reimbursements, periodic nexus study updates, staff and consultant time related to fee preparation, collection, tracking and administration.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

New residents and workers that result from new development increases the demand for new infrastructure and facilities. These will be funded through the TIMP Fees program, which requires City and consultant staff time to manage and administer. These activities will be funded through the Program Management Fee. The Program Management Fee is a five percent (5%) mark-up of the TIMP Fees as shown in **Table 11-1**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new development adds residents or workers to the City and in order to maintain the City's desired level of service, new general government, recreational facilities, public safety, traffic infrastructure, water, wastewater, and storm drainage facilities must be built. These facilities will be funded through the TIMP Fees. To ensure these fees for new development are administered according to state law, regular updates, tracking and reporting are required. In addition, City staff must provide fee quotes for new development. To create the funding for these resulting activities, the Program Management Fee is based on a five percent (5%) mark-up of the TIMP Fees as summarized in **Table 11-1**. Using a percentage of the other fees, ensures that each new development is charged their fair share based on management that is associated with the revenue

generated by each project. A five percent (5%) fee is in alignment with the industry standard range of three to six percent (3-6%). In addition, **Table 11-2** analysis the data for the last three audited years showing that the revenue and expenditures are in alignment.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The Program Management Fee provides the funding to administer the TIMP Fees. The City has adopted a policy of collecting a five percent (5%) mark-up on the other fees to administer their fee programs effectively. Since this fee is calculated as a mark-up of the other TIMP Fees as summarized in **Table 11-1**, each land use only pays for their fair share based on the management that is associated with the revenue generated by each project.

Section 12 IMPLEMENTATION AND ADMINISTRATION

IMPLEMENTATION

According to the California Government Code, prior to levying a new fee or increasing an existing fee, an agency must hold at least one open and public meeting with at least 30 days' notice. In addition, notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. At least ten days prior to this meeting, the agency must make data on infrastructure costs and funding sources available to the public. Notice of the time and place of the meeting and a general explanation of the matter are to be published in accordance with Section 6062a of the Government Code, which states that publication of notice shall occur for ten days in a newspaper regularly published once a week or more. The new or increased fees shall be effective no earlier than 60 days following the final action on the adoption or increase of the fees. Following adoption of the fees, the fees and supporting information must be placed on the City's website.

FEE PROGRAM ADMINISTRATIVE REQUIREMENTS

The Government Code requires the City to report every year and every fifth year certain financial information regarding the fees. The City must make available within 180 days after the last day of each fiscal year the following information from the prior fiscal year:

1. A brief description of the type of fee in the account or fund.
2. The amount of the fee.
3. The beginning and ending balance in the account or fund.
4. The amount of the fee collected and the interest earned.
5. An identification of each public improvement for which fees were expended and the amount of expenditures.
6. An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project.
7. A description of each interfund transfer or loan made from the account and when it will be repaid.
8. Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee related projects.

The City must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

1. Identify the purpose to which the fee is to be put.
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
3. Identify all sources and amounts of funding anticipated to complete financing any incomplete improvements.
4. Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account.

As with the annual disclosure, the five-year report must be made public within 180 days after the end of the City's fiscal year and must be reviewed at the next regularly scheduled public meeting.

PROGRAMMING REVENUES WITH THE CIP

The City should maintain its Capital Improvement Program (CIP) to adequately plan for future infrastructure needs. The CIP should commit all projected fee revenues and fund balances to specific projects that are necessary to serve growth. The CIP provides documentation necessary for the City to hold funds in a project account for longer than five years if necessary to collect sufficient funds to complete a project. In addition, the CIP is required per AB 602. This report outlines the projects that are to be funded with the fee program and forms the basis of the CIP.

FEE REPORTING

Assembly Bill No. 1483, which became effective January 1, 2020, requires that public agencies make the following information available on their website. The following information must be provided:

1. A current schedule of fees, exactions, and affordability requirements imposed by the city, county, or special district, including any dependent special districts, of the city or county applicable to a proposed housing development project, which shall be presented in a manner that clearly identifies the fees, exactions, and affordability requirements that apply to each parcel.
2. All zoning ordinances and development standards, which shall specify the zoning, design, and development standards that apply to each parcel.
3. The list of information required to be compiled pursuant to Section 65940.
4. The current and five previous annual fee reports or the current and five previous annual financial reports, that were required pursuant to AB 1600.
5. An archive of impact fee nexus studies, cost of service studies, or equivalent, conducted by the city, county, or special district on or after January 1, 2018.

Any updates to the above information must be available within 30 days.

ACCESSORY DWELLING UNITS

An accessory dwelling unit (ADU) is a second unit that is attached or detached from a single-family home. In accordance with Assembly Bill No. 881 approved on October 9, 2019, TIMP fees will not be charged for an ADU that is less than 750 square feet. For an ADU that is 750 square feet or larger, the ADU will be charged proportionately in relation to the square footage of the primary dwelling unit. Since the TIMP residential fees are now being charged on a square footage basis, ADU fees will be calculated by multiplying the TIMP Single Family Residential fee by the ADU's square footage.

SPECIALIZED DEVELOPMENT PROJECTS

The fees in this report may not apply to specialized development projects such as golf courses, cemeteries, sports stadium, or other specialized land uses. For specialized development projects the City will review the development's impacts to determine the applicable fees. The fee rates presented in this Nexus Study may be reduced, exempted, or waived under certain circumstances as determined by the City. Any exemption or reduction in fees will be based on the City's independent analysis and review of the subject property.

Some developments may include more than one land use type. In these cases, the fee is calculated separately for each land use. The City has the discretion to impose the fees based on the specific aspects of a proposed development regardless of zoning. The fee imposed should be based on the land use type that most closely represents the impacts of the development.

REBUILD OR EXPANSION PROJECTS

The City will review reuse, expansions, density increasing, and rezone projects on a case by case basis to determine the applicable fees on the intensification or expansion.

For residential projects that wish to expand the size of their unit(s), the TIMP residential fees will be charged on a per SF basis of the expansion. For example, if a homeowner wishes to build an addition to their home that is 100 square feet, the homeowner would be responsible for paying fees for the 100 square foot addition.

For non-residential projects that were previously charged fees on a per acre lot basis, no additional fees will be charged. If the fees paid were previously charged on a per 1,000 building SF basis, and the project entails expanding the building footprint, then additional fees will be charged on the expansion.

In cases of rebuilding a structure after a demolition or a disaster, impact fees will not be charged on the rebuilding of the structure to the extent that the overall size and use of the new structure is the same as the structure demoed or destroyed by the disaster. Impact fees will be calculated on

the new rebuilt structure and the previous structure, and the difference of fees will be assessed. No refunds will be made for rebuilds that have less impact fees than the previous structure. In cases of a disaster, the City Engineer has the discretion to allow for a payment plan on DIFs.

Section 13 APPENDICES

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Appendix A: Traffic Exhibits

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Figure A-1: City of Tracy Transportation City Limits and Sphere of Influence

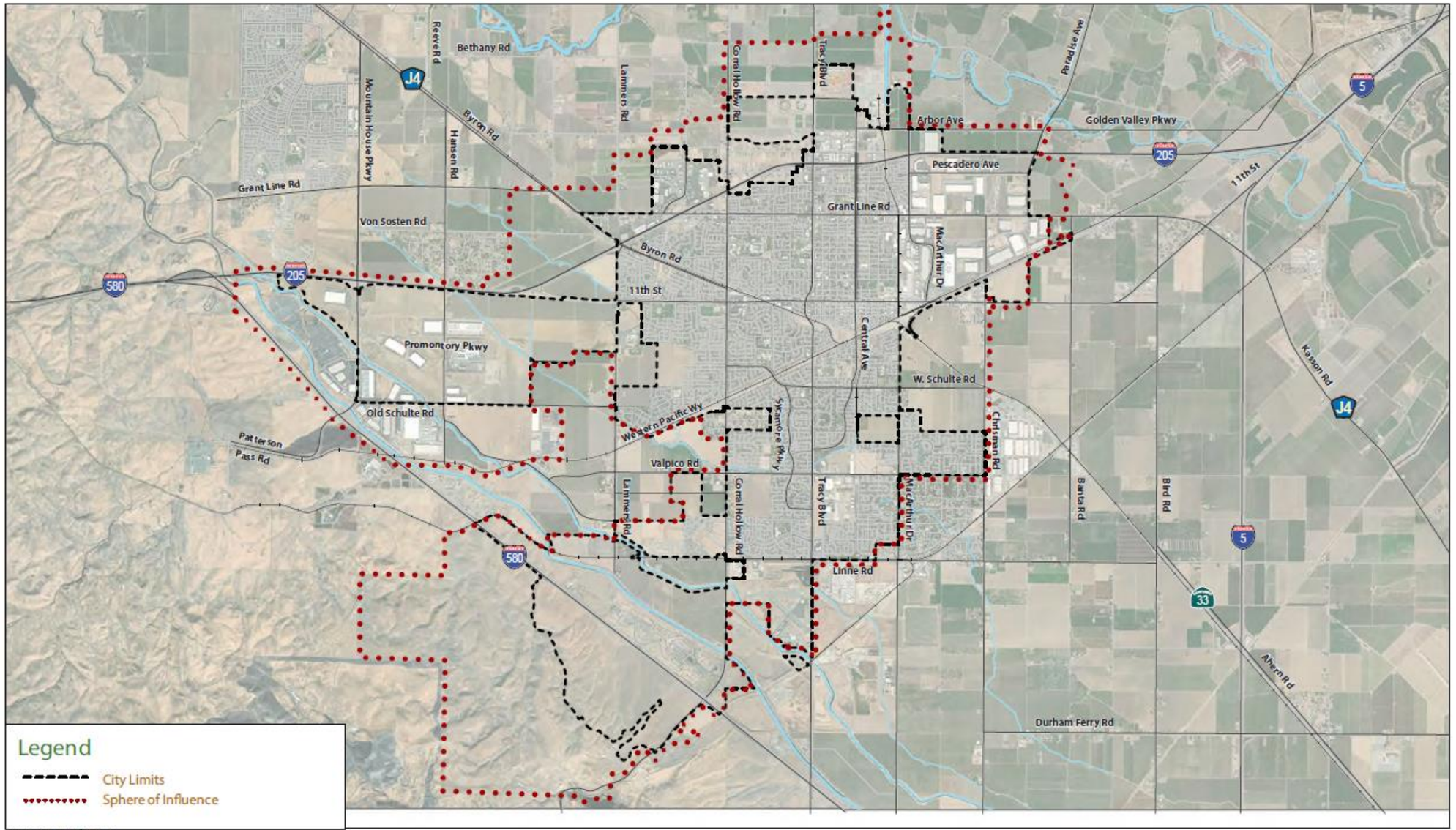

Figure 2.2: Tracy City Limits and Sphere of Influence

City of Tracy Transportation Master Plan

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Figure A-2: Traffic Structures Map

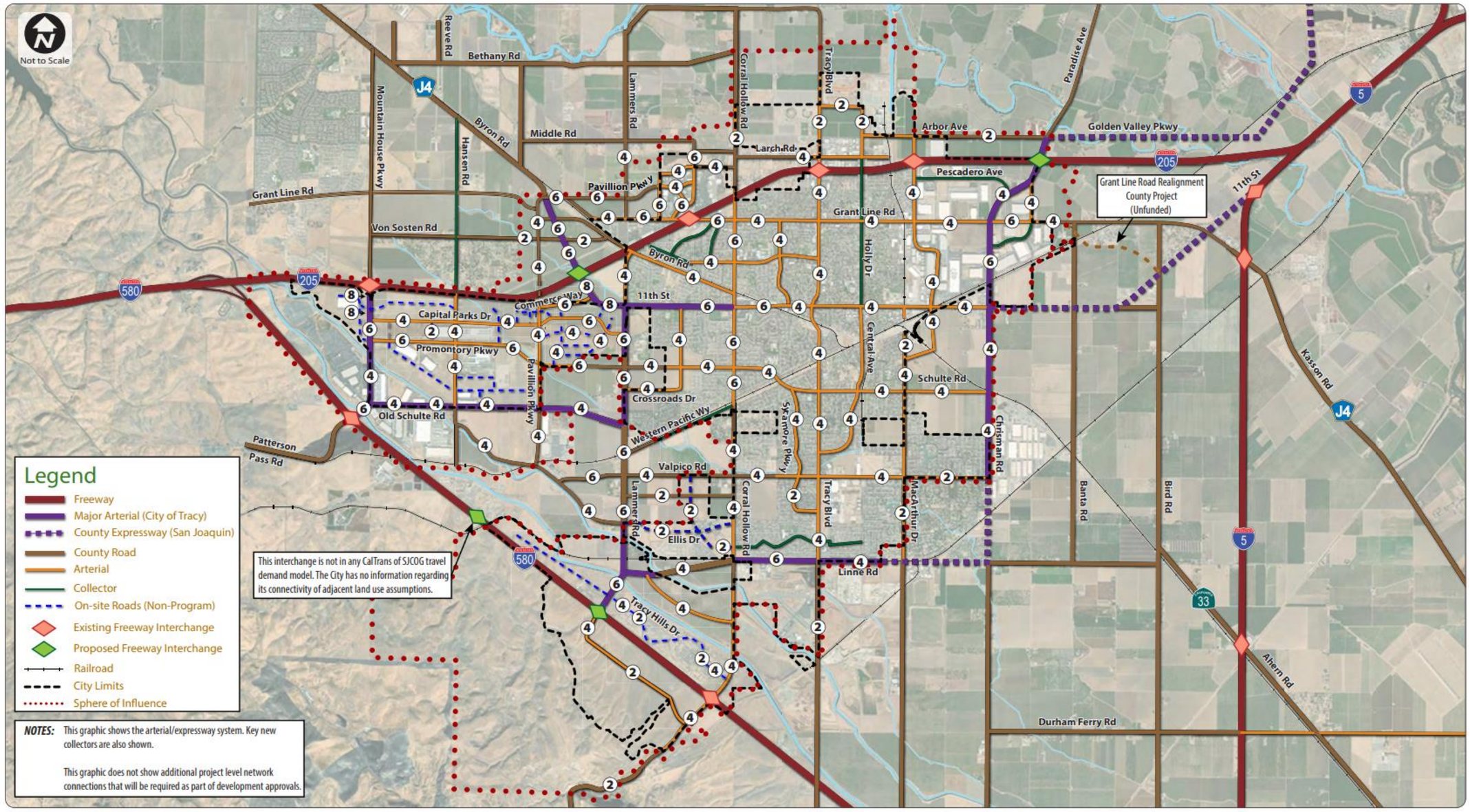

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Figure A-3: Traffic Intersections Map

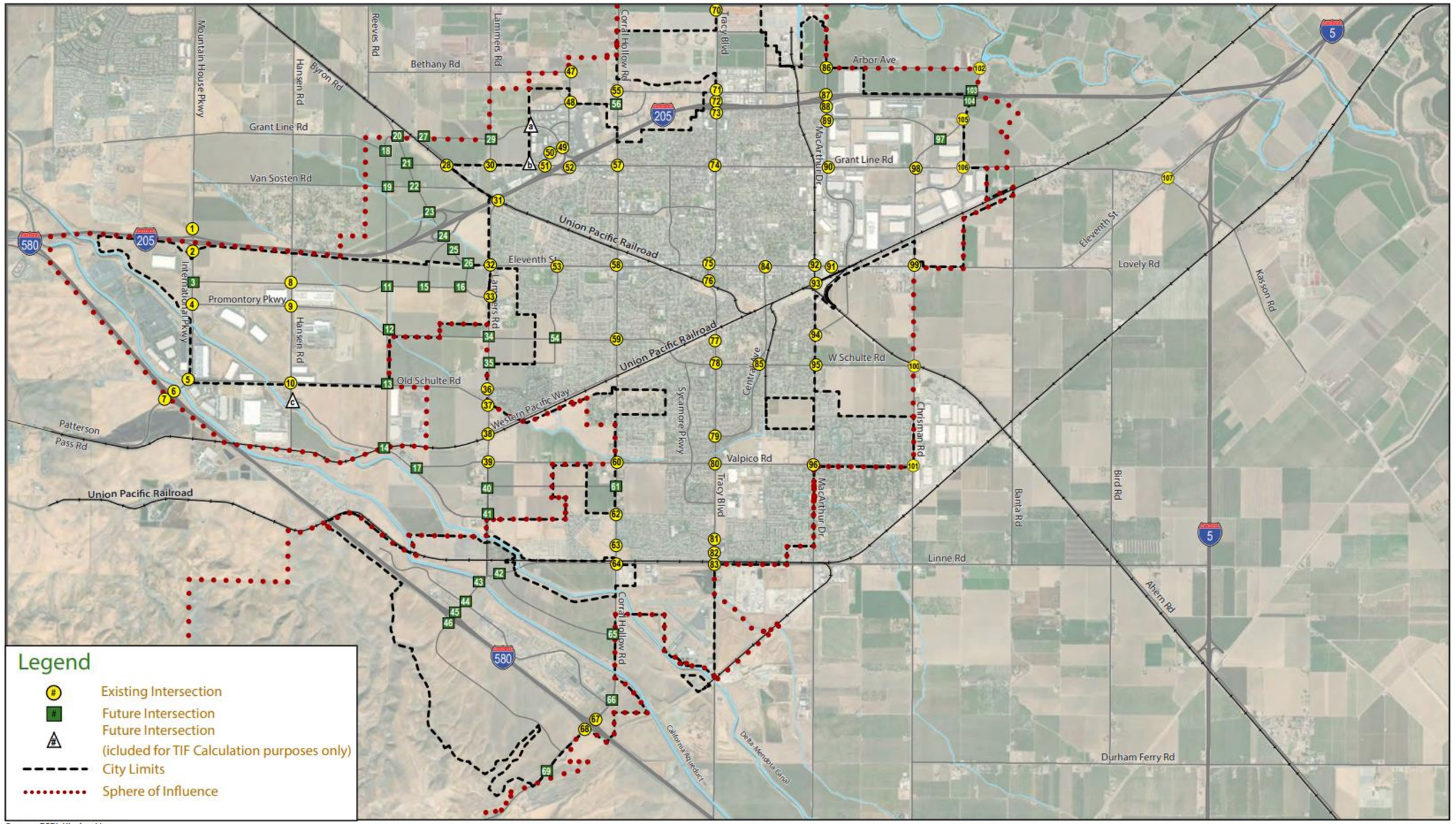

Figure 4.13: Study Intersection Locations

City of Tracy Transportation Master Plan

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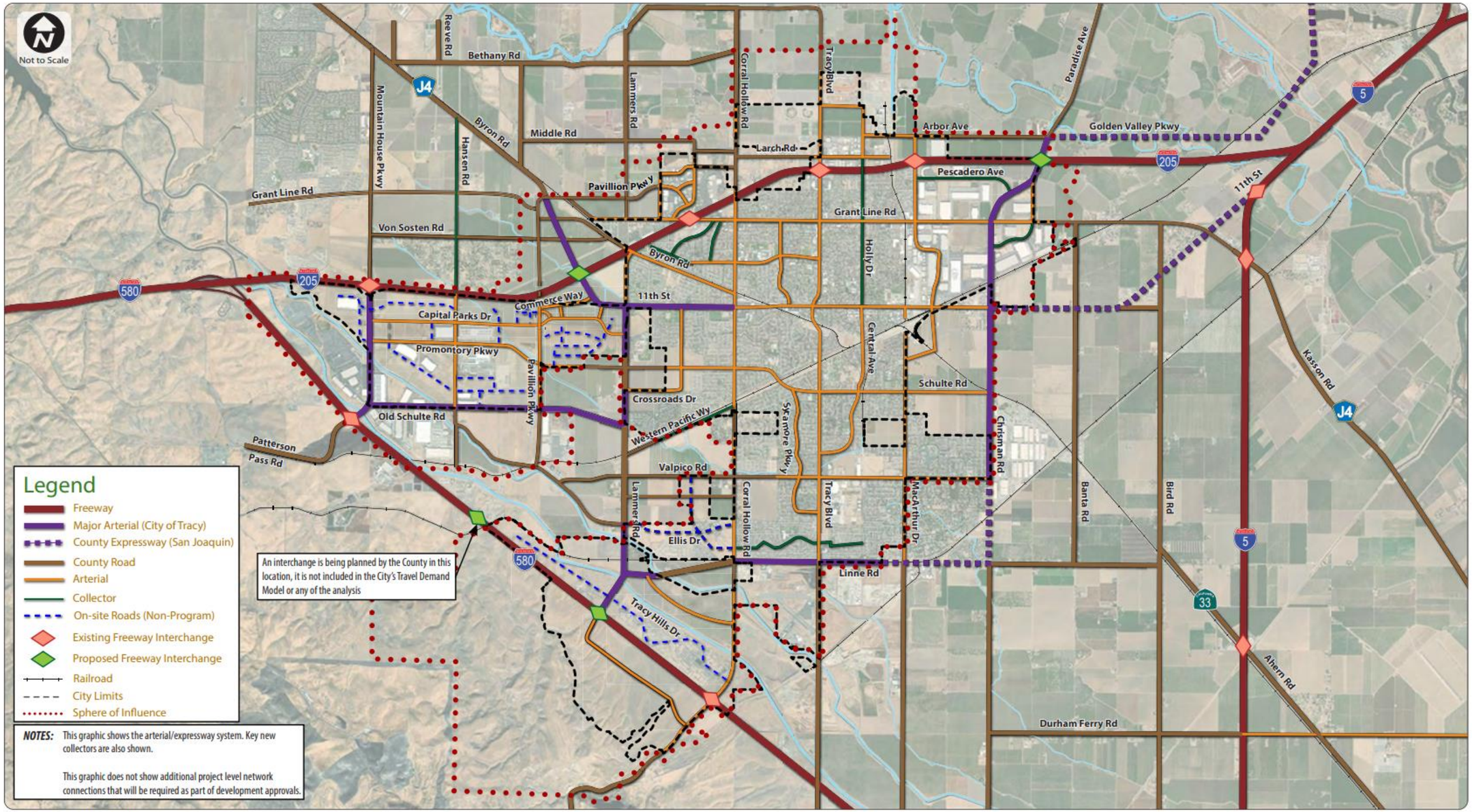
Figure A-4: Traffic Roadway Segments Map



Source: ESRI, Kimley-Horn

North

Kimley»Horn

Figure 4.20: Future Roadway Classification

City of Tracy Transportation Master Plan

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Figure A-5: Traffic Intelligent Transportation Systems Map

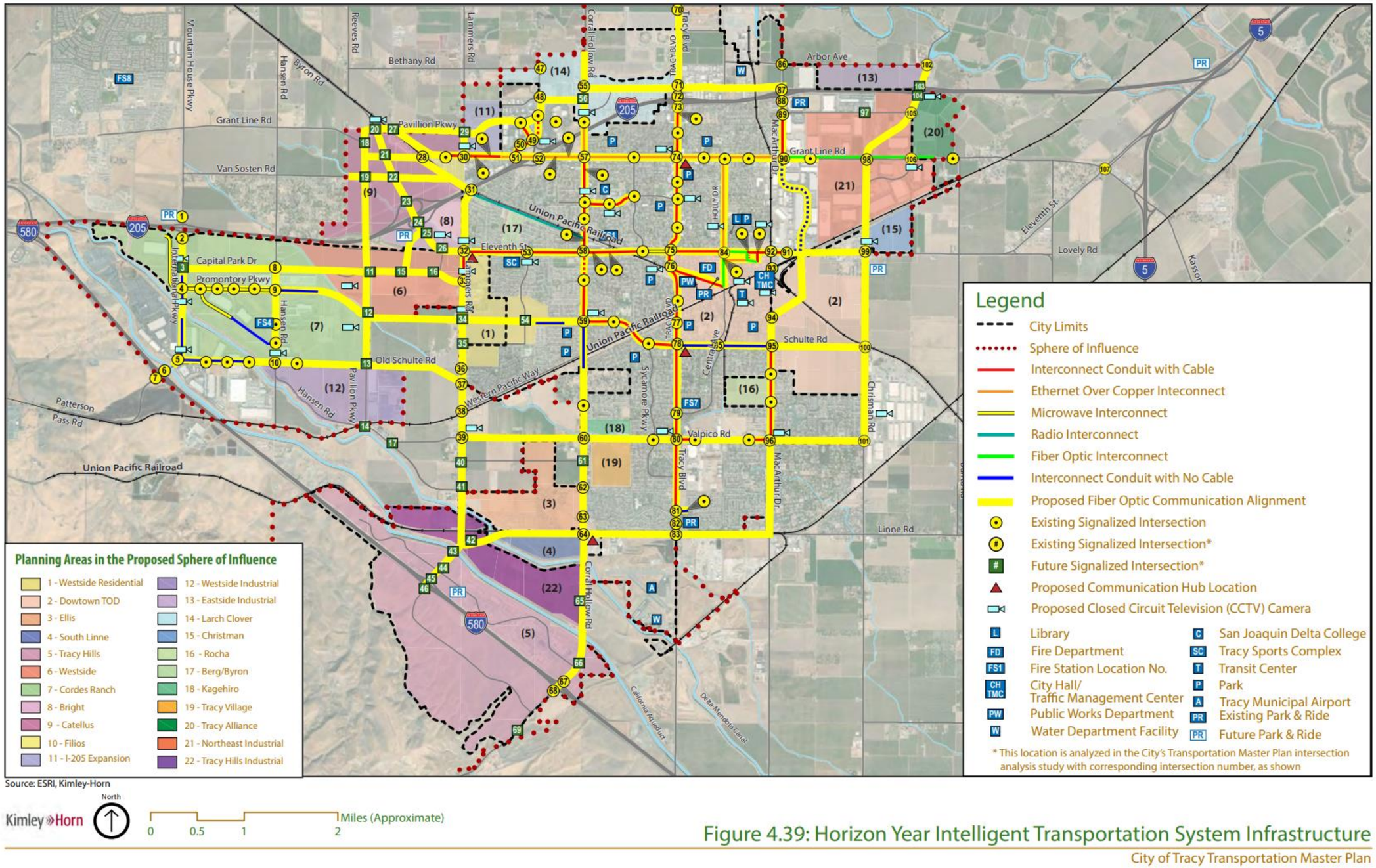

Figure 4.39: Horizon Year Intelligent Transportation System Infrastructure

City of Tracy Transportation Master Plan

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Appendix B: Water Exhibits

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Figure B-1: Recommended Future Potable Water System Program Improvements – 2025

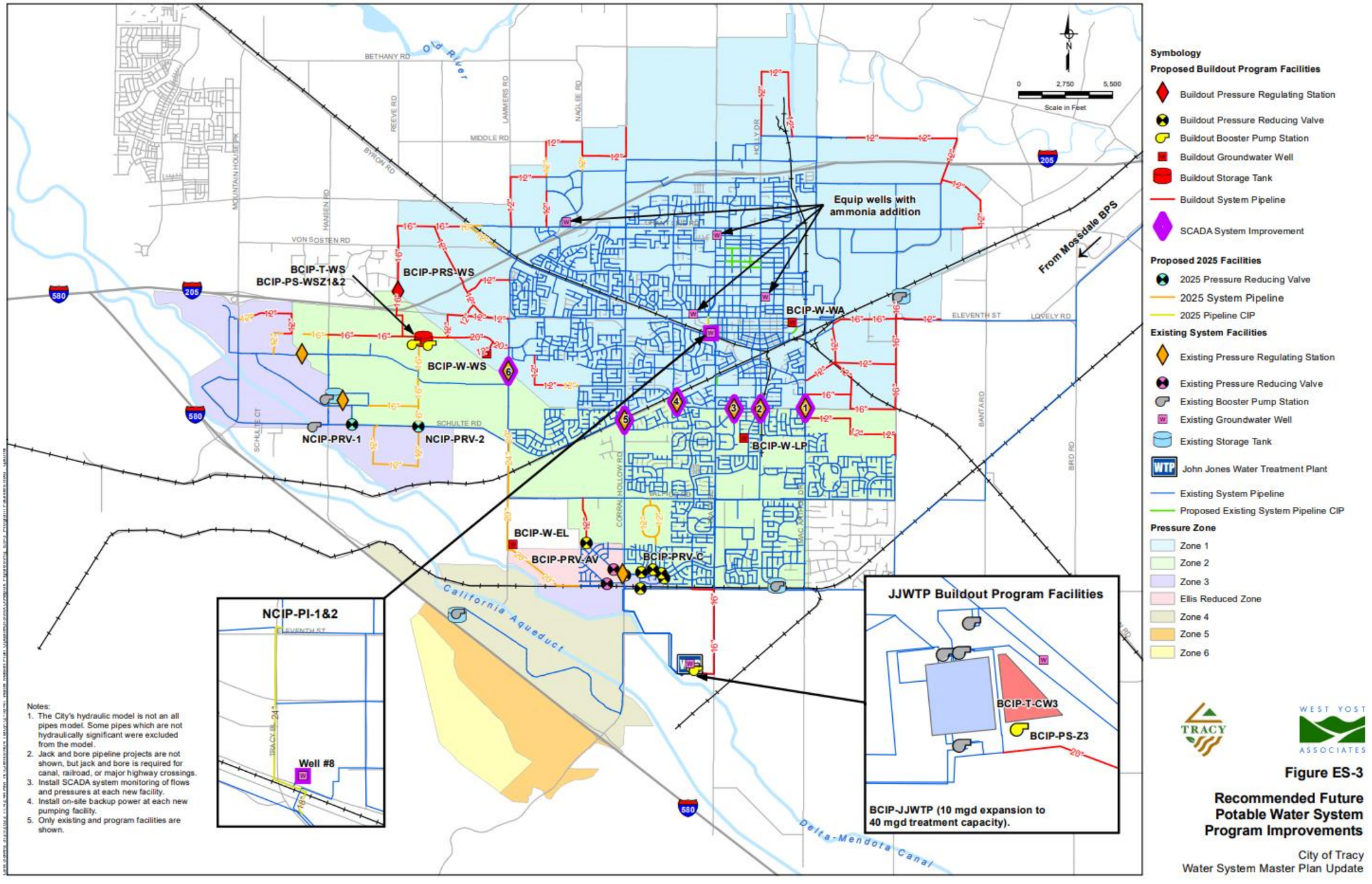

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Figure B-2: Recommended Future Potable Water System Program Improvements – Buildout

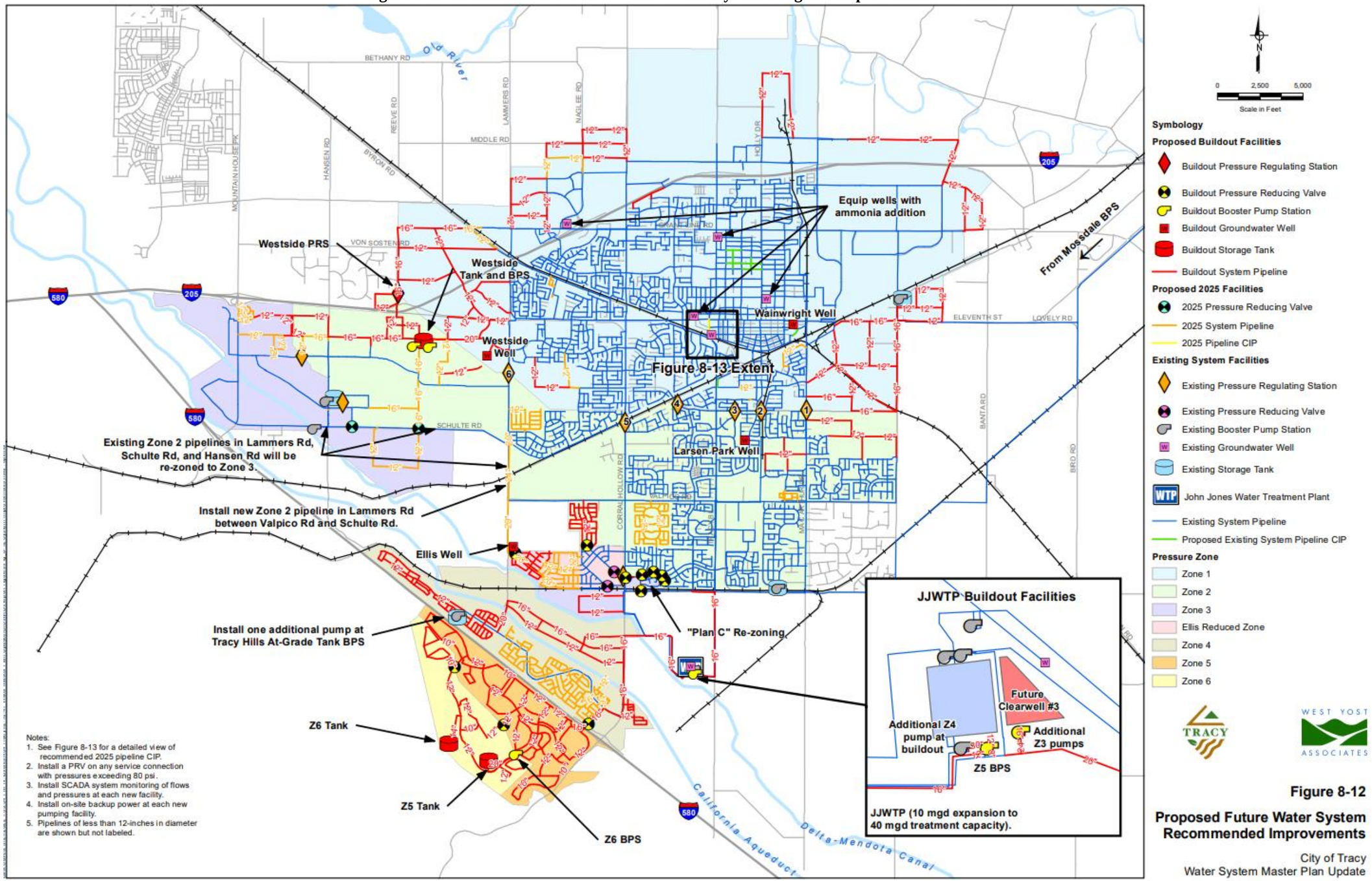

Figure 8-12

Proposed Future Water System Recommended Improvements

City of Tracy
Water System Master Plan Update

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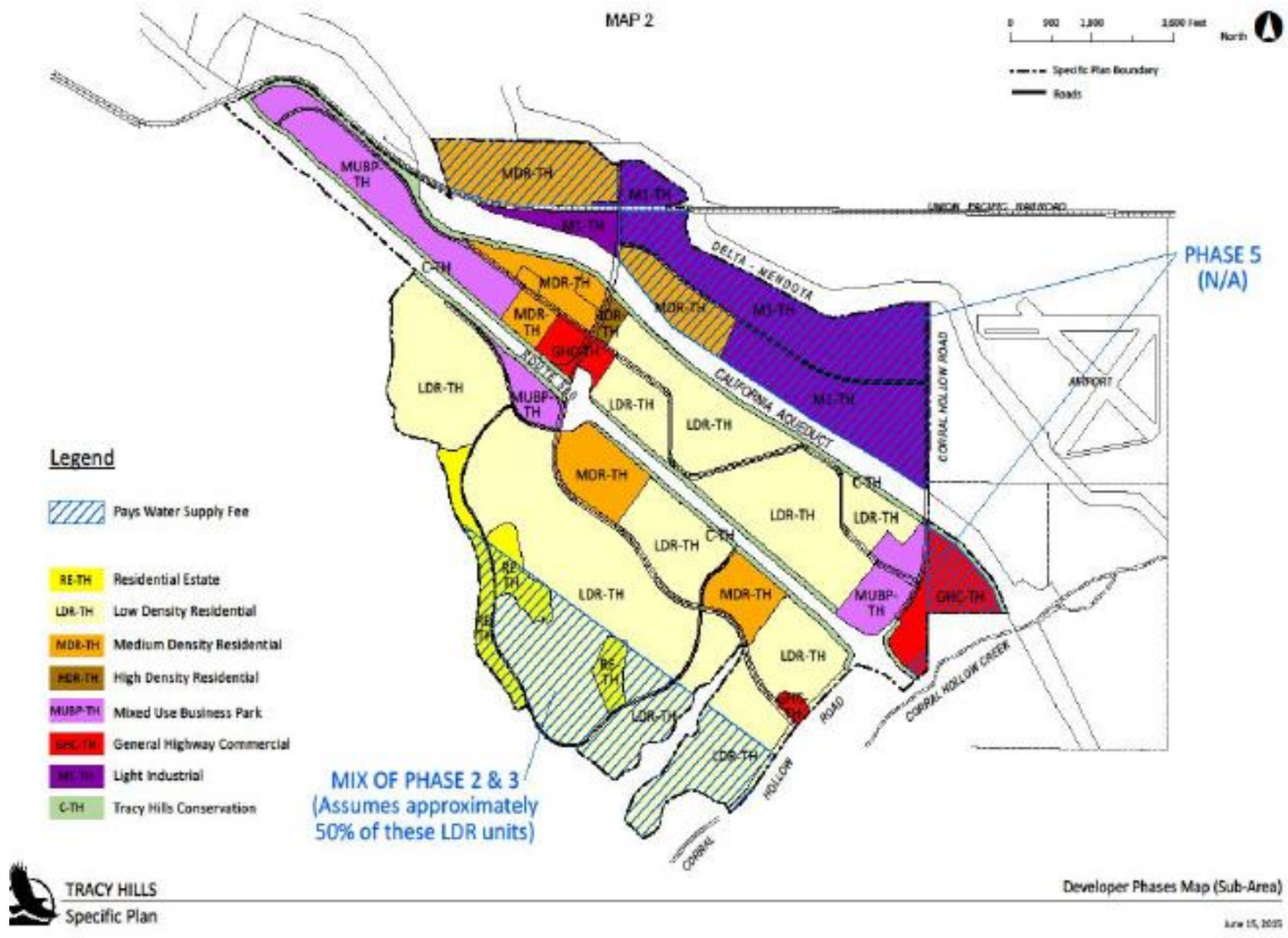
Figure B-3: Tracy Hills Finance and Implementation Plan Water Supply Fee Sub Area (06/21/2018)



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Appendix C: Recycled Water Exhibits

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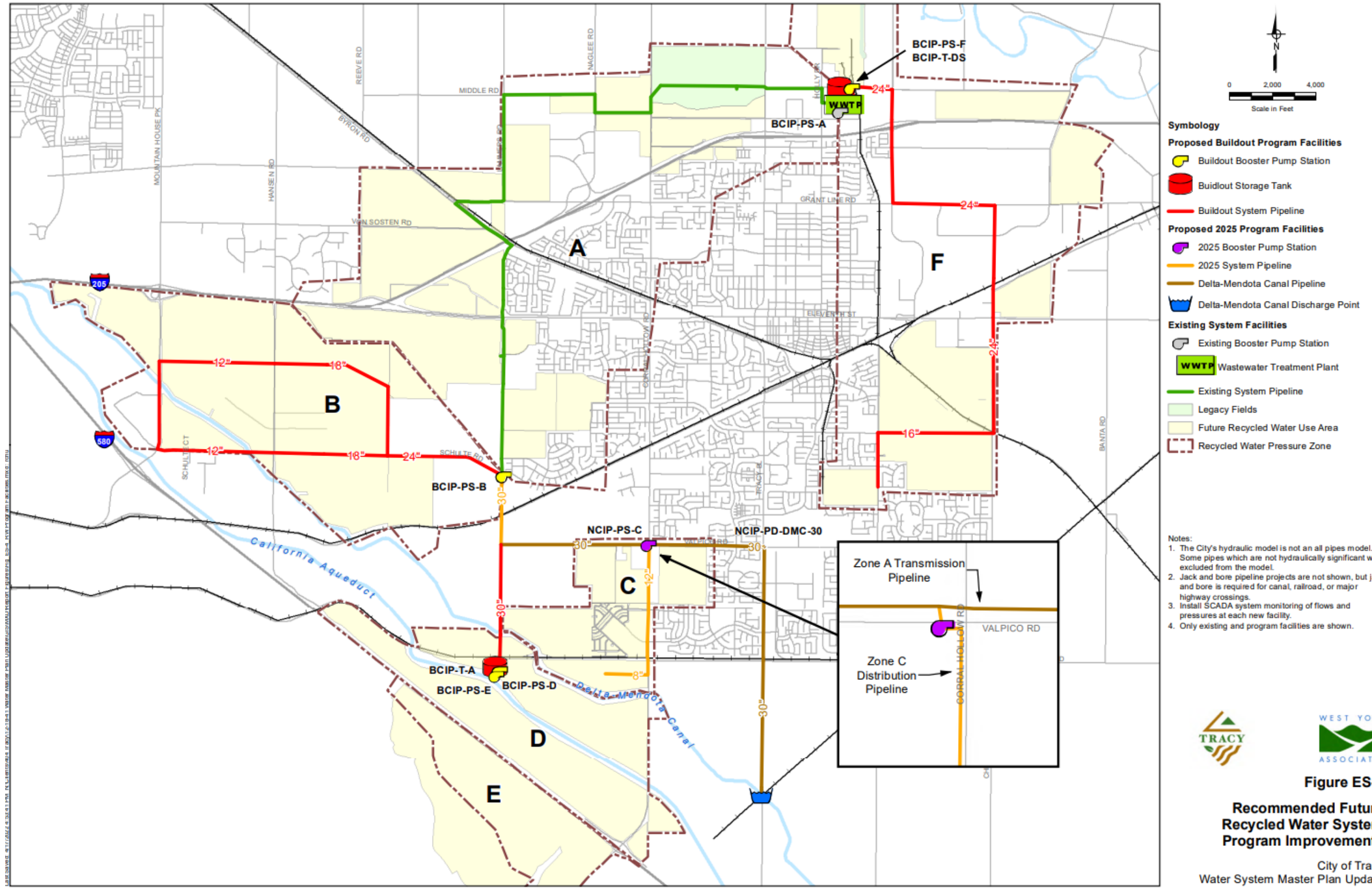
Figure C-1: Recommended Future Recycled Water System Program Improvements - 2025



Notes:
1. The City's hydraulic model is not an all pipes model. Some pipes which are not hydraulically significant were excluded from the model.
2. Jack and bore pipeline projects are not shown, but jack and bore is required for canal, railroad, or major highway crossings.
3. Install SCADA system monitoring of flows and pressures at each new facility.
4. Only existing and program facilities are shown.

TRACY

WEST YOST ASSOCIATES

Figure ES-4

Recommended Future Recycled Water System Program Improvements

City of Tracy
Water System Master Plan Update

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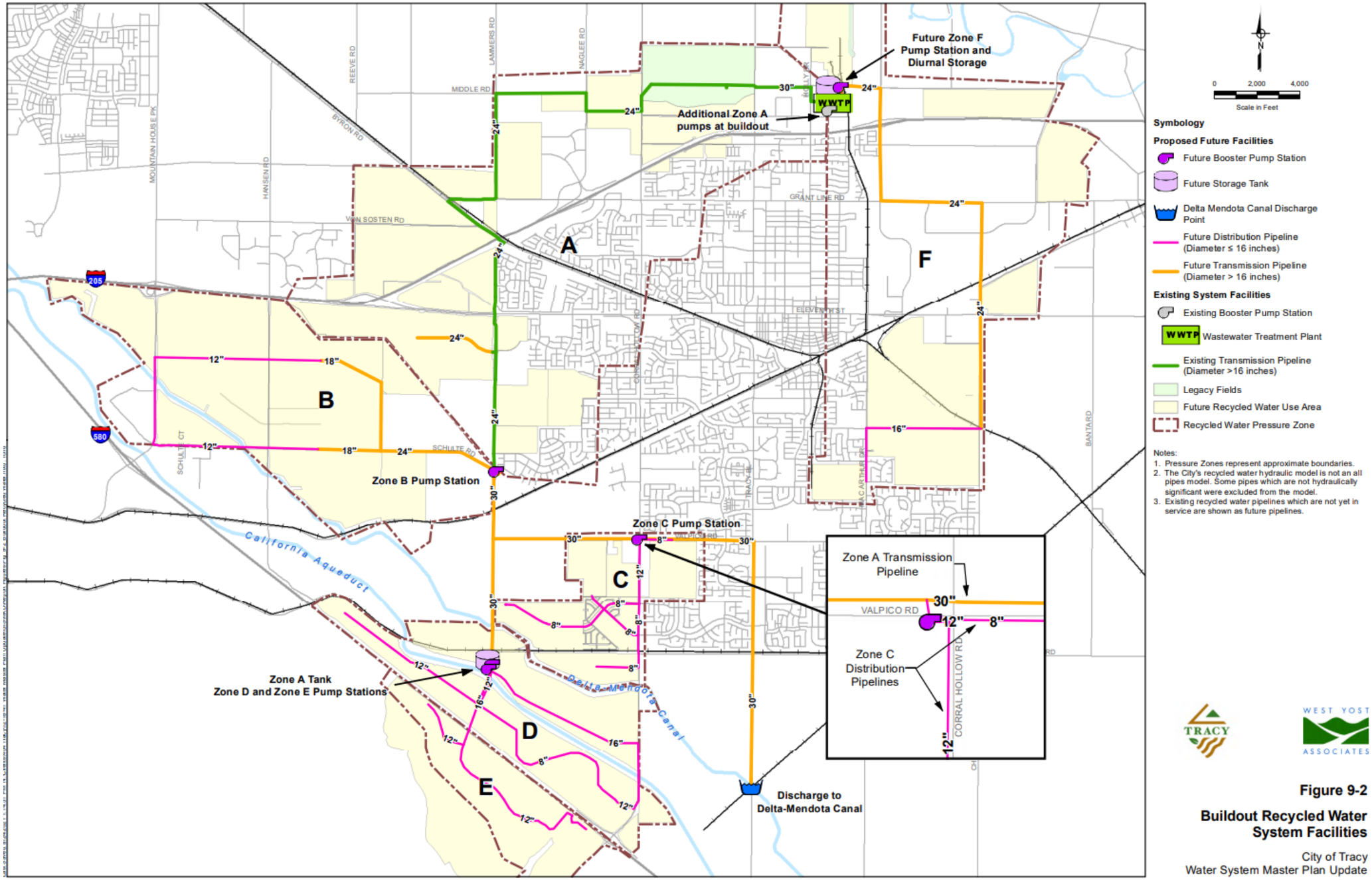
Figure C-2: Recommended Future Recycled Water System Program Improvements – Buildout



TRACY

WEST YOST ASSOCIATES

Figure 9-2

Buildout Recycled Water System Facilities

City of Tracy
Water System Master Plan Update

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Appendix D: Wastewater Exhibits

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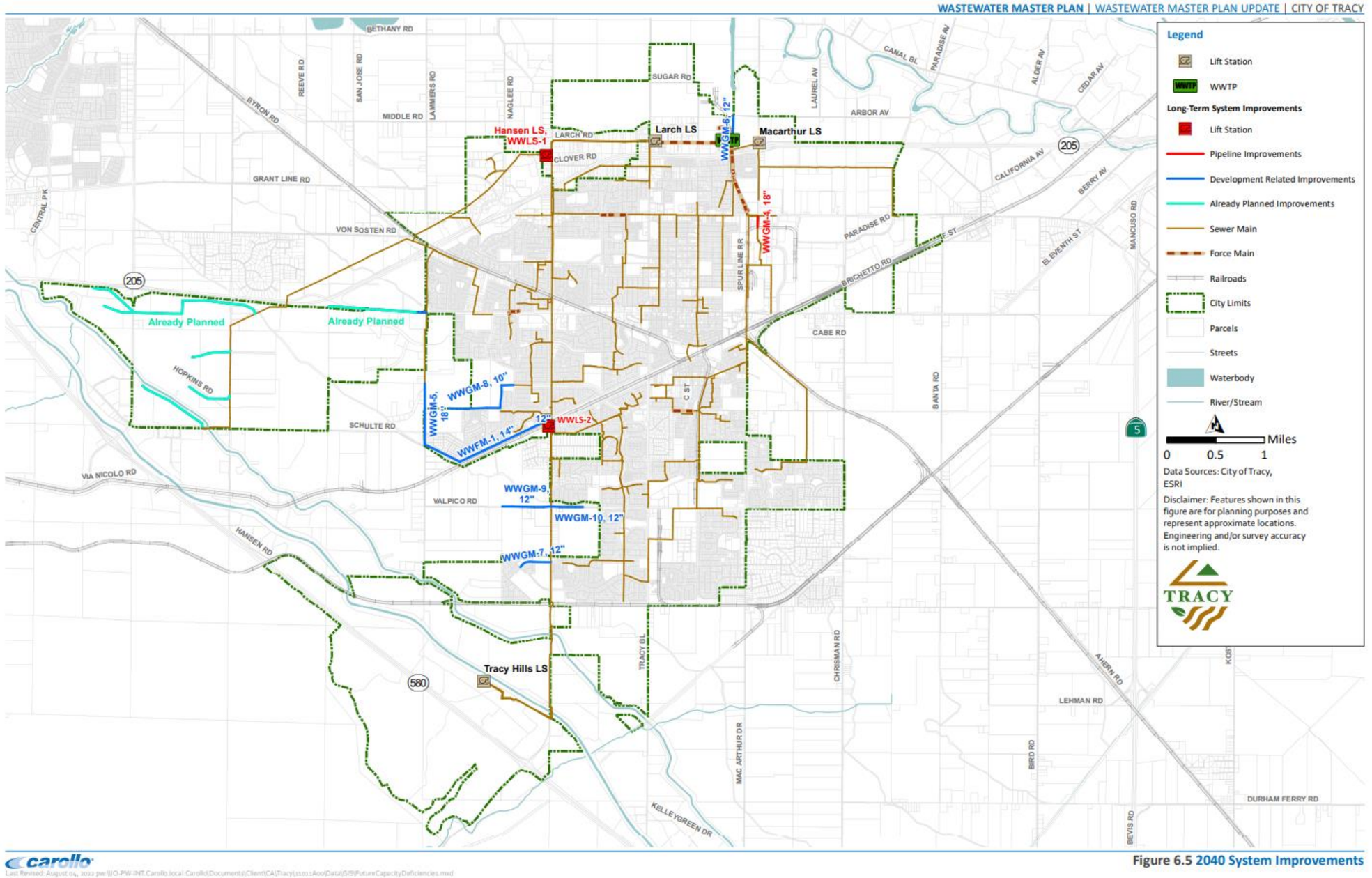
Figure D-1: Recommended Future Wastewater System Program Improvements - 2040



carollo

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Figure 6.5 2040 System Improvements

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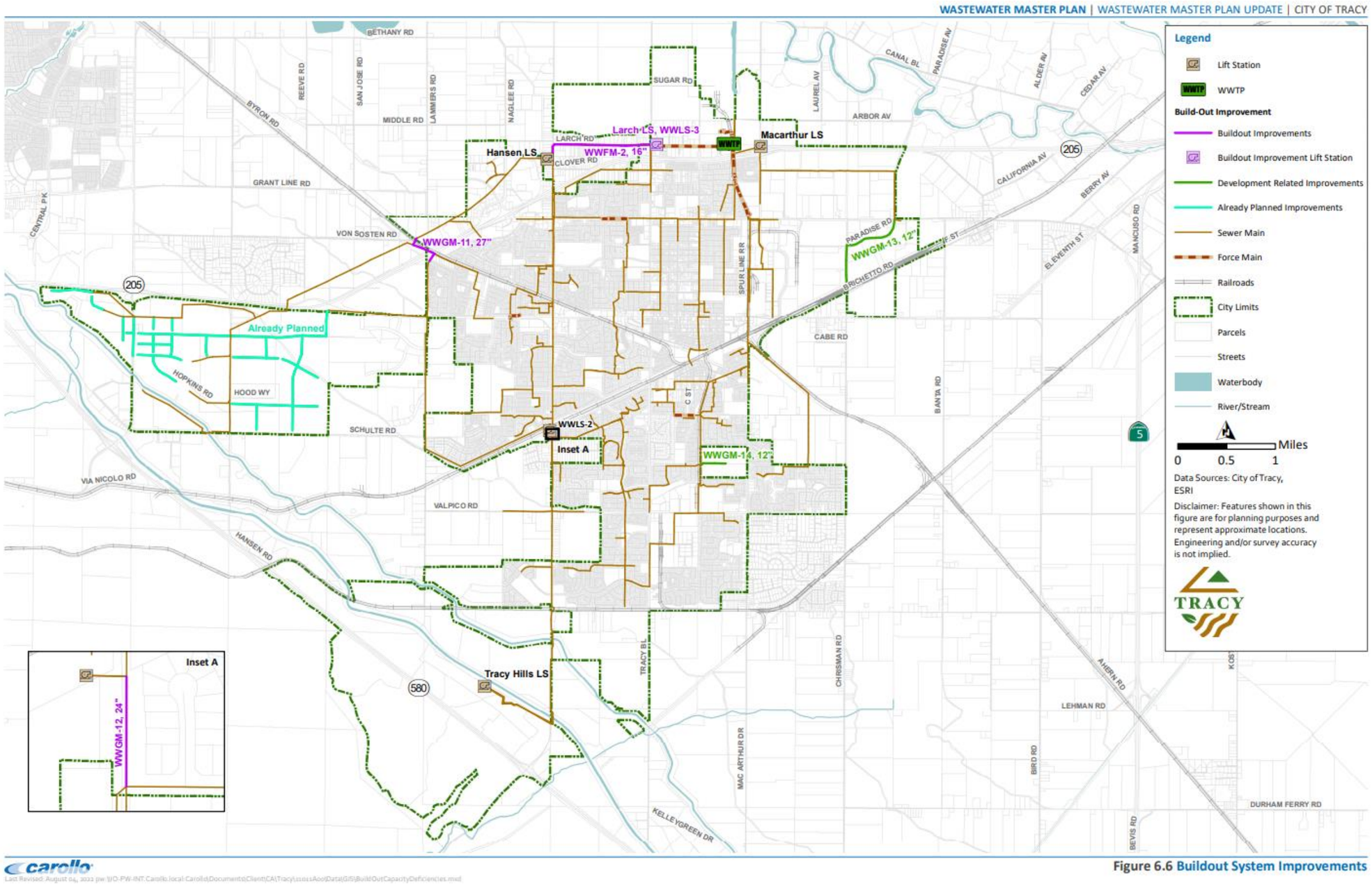
Figure D-2: Recommended Future Wastewater System Program Improvements – Buildout



carollo

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Figure 6.6 Buildout System Improvements

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Appendix E: Estimated Capital Improvement Costs for Parks (2021$)

Table E-1: Estimated Capital Improvement Cost for Typical 5-Acre Neighborhood Park (2021$)

SITE FEATURE	ESTIMATED COST	DESCRIPTION
Fencing	$300,000	Access Control, 2-Rail Wood Fence, Access Control Gate, Maintenance
Playground with Shade Structure and Accessible Surfacing	$450,000	Playground equipment ages 2-5 and 6-12 with swings, and synthetic surfacing
20' x 20' Shelter	$150,000	Serves 30-32 people
Double Multipurpose Court (Lighted)	$300,000	Sports Court (basketball) with lights and bleachers
Walkway	$600,000	Concrete Walkway, 1/2 Mile x 8 ft. wide (Lighted)
Parallel Street Parking (Not Lighted)	$40,000	Unlighted Parallel Street Parking, Assumed 5 Ea.
Site Furniture	$130,000	5 park benches (5 on concrete slabs), 8 trash cans; 4 bike racks, 2 accessible picnic tables, 9 picnic tables, 3 bbq grills
Recreation Amenity Allowance	$250,000	Allowance to add amenities per community input during planning process
Landscaping, Turf and Signage	$550,000	2 acres of turf, entrance sign, rule signage, wayfinding signage
Sitework	$1,246,500	Includes temporary protection, clear and grub, clean and structural fill (1.5"), storm water allowance, drainage allowance, laser grading. Assumed at 45% of other construction costs.
Subtotal	*$4,016,500*	
Design & Planning	$401,650	Assumed at 10%
Construction Management	$401,650	Assumed at 10%
Contingency	$602,475	Assumed at 15%
Subtotal	*$1,405,775*	
Total Probable Cost (Neighborhood Park)	**$5,422,275**	**$1,084,455 per acre**

Table E-2: Estimated Capital Improvement Cost for Typical 15-Acre Community Park (2021$)

SITE FEATURE	ESTIMATED COST	DESCRIPTION
Fencing	$425,000	Access Control, 2-Rail Wood Fence; Access Control Gate(s), Maintenance; Access Control Gate(s), Park Entrance-Exit, assumed 2-locations
Playground with Shade Structure and Accessible Surfacing	$600,000	"Playground equipment ages 2-5 and 6-12, with climber, swings, and synthetic surfacing"
40' x 40' Shelter	$200,000	Serves 60-75 people
One Natural Turf Multi-Use Field (Lighted)	$1,225,000	"Lighted, sand-based turf field including drainage and irrigation;"
One Double Multipurpose Court (Lighted)	$300,000	Sports Court (basketball) with lights and bleachers
Restroom/Storage Building	$1,250,000	"8-unit single occupancy restroom building, plumbing chase and storage (2,500 sq. ft.)"
Lighted Parking	$500,000	150 parking stalls (145 Std & 5 HC Accessible)
Access Road, (500'L x 25'W)	$350,000	Access Road, (500'L x 25'W)
Nature Trail	$200,000	1/2 Mile (Not Lighted); soft surface
Walkways	$1,100,000	Concrete Walkways, 1 Mile x 8 ft. wide (Lighted)
Site Furniture	$350,000	15 park benches (10 on concrete slabs), 15 trash cans; 10 bike racks, 10 accessible picnic tables, 15 picnic tables, 5 bbq grills
Recreation Amenity Allowance	$300,000	Allowance to add amenities per community input during planning process
Landscaping, Turf and Signage	$2,000,000	5 acres of turf, entrance sign, rule signage, wayfinding signage
Sitework	$3,960,000	Includes temporary protection, clear and grub, clean and structural fill (1.5"), storm water allowance, drainage allowance, laser grading. Assumed at 45% of other construction costs.
Subtotal	*$12,760,000*	
Design & Planning (10%)	$1,276,000	Assumed at 10%
Construction Management (10%)	$1,276,000	Assumed at 10%
Contingency (15%)	$1,914,000	Assumed at 15%
Subtotal	*$4,466,000*	
Total Probable Cost (Community Park)	**$17,226,000**	**$1,148,400 per acre**

Table E-3: Estimated Capital Improvement Cost for Typical 1-Mile Linear Park (2021$)

SITE FEATURE	ESTIMATED COST	DESCRIPTION
Trail and Sitework	$1,200,000	Asphalt 1 mile x 12 ft. wide not lighted)
Site Furniture	$80,000	5 park benches (5 on concrete slabs), 5 trash cans; 2 bike racks
Recreation Amenity Allowance	$200,000	Allowance to add amenities per community input during planning process
Landscaping, Turf, Sitework and Signage	$1,000,000	2 acres of turf, interpretive signage, wayfinding signage, mile markers
Subtotal	*$2,480,000*	
Design & Planning	$248,000	Assumed at 10%
Construction Management	$248,000	Assumed at 10%
Contingency	$372,000	Assumed at 15%
Subtotal	*$868,000*	
Total Probable Cost (Linear Park)	**$3,348,000**	**$3,348,000 per mile**

End of Report.

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