



## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Jeff Hart, Director of Public Works  
**DATE** September 15, 2020  
**SUBJECT: Fiscal Year 2020-21 Development Impact Mitigation Fee Program  
Adjustments pursuant to Ordinances 1087, 1092, 1095 and  
Resolution 2017-23**

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### **Background and Analysis:**

On June 20, 2017, the City Council approved an amendment to the sewer capacity fee (Ordinance 1087 and Resolution 2017-23). On September 5, 2017, the City Council approved the establishment of the Local Transportation Facility Mitigation Fee Program (Ordinance 1092). On November 7, 2017, City Council approved the establishment of the 2017 Development Impact Mitigation Fee program (Ordinance 1095).

The proposed development impact mitigation fee program appropriately apportions the costs of improvements needed to successfully mitigate the impact of new development on the local infrastructure, Beaumont parks, recreation, police, fire, and civic facilities. These facilities are critical in providing a high level of service and safety for the residents and people working within the City of Beaumont.

Since the time of adoption, the associated costs of the construction of the facilities have increased slightly which can be seen by the small upward adjustments to each of the fees, except the sewer capacity fee. This year, due to unprecedented circumstances in dealing with a pandemic there is a slight decrease in both the Building Cost Index (BCI) and the Construction Cost Index (CCI). The sewer capacity fee ordinance adjustments are dependent on changes to the Consumer Price Index (CPI), which increased 1.7% year to year.

In order to fund projected costs of construction now, and into the future, the approved ordinances authorized annual adjustments to these development impact fees to keep pace with industry costs.

The sewer capacity resolution contained a section which authorized an adjustment each fiscal year based on the CPI for the preceding calendar year provided, however, the amounts are adjusted on a pro-rata basis related to actual costs listed in the resolution.

Ordinances 1092 and 1095 contained a section which authorized automatic annual adjustments to each of the Development Impact Mitigation Fees (DIFs) by an amount equal to the cumulative percentage difference in the applicable BCI or CCI of the Engineering News Record Index published for the month nearest the effective date of the adjustment. The fees as revised annually, shall be calculated by the city manager or his or her designee and shall be included in a report to the City Council.

Upon completion of the review, a -0.47% decrease in the CCI was identified for the following fees:

- Traffic Signals,
- Railroad Crossings,
- Local Streets and Bridges (not covered by the WRCOG TUMF program),
- Community Parks, and
- Neighborhood Parks.

Upon completion of the review, a -1.44% decrease in the BCI was identified for the following fees:

- Recreation Facilities,
- Fire Stations,
- Police Station, and
- Public Facilities.

Lastly, upon completion of the review, a 1.7% increase in CPI was identified for the following fees:

- Sewer Capacity.

The details of the adjustments, including the current fee, new fee, increase and increase percentage are provided in the attached tables. (Attachment A and Attachment B)

### **Findings:**

Government Code Section 66001 requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee: To provide for the funding of adequate public facilities to serve additional development.
2. Identify the use of the fee: To fund facilities identified within the study.
3. Determine that there is a reasonable relationship between:
  - a. The use of the fee and the development type on which it is imposed;
  - b. The need for the facility and the type of development on which the fee is imposed; and
  - c. The amount of the fee and the facility cost attributable to the development project. (Applies when fees are imposed on a specific project.)

**Fiscal Impact:**

The cost to prepare this staff report is estimated to be \$500.

**Recommended Action:**

Receive and file.

**Attachments:**

- A. Table 1 – Local Transportation Facility Mitigation Fee Adjustments
- B. Table 2 – Development Impact Fee Adjustments
- C. Engineering News Record – Los Angeles, Ca Cost Indices
- D. Bureau of Labor Statistics – Consumer Price Index, July 2020 report