



Folsom City Council Staff Report

MEETING DATE:	9/13/2022
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10913 – A Resolution Amending Resolution Nos. 10478 and 10786 and Enacting the Annual Inflationary Adjustment for City Impact and Connection Fees for Law Enforcement, Fire Suppression, General Facilities, Vehicles and Equipment, Park Improvement, Humbug-Willow Creek, Housing Trust, Water, Sanitary Sewer, Solid Waste, Transportation Improvement, Drainage, and Light Rail Impact
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff requests the City Council adopt Resolution No. 10913 – A Resolution Amending Resolution Nos. 10478 and 10786 and Enacting the Annual Inflationary Adjustment for City Impact and Connection Fees for Law Enforcement, Fire Suppression, General Facilities, Vehicles, and Equipment, Park Improvement, Humbug-Willow Creek, Housing Trust, Water, Sanitary Sewer, Solid Waste, Transportation Improvement, Drainage, and Light Rail Impact

BACKGROUND / ISSUE

In May 2006, the City Council adopted Resolution No. 7812 which established new city impact and connection fees for law enforcement, fire suppression, general facilities, vehicles and equipment, park improvement, Humbug-Willow Creek, housing trust, water, sanitary sewer, transportation improvement, drainage, and light rail. Resolution No. 7812 also approved an annual inflationary adjustment.

POLICY / RULE

Folsom Municipal Code

The Folsom Municipal Code sets impact fees in various code sections as follows:

- Section 03.20.045 – Solid Waste Fee
- Section 03.80.040 – Police, Fire, and General Government Improvement
- Section 03.90.010 – Housing Trust Fee
- Section 04.10.010 – Park Improvement
- Section 04.12.010 – Humbug-Willow Creek Fee
- Section 10.50.040 – Light Rail
- Section 12.04.060 – Transportation Improvement
- Section 13.24.050 – Water Connection
- Section 13.25.010 – Sewer Connection
- Section 13.30.010 – Water Impact Fee
- Section 17.95.010 – Drainage Improvement

ANALYSIS

In accordance with Resolution No. 7812, adopted May 23, 2006, Staff has calculated proposed fee schedules to be effective October 1, 2022 and effective January 1, 2023 for the Housing Trust Fund Fee. The annual inflationary adjustment to be applied is 5.82%. This percentage adjustment is based on the *Engineering News Record Construction Cost Index* for January through December 2021. The proposed fee schedules were derived by applying the annual inflationary adjustment to the current fee.

The proposed October 1, 2022, fee schedules are included in Resolution No. 00000 as Attachment 1 and the Construction Cost Index obtained from the Engineering News Record is included as Attachment 2.

ATTACHMENTS

1. Resolution No. 10913 – A Resolution Amending Resolution Nos. 10478 and 10786 and Enacting the Annual Inflationary Adjustment for City Impact and Connection Fees for Law Enforcement, Fire Suppression, General Facilities, Vehicles and Equipment, Park Improvement, Humbug-Willow Creek, Housing Trust, Water, Sanitary Sewer, Solid Waste, Transportation Improvement, Drainage, and Light Rail Impact
2. Engineering News Record Construction Cost Index

Submitted,



Stacey Tamagni, Finance Director

ATTACHMENT 1

RESOLUTION NO. 10913

A RESOLUTION AMENDING RESOLUTION NOS. 10478 AND 10786 AND ENACTING THE ANNUAL INFLATIONARY ADJUSTMENT FOR CITY IMPACT AND CONNECTION FEES FOR LAW ENFORCEMENT, FIRE SUPPRESSION, GENERAL FACILITIES, VEHICLES AND EQUIPMENT, PARK IMPROVEMENT, HUMBUG-WILLOW CREEK, HOUSING TRUST, WATER, SANITARY SEWER, SOLID WASTE, TRANSPORTATION IMPROVEMENT, DRAINAGE, AND LIGHT RAIL IMPACT

WHEREAS, the Folsom Municipal Code sets impact fees in various code sections as follows:

- 1). Section 03.20.045 – Solid Waste Fee
- 2). Section 03.80.040 – Police, Fire, and General Government Improvement
- 3). Section 03.90.010 – Housing Trust Fee
- 4). Section 04.10.010 – Park Improvement
- 5). Section 04.12.010 – Humbug-Willow Creek
- 6). Section 10.50.040 – Light Rail
- 7). Section 12.04.060 – Transportation Improvement
- 8). Section 13.24.050 – Water Connection
- 9). Section 13.25.010 – Sewer Connection
- 10). Section 13.30.010 – Water Impact Fee
- 11). Section 17.95.010 – Drainage Improvement; and

WHEREAS, Resolution No. 7812 adopted by the Folsom City Council on May 23, 2006, allowed for an annual inflationary adjustment to selected City Impact and Connection fees each fiscal year, and

WHEREAS, the annual inflationary adjustment is based on the *Engineering News Record Construction Cost Index* for January through December 2021 and the annual adjustment to be applied is 5.82%; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom Enacts the Annual Inflationary Adjustment for City Impact and Connection Fees as of October 1, 2022 for Law Enforcement, Fire Suppression, General Facilities, Vehicles and Equipment, Park Improvement, Humbug-Willow Creek, Housing Trust, Water, Sanitary Sewer, Solid Waste, Transportation Improvement, Drainage, and Light Rail Impact Fees as set forth in the fee schedules attached hereto and enacts the Annual Inflationary Adjustment as of January 1, 2023 for the Housing Trust Fee.

PASSED AND ADOPTED this 13th day of September 2022, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Kerri M. Howell, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

City of Folsom
Impact and Connection Fee Schedule as of October 1, 2022

FEE DESCRIPTION	BASIS	FEE 7/01/2020 Reso 10478	Annual Inflation Adjustment 2021 Annual CPI'	FEE 10/01/2022 Proposed
<u>Police, Fire, & Gen Fac (FMC 3.80.010)</u>				
<u>POLICE</u>				
Single Family Residential	Unit	\$ 601	\$ 35	\$ 636
Multi-Family Residential	Unit	\$ 681	\$ 40	\$ 721
Mobile Dwellings	Unit	\$ 156	\$ 9	\$ 165
Commercial Lodging	Unit	\$ 35	\$ 2	\$ 37
Commercial Development	Sq. Ft.	\$ 1.012	\$ 0.059	\$ 1.071
Industrial Development	Sq. Ft.	\$ 0.875	\$ 0.051	\$ 0.926
<u>FIRE</u>				
Single Family Residential	Unit	\$ 1,086	\$ 63	\$ 1,149
Multi-Family Residential	Unit	\$ 1,050	\$ 61	\$ 1,111
Mobile Dwellings	Unit	\$ 1,083	\$ 63	\$ 1,146
Commercial Lodging	Unit	\$ 939	\$ 55	\$ 994
Commercial Development	Sq. Ft.	\$ 0.634	\$ 0.037	\$ 0.671
Industrial Development	Sq. Ft.	\$ 0.276	\$ 0.016	\$ 0.292
<u>GENERAL FACILITIES</u>				
Single Family Residential	Unit	\$ 1,596	\$ 93	\$ 1,689
Multi-Family Residential	Unit	\$ 1,596	\$ 93	\$ 1,689
Mobile Dwellings	Unit	\$ 1,589	\$ 92	\$ 1,681
Commercial Lodging	Unit	\$ 228	\$ 13	\$ 241
Commercial Development	Sq. Ft.	\$ 0.498	\$ 0.029	\$ 0.527
Industrial Development	Sq. Ft.	\$ 0.495	\$ 0.029	\$ 0.524
<u>GENERAL PARK EQUIPMENT</u>				
Single Family Residential	Unit	\$ 94	\$ 5	\$ 99
Multi-Family Residential	Unit	\$ 94	\$ 5	\$ 99
Mobile Dwellings	Unit	\$ 44	\$ 3	\$ 47
Commercial Development	Sq. Ft.	\$ 0.018	\$ 0.001	\$ 0.019
Industrial Development	Sq. Ft.	\$ 0.018	\$ 0.001	\$ 0.019

City of Folsom
Impact and Connection Fee Schedule as of October 1, 2022

FEE DESCRIPTION	BASIS	FEE	Annual	FEE
		7/01/2020	Inflation	10/01/2022
		Reso 10478	2021 Annual CPI ¹	Proposed
<u>Drainage (FMC 17.95.030)</u>				
Single Family Residential	Unit	\$ 1,037	\$ 60	\$ 1,097
Multi-Family Residential	Unit	\$ 1,037	\$ 60	\$ 1,097
Mobile Dwellings	Unit	\$ 1,037	\$ 60	\$ 1,097
Commercial Development/Office	Acre	\$ 6,302	\$ 367	\$ 6,669
Industrial Development	Acre	\$ 6,302	\$ 367	\$ 6,669
<u>Light Rail Impact Fee (FMC 10.50.040)</u>				
Single Family Residential	Unit	\$ 724	\$ 42	\$ 766
Multi-Family Residential	Unit	\$ 498	\$ 29	\$ 527
Mobile Dwellings	Unit	\$ 498	\$ 29	\$ 527
Commercial Development/Office	Sq. Ft.	\$ 0.230	\$ 0.013	\$ 0.243
Industrial Development	Sq. Ft.	\$ 0.095	\$ 0.006	\$ 0.101
<u>Transportation Improv Fee (FMC 12.04.060)</u>				
Single Family Residential	Unit	\$ 8,168	\$ 475	\$ 8,643
Multi-Family Residential	Unit	\$ 5,717	\$ 333	\$ 6,050
Mobile Dwellings	Unit	\$ 5,717	\$ 333	\$ 6,050
Commercial	Sq Ft.	\$ 12.27	\$ 0.714	\$ 12.98
Industrial/Office	Sq Ft.	\$ 5.33	\$ 0.310	\$ 5.64
Other	Sq Ft.	\$ 5.33	\$ 0.310	\$ 5.64
Additional Land Uses				
High Trip Commercial	Sq Ft.	\$ 48.67	\$ 2.83	\$ 51.50
Gas Stations ¹	Sq Ft.	\$ 10,914	\$ 635	\$ 11,549
¹ per fueling station				

City of Folsom
Impact and Connection Fee Schedule as of October 1, 2022

FEE DESCRIPTION	BASIS	FEE	Annual	FEE
		7/01/2020	Inflation	10/01/2022
		Reso 10478	Adjustment	Proposed
		2021 Annual CPI ¹		
<u>Water Impact Fees (FMC 13.30.010)</u>				
Single Family Residential	Unit	\$ 985	\$ 57	\$ 1,042
Multi-Family Residential	Unit	\$ 530	\$ 31	\$ 561
Commercial	Acre	\$ 1,326	\$ 77	\$ 1,403
Industrial/Office	Acre	\$ 1,326	\$ 77	\$ 1,403
<u>Water Connection Fees (FMC 13.24.010)</u>				
Single Family Residential	Unit	\$ 3,361	\$ 196	\$ 3,557
Multi-Family Residential	Unit	\$ 2,185	\$ 127	\$ 2,312
Lexington Hills	Unit	\$ 2,082	\$ 121	\$ 2,203
Mobile Home	Unit	\$ 2,185	\$ 127	\$ 2,312
Commercial				
3/4" meter		\$ 3,353	\$ 195	\$ 3,548
1" meter		\$ 8,360	\$ 487	\$ 8,847
1 1/2" meter		\$ 16,726	\$ 973	\$ 17,699
2" meter		\$ 26,766	\$ 1,558	\$ 28,324
3" meter		\$ 53,547	\$ 3,116	\$ 56,663
4" meter		\$ 83,695	\$ 4,871	\$ 88,566
6" meter		\$ 167,449	\$ 9,746	\$ 177,196
8" meter		\$ 268,010	\$ 15,598	\$ 283,608
10" meter		\$ 385,608	\$ 22,442	\$ 408,050

City of Folsom
Impact and Connection Fee Schedule as of October 1, 2022

FEE DESCRIPTION	BASIS	FEE 7/01/2020 Reso 10478	Annual Inflation Adjustment 2021 Annual CPI ¹	FEE 10/01/2022 Proposed
<u>Sewer Connection Fees (FMC 13.25.010)</u>				
Single Family Residential	Unit	\$ 1,073	\$ 62	\$ 1,135
Multi-Family Residential	Unit	\$ 839	\$ 49	\$ 888
Lexington Hills	Unit	\$ 835	\$ 49	\$ 884
Mobile Home	Unit	\$ 949	\$ 55	\$ 1,004
Commercial				
3/4" meter		\$ 1,073	\$ 62	\$ 1,135
1" meter		\$ 1,073	\$ 62	\$ 1,135
1 1/2" meter		\$ 2,149	\$ 125	\$ 2,274
2" meter		\$ 3,438	\$ 200	\$ 3,638
3" meter		\$ 6,446	\$ 375	\$ 6,821
4" meter		\$ 10,744	\$ 625	\$ 11,369
6" meter		\$ 21,487	\$ 1,251	\$ 22,738
8" meter		\$ 34,379	\$ 2,001	\$ 36,380
10" meter		\$ 49,419	\$ 2,876	\$ 52,295
<u>Solid Waste Capital Improvement Fee (FMC 3.20.045)</u>				
Single Family Residential	Unit	\$ 363	\$ 21	\$ 384
Mobile Homes	Unit	\$ 166	\$ 10	\$ 176
Commercial/ Multi Family				
2 yard dumpster		\$ 4,064	\$ 237	\$ 4,301
3 yard dumpster		\$ 4,092	\$ 238	\$ 4,330
4 yard dumpster		\$ 4,149	\$ 241	\$ 4,390
6 yard dumpster		\$ 4,319	\$ 251	\$ 4,570
15 yard roll-off		\$ 13,304	\$ 774	\$ 14,078
20 yard roll		\$ 13,661	\$ 795	\$ 14,456
30 yard roll		\$ 14,211	\$ 827	\$ 15,038
40 yard roll		\$ 14,519	\$ 845	\$ 15,364

City of Folsom
Impact and Connection Fee Schedule as of October 1, 2022

FEE DESCRIPTION	BASIS	FEE 7/01/2020 Reso 10478	Annual Inflation Adjustment 2021 Annual CPI ¹	FEE 10/01/2022 Proposed
<u>Park Construction Capital Impact (FMC 4.10)²</u>				
Single Family Residential	Unit	\$ 7,037	\$ 410	\$ 7,447
Multi-Family Residential	Unit	\$ 4,675	\$ 272	\$ 4,947
Senior Residential Housing	Unit	\$ 3,614	\$ 210	\$ 3,824
Mobile Dwellings	Unit	\$ 2,701	\$ 157	\$ 2,858
Commercial Development	Sq. Ft.	\$ 0.476	\$ 0.028	\$ 0.504
Industrial Development	Sq. Ft.	\$ 0.476	\$ 0.028	\$ 0.504
<u>Humbug-Willow Creek (FMC 4.12)</u>				
Single Family Residential	Unit	\$ 276	\$ 16	\$ 292
Multi-Family Residential	Unit	\$ 174	\$ 10	\$ 184
Mobile Dwellings	Unit	\$ 151	\$ 9	\$ 160
Commercial Development	Sq. Ft.	\$ 0.067	\$ 0.004	\$ 0.071
Industrial Development	Sq. Ft.	\$ 0.067	\$ 0.004	\$ 0.071

¹ Engineering News Record Construction Cost Index - 2021 Annual Average

City of Folsom
Impact and Connection Fee Schedule As of January 1, 2023

FEE DESCRIPTION	BASIS	FEE 2/01/2022 Reso 10786	Annual Inflation Adjustment 2021 Annual CPI ¹	FEE 1/01/2023 Proposed
<u>Housing Trust (FMC 3.90.010)</u>				
Office	Sq. Ft.	\$ 1.76	\$ 0.103	\$ 1.86
Retail	Sq. Ft.	\$ 1.76	\$ 0.103	\$ 1.86
Light Industrial	Sq. Ft.	\$ 1.76	\$ 0.103	\$ 1.86
Heavy Industrial/Manufacturing	Sq. Ft.	\$ 1.76	\$ 0.103	\$ 1.86
Light Industrial/Manufacturing	Sq. Ft.	\$ 1.76	\$ 0.103	\$ 1.86

¹ *Engineering News Record Construction Cost Index - 2021 Annual Average*

ATTACHMENT 2

Construction Cost Index History - As of August 2022

HOW ENR BUILDS THE INDEX: 200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board ft of 2 x 4 lumber at the 20-city price.

View the [ANNUAL AVERAGE FOR ENR'S CONSTRUCTION COST INDEX](#).

ENR'S CONSTRUCTION COST INDEX HISTORY (1908-2022)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.
2022	12,555.55	12,683.97	12,791.43	12,898.96	13,004.47	13,110.50	13,167.84	13,171.07					
2021	11,627	11,698	11,749	11,849	11,989	12,112	12,237	12,463	12,464	12,464	12,467	12,481	12,133
2020	11,392	11,396	11,397	11,412	11,418	11,436	11,439	11,455	11,499	11,539	11,579	11,626	11,465.67
2019	11,206	11,213	11,228	11,228	11,230	11,268	11,293	11,311	11,311	11,326	11,381	11,381	11,281
2018	10,878	10,889	10,959	10,971	11,013	11,069	11,116	11,124	11,170	11,183	11,184	11,186	11,062
2017	10,542	10,559	10,667	10,678	10,692	10,703	10,789	10,826	10,823	10,817	10,870	10,873	10,737
2016	10,132	10,181	10,242	10,279	10,315	10,337	10,379	10,385	10,403	10,434	10,442	10,530	10,338
2015	9,972	9,962	9,972	9,992	9,975	10,039	10,037	10,039	10,065	10,128	10,092	10,152	10,035
2014	9,664	9,681	9,702	9,750	9,796	9,800	9,835	9,846	9,870	9,886	9,912	9,936	9,806
2013	9,437	9,453	9,456	9,484	9,516	9,542	9,552	9,545	9,552	9,689	9,666	9,668	9,547
2012	9,176	9,198	9,268	9,273	9,290	9,291	9,324	9,351	9,341	9,376	9,398	9,412	9,308

This page is intentionally left blank.