

Folsom City Council Staff Report

MEETING DATE:	6/23/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10478 – A Resolution Rescinding Resolution No. 10296 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. 10478 – A Resolution Rescinding Resolution No 10296 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

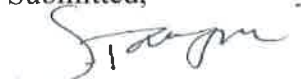
In accordance with Resolution No. 7812, adopted May 23, 2006, Staff has calculated proposed fee schedules to be effective July 1, 2020 and effective January 1, 2021 for the Housing Trust Fund Fee. The annual inflationary adjustment to be applied is 1.98%. This percentage adjustment is based on the *Engineering News Record Construction Cost Index* for January through December 2019. The proposed fee schedules were derived by applying the annual inflationary adjustment to the current fee.

The proposed July 1, 2020, fee schedules are included in Resolution No. 10478 as Attachment 1 and the Construction Cost Index obtained from the Engineering News Record is included as Attachment 2.

ATTACHMENTS

1. Resolution No. 10478 – A Resolution Rescinding Resolution No. 10296 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. 10478

A RESOLUTION RESCINDING RESOLUTION NO. 10296 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 2019 and the annual adjustment to be applied is 1.98%; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom rescinds Resolution No. 10296 and Enacts the Annual Inflationary Adjustment for City Impact and Connection Fees as of July 1, 2020 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, 2021 for Housing Trust Fee.

PASSED AND ADOPTED this 23rd day of June 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):

ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

City of Folsom
Impact and Connection Fee Schedule as of July 1, 2020

FEE DESCRIPTION	BASIS	FEE	Annual Inflation	FEE
		7/01/2019	Adjustment	7/01/2020
		Reso 10296	2019 Annual CPI ¹	Proposed
<u>Police, Fire, & Gen Fac (FMC 3.80.010)</u>				
<u>POLICE</u>				
Single Family Residential	Unit	\$ 589	\$ 12	\$ 601
Multi-Family Residential	Unit	\$ 668	\$ 13	\$ 681
Mobile Dwellings	Unit	\$ 153	\$ 3	\$ 156
Commercial Lodging	Unit	\$ 34	\$ 1	\$ 35
Commercial Development	Sq. Ft.	\$ 0.992	\$ 0.020	\$ 1.012
Industrial Development	Sq. Ft.	\$ 0.858	\$ 0.017	\$ 0.875
<u>FIRE</u>				
Single Family Residential	Unit	\$ 1,065	\$ 21	\$ 1,086
Multi-Family Residential	Unit	\$ 1,030	\$ 20	\$ 1,050
Mobile Dwellings	Unit	\$ 1,062	\$ 21	\$ 1,083
Commercial Lodging	Unit	\$ 921	\$ 18	\$ 939
Commercial Development	Sq. Ft.	\$ 0.622	\$ 0.012	\$ 0.634
Industrial Development	Sq. Ft.	\$ 0.271	\$ 0.005	\$ 0.276
<u>GENERAL FACILITIES</u>				
Single Family Residential	Unit	\$ 1,565	\$ 31	\$ 1,596
Multi-Family Residential	Unit	\$ 1,565	\$ 31	\$ 1,596
Mobile Dwellings	Unit	\$ 1,558	\$ 31	\$ 1,589
Commercial Lodging	Unit	\$ 224	\$ 4	\$ 228
Commercial Development	Sq. Ft.	\$ 0.488	\$ 0.010	\$ 0.498
Industrial Development	Sq. Ft.	\$ 0.485	\$ 0.010	\$ 0.495
<u>GENERAL PARK EQUIPMENT</u>				
Single Family Residential	Unit	\$ 92	\$ 2	\$ 94
Multi-Family Residential	Unit	\$ 92	\$ 2	\$ 94
Mobile Dwellings	Unit	\$ 43	\$ 1	\$ 44
Commercial Development	Sq. Ft.	\$ 0.018	\$ 0.000	\$ 0.018
Industrial Development	Sq. Ft.	\$ 0.018	\$ 0.000	\$ 0.018

City of Folsom
Impact and Connection Fee Schedule as of July 1, 2020

FEE DESCRIPTION	BASIS	FEE	Annual Inflation	FEE
		7/01/2019	Adjustment	7/01/2019
		Reso 10296	2019 Annual CPI ¹	Proposed
<u>Drainage (FMC 17.95.030)</u>				
Single Family Residential	Unit	\$ 1,017	\$ 20	\$ 1,037
Multi-Family Residential	Unit	\$ 1,017	\$ 20	\$ 1,037
Mobile Dwellings	Unit	\$ 1,017	\$ 20	\$ 1,037
Commercial Development/Office	Acre	\$ 6,180	\$ 122	\$ 6,302
Industrial Development	Acre	\$ 6,180	\$ 122	\$ 6,302
<u>Light Rail Impact Fee (FMC 10.50.040)</u>				
Single Family Residential	Unit	\$ 710	\$ 14	\$ 724
Multi-Family Residential	Unit	\$ 488	\$ 10	\$ 498
Mobile Dwellings	Unit	\$ 488	\$ 10	\$ 498
Commercial Development/Office	Sq. Ft.	\$ 0.226	\$ 0.004	\$ 0.230
Industrial Development	Sq. Ft.	\$ 0.093	\$ 0.002	\$ 0.095
<u>Transportation Improv Fee (FMC 12.04.060)</u>				
Single Family Residential	Unit	\$ 8,009	\$ 159	\$ 8,168
Multi-Family Residential	Unit	\$ 5,606	\$ 111	\$ 5,717
Mobile Dwellings	Unit	\$ 5,606	\$ 111	\$ 5,717
Commercial	Sq Ft.	\$ 12.03	\$ 0.24	\$ 12.27
Industrial/Office	Sq Ft.	\$ 5.23	\$ 0.104	\$ 5.33
Other	Sq Ft.	\$ 5.23	\$ 0.104	\$ 5.33
<u>Additional Land Uses</u>				
High Trip Commercial	Sq Ft.	\$ 47.73	\$ 0.94	\$ 48.67
Gas Stations ¹	Sq Ft.	\$ 10,702	\$ 212	\$ 10,914
¹ per fueling station				

City of Folsom
Impact and Connection Fee Schedule as of July 1, 2020

FEE DESCRIPTION	BASIS	FEE	Annual Inflation	FEE
		7/01/2019	Adjustment	7/01/2020
		Reso 10296	2019 Annual CPI ¹	Proposed
<u>Water Impact Fees (FMC 13.30.010)</u>				
Single Family Residential	Unit	\$ 966	\$ 19	\$ 985
Multi-Family Residential	Unit	\$ 520	\$ 10	\$ 530
Commercial	Acre	\$ 1,300	\$ 26	\$ 1,326
Industrial/Office	Acre	\$ 1,300	\$ 26	\$ 1,326
<u>Water Connection Fees (FMC 13.24.010)</u>				
Single Family Residential	Unit	\$ 3,296	\$ 65	\$ 3,361
Multi-Family Residential	Unit	\$ 2,143	\$ 42	\$ 2,185
Lexington Hills	Unit	\$ 2,042	\$ 40	\$ 2,082
Mobile Home	Unit	\$ 2,143	\$ 42	\$ 2,185
Commercial				
3/4" meter		\$ 3,288	\$ 65	\$ 3,353
1" meter		\$ 8,198	\$ 162	\$ 8,360
1 1/2" meter		\$ 16,401	\$ 325	\$ 16,726
2" meter		\$ 26,246	\$ 520	\$ 26,766
3" meter		\$ 52,507	\$ 1,040	\$ 53,547
4" meter		\$ 82,070	\$ 1,625	\$ 83,695
6" meter		\$ 164,198	\$ 3,251	\$ 167,449
8" meter		\$ 262,807	\$ 5,203	\$ 268,010
10" meter		\$ 378,122	\$ 7,486	\$ 385,608

City of Folsom
Impact and Connection Fee Schedule as of July 1, 2020

FEE DESCRIPTION	BASIS	FEE 7/01/2019 Reso 10296	Annual Inflation Adjustment 2019 Annual CPI ¹	FEE 7/01/2020 Proposed
<u>Sewer Connection Fees (FMC 13.25.010)</u>				
Single Family Residential	Unit	\$ 1,052	\$ 21	\$ 1,073
Multi-Family Residential	Unit	\$ 823	\$ 16	\$ 839
Lexington Hills	Unit	\$ 819	\$ 16	\$ 835
Mobile Home	Unit	\$ 931	\$ 18	\$ 949
Commercial				
3/4" meter		\$ 1,052	\$ 21	\$ 1,073
1" meter		\$ 1,052	\$ 21	\$ 1,073
1 1/2" meter		\$ 2,107	\$ 42	\$ 2,149
2" meter		\$ 3,371	\$ 67	\$ 3,438
3" meter		\$ 6,321	\$ 125	\$ 6,446
4" meter		\$ 10,535	\$ 209	\$ 10,744
6" meter		\$ 21,070	\$ 417	\$ 21,487
8" meter		\$ 33,712	\$ 667	\$ 34,379
10" meter		\$ 48,460	\$ 959	\$ 49,419
<u>Solid Waste Capital Improvement Fee (FMC 3.20.045)</u>				
Single Family Residential	Unit	\$ 356	\$ 7	\$ 363
Mobile Homes	Unit	\$ 163	\$ 3	\$ 166
Commercial/ Multi Family				
2 yard dumpster		\$ 3,985	\$ 79	\$ 4,064
3 yard dumpster		\$ 4,013	\$ 79	\$ 4,092
4 yard dumpster		\$ 4,068	\$ 81	\$ 4,149
6 yard dumpster		\$ 4,235	\$ 84	\$ 4,319
15 yard roll-off		\$ 13,046	\$ 258	\$ 13,304
20 yard roll		\$ 13,396	\$ 265	\$ 13,661
30 yard roll		\$ 13,935	\$ 276	\$ 14,211
40 yard roll		\$ 14,237	\$ 282	\$ 14,519

City of Folsom
Impact and Connection Fee Schedule as of July 1, 2020

FEE DESCRIPTION	BASIS	FEE	Annual Inflation	FEE
		7/01/2019	Adjustment	7/01/2020
		Reso 10296	2019 Annual CPI ¹	Proposed
<u>Park Construction Capital Impact (FMC 4.10)²</u>				
Single Family Residential	Unit	\$ 6,900	\$ 137	\$ 7,037
Multi-Family Residential	Unit	\$ 4,584	\$ 91	\$ 4,675
Senior Residential Housing	Unit	\$ 3,544	\$ 70	\$ 3,614
Mobile Dwellings	Unit	\$ 2,649	\$ 52	\$ 2,701
Commercial Development	Sq. Ft.	\$ 0.467	\$ 0.009	\$ 0.476
Industrial Development	Sq. Ft.	\$ 0.467	\$ 0.009	\$ 0.476
<u>Humbug-Willow Creek (FMC 4.12)</u>				
Single Family Residential	Unit	\$ 271	\$ 5	\$ 276
Multi-Family Residential	Unit	\$ 171	\$ 3	\$ 174
Mobile Dwellings	Unit	\$ 148	\$ 3	\$ 151
Commercial Development	Sq. Ft.	\$ 0.066	\$ 0.001	\$ 0.067
Industrial Development	Sq. Ft.	\$ 0.066	\$ 0.001	\$ 0.067

¹ Engineering News Record Construction Cost Index - 2018 Annual Average

City of Folsom
Impact and Connection Fee Schedule as of January 1, 2021

FEE DESCRIPTION	BASIS	FEE 1/01/2020 Reso 10296	Annual Inflation Adjustment 2019 Annual CPI ¹	FEE 1/01/2021 Proposed
<u>Housing Trust (FMC 3.90.010)</u>				
Office	Sq. Ft.	\$ 1.70	\$ 0.034	\$ 1.73
Retail	Sq. Ft.	\$ 1.70	\$ 0.034	\$ 1.73
Light Industrial	Sq. Ft.	\$ 1.70	\$ 0.034	\$ 1.73
Heavy Industrial/Manufacturing	Sq. Ft.	\$ 1.70	\$ 0.034	\$ 1.73
Light Industrial/Manufacturing	Sq. Ft.	\$ 1.70	\$ 0.034	\$ 1.73

ATTACHMENT 2

Construction Cost Index History - As of January 2020

Construction Cost Index History - As of January 2020

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 (1908-2020)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.
2020	11392												
2019	11206	11213	11228	11228	11230	11268	11293	11311	11311	11326	11381	11381	11281
2018	10878	10889	10959	10971	11013	11069	11116	11124	11170	11183	11184	11186	11062
2017	10542	10559	10667	10678	10692	10703	10789	10826	10823	10817	10870	10873	10737
2016	10132	10181	10242	10279	10315	10337	10379	10385	10403	10434	10442	10530	10338
2015	9972	9962	9972	9992	9975	10039	10037	10039	10065	10128	10092	10152	10035
2014	9664	9681	9702	9750	9796	9800	9835	9846	9870	9886	9912	9936	9806
2013	9437	9453	9456	9484	9516	9542	9552	9545	9552	9689	9666	9668	9547
2012	9176	9198	9268	9273	9290	9291	9324	9351	9341	9376	9398	9412	9308
2011	8938	8998	9011	9027	9035	9053	9080	9088	9116	9147	9173	9172	9070
2010	8660	8672	8671	8677	8761	8805	8844	8837	8836	8921	8951	8952	8799
2009	8549	8533	8534	8528	8574	8578	8566	8564	8586	8596	8592	8641	8570
2008	8090	8094	8109	8112	8141	8185	8293	8362	8557	8623	8602	8551	8310
2007	7880	7880	7856	7865	7942	7939	7959	8007	8050	8045	8092	8089	7966
2006	7660	7689	7692	7695	7691	7700	7721	7722	7763	7883	7911	7888	7751
2005	7297	7298	7309	7355	7398	7415	7422	7479	7540	7563	7630	7647	7446
2004	6825	6862	6957	7017	7065	7109	7126	7188	7298	7314	7312	7308	7115
2003	6581	6640	6627	6635	6642	6694	6695	6733	6741	6771	6794	6782	6694
2002	6462	6462	6502	6480	6512	6532	6605	6592	6589	6579	6578	6563	6538
2001	6281	6272	6279	6286	6288	6318	6404	6389	6391	6397	6410	6390	6343
2000	6130	6160	6202	6201	6233	6238	6225	6233	6224	6259	6266	6283	6221
1999	6000	5992	5986	6008	6006	6039	6076	6091	6128	6134	6127	6127	6059
1998	5852	5874	5875	5883	5881	5895	5921	5929	5963	5986	5995	5991	5920
1997	5765	5769	5759	5799	5837	5860	5863	5854	5851	5848	5838	5858	5826
1996	5523	5532	5537	5550	5572	5597	5617	5652	5683	5719	5740	5744	5620
1995	5443	5444	5435	5432	5433	5432	5484	5506	5491	5511	5519	5524	5471

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