

Folsom City Council Staff Report

MEETING DATE:	7/23/2024
AGENDA SECTION:	Public Hearing
SUBJECT:	Resolution No. 11233 – A Resolution Amending Resolution No. 11172 and Approving the Updated City Impact and Connection Fee Schedule 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
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff requests the City Council adopt Resolution No. 11233 – A Resolution Amending Resolution No. 11172 and Approving the Updated City Impact and Connection Fee Schedule 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.

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 September 21, 2024. The annual inflationary adjustment to be applied is 2.70%. This percentage adjustment is based on the *Engineering News Record Construction Cost Index* for January through December 2023. The proposed fee schedules were derived by applying the annual inflationary adjustment to the current fee.

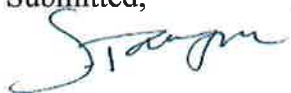
Government Code section 66018 requires a public hearing for certain fee increases. Government Code section 66017 states fees may be effective no sooner than 60 days following the adoption of the increase in the fee or charge.

The proposed September 21, 2024, fee schedules are included in Resolution No. 11233 as Attachment 1 and the Construction Cost Index obtained from the Engineering News Record is included as Attachment 2.

ATTACHMENTS

1. Resolution No. 11233 – A Resolution Amending Resolution No. 11172 and Approving the Updated City Impact and Connection Fee Schedule 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.
2. Engineering News Record Construction Cost Index

Submitted,



Stacey Tamagni, Finance Director

ATTACHMENT 1

RESOLUTION NO. 11233

A RESOLUTION AMENDING RESOLUTION NO. 11172 AND APPROVING THE UPDATED CITY IMPACT AND CONNECTION FEE SCHEDULE 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

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 City Council on July 23, 2024, held a public hearing on the proposed fee updates and considered public comment; and

WHEREAS, the annual inflationary adjustment is based on the *Engineering News Record Construction Cost Index* for January through December 2023 and the annual adjustment to be applied is 2.70%; and

WHEREAS, notice has been given at the time and in the manner required by State Law and City Code; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom amends Resolution No 11172 and approves the updated City Impact and Connection Fees as of September 21, 2024 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.

PASSED AND ADOPTED this 23rd day of July 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

City of Folsom
Impact and Connection Fee Schedule As of September 21, 2024

FEE DESCRIPTION	BASIS	FEE	Annual	FEE
		03/01/2024	Inflation Adjustment	9/21/2024
		Res 11172	2023 Annual CCI	Proposed
<u>Police (FMC 3.80.010)</u>				
Single Family Residential	Unit	\$681	\$18	\$700
Multi-Family Residential	Unit	\$773	\$21	\$794
Mobile Dwellings	Unit	\$177	\$5	\$182
Commercial Lodging	Unit	\$39	\$1	\$40
Commercial Development	Sq. Ft.	\$1.148	\$0.03	\$1.179
Industrial Development	Sq. Ft.	\$0.992	\$0.03	\$1.019
<u>Fire (FMC 3.80.010)</u>				
Single Family Residential	Unit	\$1,232	\$33	\$1,265
Multi-Family Residential	Unit	\$1,191	\$32	\$1,223
Mobile Dwellings	Unit	\$1,228	\$33	\$1,261
Commercial Lodging	Unit	\$1,066	\$29	\$1,095
Commercial Development	Sq. Ft.	\$0.72	\$0.02	\$0.74
Industrial Development	Sq. Ft.	\$0.31	\$0.01	\$0.32
<u>General Facilities (FMC 3.80.010)</u>				
Single Family Residential	Unit	\$1,811	\$49	\$1,860
Multi-Family Residential	Unit	\$1,811	\$49	\$1,860
Mobile Dwellings	Unit	\$1,803	\$49	\$1,851
Commercial Lodging	Unit	\$258	\$7	\$265
Commercial Development	Sq. Ft.	\$0.56	\$0.02	\$0.58
Industrial Development	Sq. Ft.	\$0.56	\$0.02	\$0.58
<u>General Park Equip (FMC 3.80.010)</u>				
Single Family Residential	Unit	\$106	\$3	\$109
Multi-Family Residential	Unit	\$106	\$3	\$109
Mobile Dwellings	Unit	\$50	\$1	\$51
Commercial Development	Sq. Ft.	\$0.021	\$0.001	\$0.021
Industrial Development	Sq. Ft.	\$0.021	\$0.001	\$0.021
<u>Drainage (FMC 17.95.030)</u>				
Single Family Residential	Unit	\$1,176	\$32	\$1,208
Multi-Family Residential	Unit	\$1,176	\$32	\$1,208
Mobile Dwellings	Unit	\$1,176	\$32	\$1,208
Commercial Development/Office	Acre	\$7,149	\$193	\$7,342
Industrial Development	Acre	\$7,149	\$193	\$7,342
<u>Light Rail Impact Fee (FMC 10.50.040)</u>				
Single Family Residential	Unit	\$821	\$22	\$844
Multi-Family Residential	Unit	\$565	\$15	\$580
Mobile Dwellings	Unit	\$565	\$15	\$580

City of Folsom
Impact and Connection Fee Schedule As of September 21, 2024

Commercial Development/Office	Sq. Ft.	\$0.260	\$0.007	\$0.267
Industrial Development	Sq. Ft.	\$0.108	\$0.003	\$0.111
<u>Transportation Improv Fee (FMC 12.04.060)</u>				
Single Family Residential	Unit	\$9,265.73	\$250.17	\$9,515.90
Multi-Family Residential	Unit	\$6,485.76	\$175.12	\$6,660.88
Mobile Dwellings	Unit	\$6,485.76	\$175.12	\$6,660.88
Commercial	Sq Ft.	\$13.91	\$0.38	\$14.29
Industrial/Office	Sq Ft.	\$6.04	\$0.16	\$6.21
Other	Sq Ft.	\$6.04	\$0.16	\$6.21
Additional Land Uses				
High Trip Commercial	Sq Ft.	\$55.21	\$1.49	\$56.70
Gas Stations ¹	Sq Ft.	\$12,381	\$334	\$12,715
¹ per fueling station				
<u>Water Impact Fees (FMC 13.30.010)</u>				
Single Family Residential	Unit	\$1,117	\$30	\$1,148
Multi-Family Residential	Unit	\$602	\$16	\$618
Commercial	Acre	\$1,504	\$41	\$1,545
Industrial/Office	Acre	\$1,504	\$41	\$1,545
<u>Water Connection Fees (FMC 13.24.010)</u>				
Residential				
Single Family Residential	Unit	\$3,813	\$103	\$3,916
Multi-Family Residential	Unit	\$2,478	\$67	\$2,545
Lexington Hills	Unit	\$2,361	\$64	\$2,425
Mobile Home	Unit	\$2,478	\$67	\$2,545
Commercial				
3/4" meter		\$3,803	\$103	\$3,906
1" meter		\$9,484	\$256	\$9,740
1 1/2" meter		\$18,974	\$512	\$19,486
2" meter		\$30,363	\$820	\$31,183
3" meter		\$60,743	\$1,640	\$62,383
4" meter		\$94,942	\$2,563	\$97,506
6" meter		\$189,954	\$5,129	\$195,083
8" meter		\$304,027	\$8,209	\$312,236
10" meter		\$437,430	\$11,811	\$449,240
<u>Sewer Connection Fees (FMC 13.25.010)</u>				
Residential				
Single Family Residential	Unit	\$1,217	\$33	\$1,250
Multi-Family Residential	Unit	\$952	\$26	\$977
Lexington Hills	Unit	\$948	\$26	\$973
Mobile Home	Unit	\$1,076	\$29	\$1,105
Commercial				
3/4" meter		\$1,217	\$33	\$1,250
1" meter		\$1,217	\$33	\$1,250

City of Folsom
Impact and Connection Fee Schedule As of September 21, 2024

1 1/2" meter		\$2,437	\$66	\$2,503
2" meter		\$3,900	\$105	\$4,005
3" meter		\$7,312	\$197	\$7,510
4" meter		\$12,188	\$329	\$12,517
6" meter		\$24,375	\$658	\$25,033
8" meter		\$38,999	\$1,053	\$40,052
10" meter		\$56,060	\$1,514	\$57,574
<u>Solid Waste Capital Improvement Fee (FMC 3.20.045)</u>				
Residential				
Single Family Residential	Unit	\$411	\$11	\$422
Mobile Homes	Unit	\$189	\$5	\$194
Commercial/ Multi Family				
2 yard dumpster		\$4,611	\$124	\$4,735
3 yard dumpster		\$4,642	\$125	\$4,767
4 yard dumpster		\$4,707	\$127	\$4,834
6 yard dumpster		\$4,899	\$132	\$5,032
15 yard roll-off		\$15,092	\$407	\$15,500
20 yard roll		\$15,497	\$418	\$15,916
30 yard roll		\$16,121	\$435	\$16,556
40 yard roll		\$16,470	\$445	\$16,914
<u>Park Construction Capital Impact (FMC 4.10)</u>				
Single Family Residential	Unit	\$7,984	\$216	\$8,199
Multi-Family Residential	Unit	\$5,303	\$143	\$5,446
Senior Residential Housing	Unit	\$4,099	\$111	\$4,210
Mobile Dwellings	Unit	\$3,064	\$83	\$3,146
Commercial Development	Sq. Ft.	\$0.540	\$0.015	\$0.555
Industrial Development	Sq. Ft.	\$0.540	\$0.015	\$0.555
<u>Humbug-Willow Creek (FMC 4.12)</u>				
Single Family Residential	Unit	\$313	\$8	\$322
Multi-Family Residential	Unit	\$198	\$5	\$203
Mobile Dwellings	Unit	\$172	\$5	\$176
Commercial Development	Sq. Ft.	\$0.076	\$0.002	\$0.078
Industrial Development	Sq. Ft.	\$0.076	\$0.002	\$0.078

¹ Engineering News-Record Construction Cost Index - 2023 Annual Average

FEE DESCRIPTION	BASIS	FEE 03/01/2024	Annual Inflation Adjustment	FEE 9/21/2024
		Reso 11172	2023 Annual CCI ¹	Proposed
<u>Housing Trust (FMC 3.90.010)</u>				
Office	Sq. Ft.	\$1.99	\$ 0.054	\$2.05
Retail	Sq. Ft.	\$1.99	\$ 0.054	\$2.05
Light Industrial	Sq. Ft.	\$1.99	\$ 0.054	\$2.05
Heavy Industrial/Manufacturing	Sq. Ft.	\$1.99	\$ 0.054	\$2.05
Light Industrial/Manufacturing	Sq. Ft.	\$1.99	\$ 0.054	\$2.05

¹ Engineering News Record Construction Cost Index - 2023 Annual Average

ATTACHMENT 2

ATTACHMENT 2

Home » Construction Cost Index History - As of May 2024

Construction Cost Index History - As of May 2024

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](#).

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.
2024	13515.02	13518.12	13532.01	13532.08	13532.44								
2023	13175.03	13175.93	13176.30	13229.57	13288.27	13345.00	13424.98	13472.56	13485.67	13497.97	13510.57	13514.76	13358.05
2022	12555.55	12683.97	12791.43	12898.96	13004.47	13110.50	13167.84	13171.07	13173.43	13174.92	13174.98	13175.00	13006.84
2021	11627	11698	11749	11849	11989	12112	12237	12463	12464	12464	12467	12481	12,133
2020	11392	11396	11397	11412	11418	11436	11439	11455	11499	11539	11579	11626	11465.67
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