



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Reviewing and Accepting the Annual Developer Fee Disclosure Information for the Calaveras Boulevard Widening Traffic Impact Fee, Milpitas Business Park Traffic Impact Fee, the Transit Area Specific Plan (TASP) Impact Fee, and the Storm Drain Fee and Five Year Findings for the Calaveras Boulevard Widening Traffic Impact Fee, Milpitas Business Park Traffic Impact Fee, and the Transit Area Specific Plan (TASP) Impact Fee for the Fiscal Year Ended June 30, 2019
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/21/2020
Staff Contact:	Walter C. Rossmann, 408-586-3111
Recommendation:	Adopt a resolution consistent with the Mitigation Fee Act for fiscal year 2018-2019 to review and accept the annual developer fee disclosure information Calaveras Blvd Widening Traffic Impact Fee, Milpitas Business Park Traffic Impact Fee, Transit Area Specific Plan Impact Fee and Storm Drain Fee and making Five-Year findings for the Calaveras Blvd Widening Traffic Impact Fee, Milpitas Business Park Traffic Impact Fee, and Transit Area Specific Plan Impact Fee for the Fiscal Year Ended June 30, 2019.

Background:

California Government Code Section 66000 et seq. ("Mitigation Fee Act") requires local agencies to provide an accounting of fees charged for development projects. The City has two basic accounting and reporting responsibilities under the Government Code. Section 66001(d) requires that, five years after collecting a development fee subject to this Code section and every five years thereafter, the local agency shall make findings with respect to any portion of the fee remaining unexpended, whether committed or uncommitted. If the required findings are not made, the unexpended funds shall be refunded to the current property owners.

Five-year findings must:

1. Identify the purpose of the fee;
2. Demonstrate a reasonable relationship between the fee and the purpose for which it was charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements; and
4. Designate the approximate dates on which these funding sources can be expected to be deposited into the appropriate account or fund.

When sufficient funds have been collected to complete financing on incomplete public improvements, the local agency has 180 days to identify an approximate date by which the construction of the public improvement will begin or else is required to refund the unexpended fees, including accrued interest, to the current owner of lots or units of the development project.

For Fiscal Year 2018-19, the City needs to make Five-Year findings for the remaining unexpended fee proceeds for the Calaveras Blvd Widening Traffic Impact Fee, Milpitas Business Park Traffic Impact Fee, and Transit Area Specific Plan Impact Fee.

The second requirement set forth under Government Code Section 66006(b)(1) provides that each local agency is required on an annual basis, within 180 days after fiscal year end, for each separate account, to make available to the public the following information:

1. Brief description of the type of fee in the account;
2. The amount of the fee;
3. The account's beginning and ending balance;
4. The amount of fees collected and the interest earned;
5. A description of the improvements on which the funds were expended and the amount expended on each improvement including the percentage of the improvement funded with development fees;
6. An approximate date by which the construction of a public improvement will begin if the local agency determines that sufficient funds have been collected to complete financing on the incomplete improvement;
7. A description of each inter-fund transfer or loan made from the account; and
8. The amount of any refunds made pursuant to Code Section 66001.

The City deposits impact fees subject to the above disclosure in the Calaveras Boulevard Widening Traffic Impact Fee Fund, Milpitas Business Park Traffic Impact Fee Fund, Transit Area Specific Plan (TASP) Impact Fee Fund, and Storm Drain Development Fund to track these development related fees. Interest income is allocated to each funds based on their respective monthly cash balances. Expenditures from these funds were in the form of capital improvement projects to either renovate existing facilities or maintain the existing level of service, consistent with the General Plan and approved Capital Improvement Plan, due to increased demand related to the development projects.

Analysis:

Annual reports (included in the agenda packet) summarize the Fiscal Year 2018-2019 fund activity for Calaveras Boulevard Widening Traffic Impact Fee (Exhibit 1); Milpitas Business Park Traffic Impact Fee (Exhibit 2), Transit Area Specific Plan (TASP) Impact Fee (Exhibit 3); and Storm Drain Development Fee (Exhibit 4). The reports show the amount of fees collected in fiscal year 2018-2019, interest income, a brief description of the projects funded, the percentage of the projects funded by the development fees, and the beginning and ending balance of the funds. The table below shows the beginning fund balance, revenues received, expenditures and ending fund balance for each impact fee for Fiscal Year 2018-2019. The plan to expend the funds available in ending fund balances for the various fees is outlined in the attached reports. For the TASP Impact Fee, for example, the unexpended fee proceeds will be used to fund necessary infrastructure (e.g.: Transit Area Police Substation, a community center/recreation facility, a park, Montague Expressway widening) as identified in the Transit Area Development Impact Fee Report, dated February 2014, and the City's Capital Improvement Program 2018-2023 Final Report.

FY 2018-19	Calaveras Blvd Widening Traffic Impact Fee	Milpitas Business Park Traffic Impact Fee	TASP Impact	Storm Drain Development*
Beginning Fund Balance	\$675,417	\$1,358,780	\$30,993,582	\$1,913,220
Revenues	665,768	18,251	39,853,376	1,366,318
Expenditures	0	750,000	(28,035,691)	(345,000)
Ending Fund Balance	\$1,341,185	\$627,031	\$42,811,267	\$2,934,538

*Annual reporting for the Storm Drain Fee is subject to Government Code Section 66013, however those reporting requirements are substantially similar to the annual reporting requirements under Government code section 66006 and are referred to collectively here for convenience.

Additional reports include Five Year Findings Reports for Calaveras Boulevard Widening Traffic Impact Fee (Exhibit 5), Milpitas Business Park Traffic Impact Fee (Exhibit 6), and Transit Area Specific Plan Fee (Exhibit

7). These reports identify the purpose of each fee, demonstrate the reasonable relationship between the fee and the purpose for which the fee was charged, identify the sources and amounts of funding anticipated to complete financing of improvements and designate approximate dates on which these funding sources can be expected.

Policy Alternative:

Not applicable.

Fiscal Impact:

Not applicable.

California Environmental Quality Act:

Not applicable.

Recommendation:

Adopt a resolution consistent with the Mitigation Fee Act for fiscal year 2018-2019 to review and accept the annual developer fee disclosure information Calaveras Blvd Widening Traffic Impact Fee, Milpitas Business Park Traffic Impact Fee, Transit Area Specific Plan Impact Fee and Storm Drain Fee and making Five-Year findings for the Calaveras Blvd Widening Traffic Impact Fee, Milpitas Business Park Traffic Impact Fee, and Transit Area Specific Plan Impact Fee for the Fiscal Year Ended June 30, 2019.

Attachment:

Resolution including Status Reports as Exhibits