



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: February 12, 2019

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Keith DeMartini, Finance Director

SUBJECT: Hold Public Hearing, Waive First Reading and Introduce an Ordinance and Resolution Adding Chapter 12.260 to Title 12 (Zoning) of the San Bruno Municipal Code Establishing Development Impact Fees

BACKGROUND:

The purpose of this item is to hold a public hearing to introduce an ordinance and resolution adding Chapter 12.260 to Title 12 (Zoning) of the San Bruno Municipal Code Establishing Development Impact Fees.

The City of San Bruno contracted with Economic & Planning, Inc. (EPS), with technical support from West Yost Associates and TKJM, to prepare the San Bruno Development Impact Fee Nexus Study designed to provide the City of San Bruno with the necessary technical documentation in order to adopt a comprehensive Development Impact Fee (DIF) program.

As discussed in the nexus study, development impact fees are one-time charges on new development projects that are collected and used by jurisdictions to cover the cost of capital facilities and infrastructure needed to serve the new residential and development growth. Impact fees are regulated by Assembly Bill (AB) 1600 (Government Code Section 66000 et seq.). The purpose of the nexus study is to determine the maximum allowable fees that the City can charge for facilities and infrastructure consistent with the legal requirements of AB 1600. Fees collected under AB 1600 are to be collected for capital facility and infrastructure improvements only, used to fund facility needs created by new development rather than existing deficiencies, and the fees are to be based on a rational nexus between new development and the costs of the capital facilities and infrastructure needed to accommodate such development.

Because impact fees can only be collected to fund a portion of any particular capital improvement, they will not fully pay for all facility and infrastructure improvements. The City must therefore continue to allocate General Fund revenues, Federal, State and regional funds, grants, debt financing and other sources to fund fully these projects.

The City Council received an overview of the proposed development impact fee program on December 11, 2018. Since then, staff have been working with the consultant and legal counsel

ITEM 6.a.

to prepare an updated draft of the nexus study based on feedback received and prepare the ordinance and resolution.

DISCUSSION:

As presented on December 11, 2018, the development impact fee nexus study calculates a maximum allowable fee for community facilities, public safety, general government, transportation and utility improvements. Fees are proposed to be assessed on residential development projects, assessed for single family and multi-family dwellings per unit, and non-residential development projects by type (office, industrial, retail and hotel), assessed per square foot.

Table 1 below lists the maximum allowable fees for community facilities, public safety, general government, transportation and utility improvements as indicated in the nexus study. Table 2 shows the maximum allowable fee that was presented on December 11, 2019 and the revised maximum allowable fee in the nexus study.

Table 1: Summary of Maximum Allowable Fees by Land Use Category

Land Use	Community	Public Safety	General Gov't	Transportation	Utilities	Total
Residential (per Unit)						
Single Family	\$21,096	\$1,566	\$2,216	\$4,615	\$3,035	\$32,528
Multi-Family	\$14,479	\$1,144	\$1,521	\$2,610	\$2,083	\$21,838
Non-Residential (per Sq.Ft. or Room)						
Office (per Sq.Ft.)	\$8.63	\$0.58	\$0.93	\$6.95	\$1.72	\$18.79
Industrial (per Sq.Ft.)	\$4.31	\$0.29	\$0.47	\$3.50	\$1.37	\$9.93
Retail (per Sq.Ft.)	\$6.47	\$0.71	\$0.70	\$10.39	\$12.42	\$30.69
Hotel (per Room)	\$2,588	\$174	\$279	\$2,797	\$2,241	\$8,079

The changes to the maximum allowable fee compared to what was presented to City Council on December 11, 2018 based on feedback received by the City Council are shown below.

1. Change in persons per household assumption to separate out single and multi-family, as requested by City Council;
2. Change in trip generation factors to separate out single and multi-family (for the transportation fee);
3. Change in the land value assumption for park land acquisition to a more current assumption;
4. Elimination of the “emergency response planning and exercise” item in the Police fee;
5. Inclusion of a new “emergency vehicle signal pre-emption equipment” item in the transportation fee;

6. Minor adjustments to the existing park acreage assumption due to small changes to utilization assumptions for school district recreation facilities and acreage of a City park; and
7. Minor adjustments to the service population assumptions with more recent data.

Table 2: Summary of Maximum Allowable Fees compared to fees presented to City Council on December 11, 2018

Land Use	Final Max Allow. Fee	Max Allow. Fee from 12/11/18 Meeting	Increase/ (Decrease)
Residential (per Unit)			
Single Family	\$32,528	\$24,591	
Multi-Family	\$21,838		
Non-Residential (per Sq.Ft. or Room)			
Office (per Sq.Ft.)	\$18.79	\$17.92	\$0.87
Industrial (per Sq.Ft.)	\$9.93	\$9.51	\$0.42
Retail (per Sq.Ft.)	\$30.69	\$30.23	\$0.46
Hotel (per Room)	\$8,079	\$7,845	\$234

The nexus study estimates the total capital facility funding generated by the maximum allowable fee through build out of planned capital outlay of the City. If implemented at the maximum levels shown above, the proposed impact fee program would generate revenue to cover nearly 30%, or approximately \$127 Million, of the total capital facilities identified in the fee program, as described in the December 11, 2018 public meeting.

DEVELOPMENT IMPACT FEE RECOMMENDATIONS FOR THE CITY OF SAN BRUNO

Table 3 below shows the maximum allowable fee for each land use category, the staff recommended fee level, and the staff recommended fee level as a percent of the maximum allowable. It will also show a low and high fee revenue estimate at the maximum allowable and staff recommended fee levels. Table 4 below lists the staff recommended fee level for community facilities, public safety, general government, transportation and utility improvements.

Table 3: Maximum Allowable and Staff Recommend Fee by Land Use Category

Category	Maximum Allowable	Staff Recommended	Recommended as a % of Maximum
Fee Amount			
Single Family (per unit)	\$32,528	\$23,783	73%
Multi-Family (per unit)	\$21,838	\$21,838	100%
Office (per Sq. ft.)	\$18.79	\$18.79	100%
Industrial (per Sq. ft.)	\$9.93	\$7.89	79%
Retail (per Sq. ft.)	\$30.69	\$26.43	86%
Hotel (per room)	\$8,079	\$4,410	55%
Fee Revenue			
High Estimate	\$146,700,000	\$141,400,000	96%
Low Estimate	\$135,700,000	\$130,800,000	96%

Table 4: Staff Recommended Fee Level by Fee Category

Land Use	Community	Public Safety	General Gov't	Transportation	Utilities	Total
Residential (per Unit)						
Single Family	\$15,424	\$1,145	\$1,621	\$3,374	\$2,219	\$23,783
Multi-Family	\$14,479	\$1,144	\$1,521	\$2,610	\$2,083	\$21,838
Non-Residential (per Sq.Ft. or Room)						
Office (per Sq.Ft.)	\$8.63	\$0.58	\$0.93	\$6.95	\$1.72	\$18.79
Industrial (per Sq.Ft.)	\$3.43	\$0.23	\$0.37	\$2.78	\$1.08	\$7.89
Retail (per Sq.Ft.)	\$5.57	\$0.61	\$0.60	\$8.95	\$10.69	\$26.43
Hotel (per Room)	\$1,413	\$95	\$152	\$1,527	\$1,223	\$4,410

It is important to note that actual fee revenue will depend on both the level and type of growth that occurs in the City. The high level estimate assumes more retail development, followed by office and hotel, respectively. It also assumes a higher proportion of single family development relative to the low estimate. Both estimates assume a similar level of hotel development.

Although the nexus study provides the maximum allowable fee for residential and non-residential projects for each fee category, the City Council can adopt an ordinance for fees below the maximum allowable level. Staff's recommended development fee levels based on policy and other city program information were presented on December 11, 2018 and have been slightly revised based on changes in the nexus study based on feedback received from City Council.

For the single-family residential, industrial, retail and hotel categories, staff are recommending reducing the fee from the maximum allowable level to the average of cities in San Mateo

County. This would not unduly burden new development. It is important to note that the DIF is applicable to construction of new residential units, and would not be paid by the typical homeowner who is merely renovating or adding onto their existing home.

For the multi-family residential and office categories, staff are recommending the maximum allowable fee.

- For multi-family residential category, the maximum allowable fee of \$21,838 is below the average of \$23,783 of cities in San Mateo County.
- Office development imposes a significant strain on the City's infrastructure, and impact fees will be a vital funding source to ensure community, public safety, general government, transportation and utility capital facilities revenues are collected to maintain and enhance these facilities to support the growth expected. Additionally, the investment in this important infrastructure will enhance the quality of the City's commercial development areas, thereby increasing the ability of the City to retain and attract commercial businesses who may contribute significant sales tax and property tax revenue to the City.

DEVELOPMENT IMPACT FEE ORDINANCE and RESOLUTION OVERVIEW

The items below provide an overview of the development impact fee ordinance and resolution:

Repeal of the Park In-Lieu Fee: The DIF ordinance repeals Section 12.44.140 of Title 12 of the City of San Bruno Municipal Code in its entirety. This section commonly known as the "Quimby Fee" requirement, is a parkland dedication requirement that is applicable only to certain land subdivisions. Developers usually fulfill their Quimby requirements by paying an "in lieu fee" that is governed by state law. The park in-lieu fee has proven to be challenging to calculate and assess on applicable development projects over the years. The new Community Facilities development impact fee has a more streamlined calculation methodology and will fund parkland acquisitions necessary to serve all new development going forward.

Fees due at Billing Permit Issuance: Developers are required to pay development impact fees prior to the issuance of the building permit. The City shall not issue a building permit for a development project unless the fees have been paid.

Credit for Redevelopment: When a development project involves the demolition of an existing structure and its replacement with a new structure, the developer is entitled to credits against the fees. In order to qualify for a credit, the developer must demonstrate that the building was either occupied by a resident or a business during six of the twelve months prior to the date of a complete and adequate building permit application. The credit will be calculated for the fee that would be charged for the development of the structure being demolished for each fee category.

Annual AB 1600 Report: Staff will continue to comply with the AB 1600 reporting requirement of making payment of fees available to the public annually within 180 days of the last day of the fiscal year. The information includes the following:

- A description of the type of fee in the account;
- The amount of the fee;
- The beginning and ending balance of the fund;

- The amount of fees collected and interest earned;
- Identification of the improvements constructed;
- The total cost of the improvements constructed;
- The fees expended to construct the improvement; and
- The percent of total costs funded by the fee.

If sufficient fees have been collected to fund the construction of an improvement, the City will specify the approximate date for construction of that improvement. Because of the dynamic nature of growth and infrastructure requirements, the City will plan to monitor development activity, the need for infrastructure improvements, and the adequacy of the fee revenues and other available funding.

Nexus Study Update: The fifth fiscal year following the first deposit into the DIF fee account or fund, and every five years thereafter, the City will plan to make all of the following findings with respect to that portion of the account or fund remaining unexpended:

- Identify the purpose for which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on that the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

Appeals: If the developer believes that one or more of the fees has been calculated incorrectly by the city, they may submit an appeal to the City Manager. The determination of the City Manager is the final determination, and the City Manager has 30 days to respond to the appeal. If the City Manager determines that the correct fee is less than the amount already paid to the City, the City will refund the overpayment to the developer.

Annual Inflation Adjustment: The ordinance allows for an adjustment of the DIF to keep pace with inflation adjusted increases in construction cost. The fees will be indexed annually during the budget process, and City Council can adopt a resolution to adjust the fees to be in effect on July 1st. The proposed indexing will be included in the City's budget proposal, including changes to revenue assumptions based on the indexing amount. The public will be noticed of the fee increases prior to them taking effect.

Development Projects in the Pipeline: At the time the development impact fee ordinance is presented to the City Council for adoption, there will be a handful of development projects with submitted entitlement applications with the City. The impact fees will not be assessed on a development project if an application for the project has been deemed complete by the City no later than May 1, 2019 and the City and the developer of the development project enter into a development agreement or other negotiated contract with the City for the project on or before August 1, 2019. Development projects must be in compliance with and have commenced construction in accordance with the development agreement or negotiated contract, otherwise the impact fees would apply to the project.

Special Rule: The City's Housing Element specifies a goal of approving 32 accessory dwelling units (ADUs) during the 8-year housing element planning period from 2015 through 2023.

ADUs are required to pay various permit and utility connection fees. The proposed DIF would result in a large increase in total permitting costs of ADU projects relative to the cost of construction. Exhibit A of the ordinance allows for 50% of the fees for an ADU for a multi-family residential dwelling unit to reduce the permitting fee burden.

DEVELOPMENT IMPACT FEE PROGRAM ADMINISTRATION

Policy, Procedure and Training: The Finance and Community Development Departments will collaborate on developing a Development Impact Fee Program policy and procedure. It will include guidance to staff in evaluating projects where fees are applicable, calculation methodology, fee assessment and collection, and the annual process for identifying DIF funding for allocating for specific capital projects. The program items described in the ordinance and resolution and administrative items described below will be included in the policy and procedure. Adequate training and will be provided to staff prior to the fees taking effect.

DIF Accounting Treatment: Once adopted, fees will start to be collected for new development projects submitting entitlement and permit applications with the City. Fees will be deposited into specific funds and accounts and tracked separately from other City revenues.

The existing development impact fees for affordable housing and park in-lieu fees will be retained. Once all park in-lieu fees that have already been collected have been spent, the financial statements for that fiscal year have been finalized and fully audited, staff will inactivate that fund in the City's financial system so it cannot be transacted against going forward. Staff will monitor activities in the park in-lieu fund throughout the fiscal year to ensure no new fees are deposited into that fund or account.

Master Fee Schedule: Once the DIF fees have been approved by the City Council, staff will update the City's Master Fee Schedule, which is posted on the City's website, to include the new fees and their effective date. Staff will ensure all new fees have been configured in the City's financial and permit tracking systems.

Surplus Funds: AB 1600 also requires that if any portion of a fee remains unexpended or uncommitted in an account for five years or more after deposit of the fee, the City Council shall make findings once each year:

1. To identify the purpose to which the fee is to be put;
2. To demonstrate a reasonable relationship between the fee and the purpose for which it was charged;
3. To identify all sources and amounts of funding anticipated to complete financing of incomplete improvements; and
4. To designate the approximate dates by which the funding identified in (3) is expected to be deposited into the appropriate fund.

If adequate funding has been collected for a certain improvement, an approximate date must be specified as to when construction on the improvement will begin. If the findings show no need for the unspent funds, or if the conditions discussed above are not met, and the administrative costs of the refund do not exceed the refund itself, the City must refund them.

Interfund Loans: Interfund loans may be used from time to time to facilitate the construction of DIF facilities. Any such loan and all funds shall be placed in separate accounts on either a

facility or geographic basis. The additional following requirements are also placed on interfund loans:

- Funds may be transferred between accounts to expedite the construction of critical projects/facilities;
- A mechanism to repay accounts shall be established; and
- Interfund loan repayments shall take precedence over reimbursements to developers.

Annual Budget Process: As described in the nexus study, development impact fees are not appropriate for funding the full amount of all capital costs identified in the nexus study. The City will need to identify funding from various other sources for the fair share of the costs of improvements identified in the nexus study that are not funded by development impact fees. Funding may include assessments and special taxes, Federal, State or regional grant funds, the General Fund, other grants and contributions and debt financing. Available and projected revenues will reviewed and allocated during the annual budget process when reviewing the City's Capital-in-process (CIP) budget.

NEXT STEPS:

Staff have been working with EPS on developing the list of capital facility needs and producing reports and draft nexus studies for nearly two years. The City Council meeting on December 11, 2018 was the first public meeting on the City's proposed, comprehensive development impact fee program.

In preparation for that meeting, staff reached out to 21 developers with proposed, current and recently completed projects in the City and the Building Industry Association on November 19, 2018, informing them of the City's proposed program. Staff reached out to the same developers and the Building Industry Association again on January 29, 2019 to inform them that the first reading of the ordinance will occur on February 12, 2019. The City Clerk has also published the fee ordinance required notice on February 1, 2019 and February 7, 2019.

Table 5 below lists the key steps and dates required in order to finalize the development impact fee program proposal and introduce the ordinance and resolution to City Council requesting adoption with fees taking effect.

Table 5: Timeline to Fee Adoption

Item	Target Date
City Council 1 st reading on Development Impact Fee Ordinance	2/12/2019
City Council 2 nd reading on Development Impact Fee Ordinance	2/26/2019
Fees to take effect	5/1/2019

FISCAL IMPACT:

The adoption of a development impact fee ordinance will allow City staff to begin assessing and collecting fees on development projects. Through buildout of the critical capital facilities discussed in the City's General Plan and identified in the nexus study, staff recommended fees collected are projected to generate between \$130.8 Million and \$141.4 Million of development impact fee revenue. This represents approximately 30% of the total revenue required in order

to implement all capital facilities listed in the nexus study. If fees were to be adopted at a level lower than the maximum allowable fee, the City will collect less revenue.

ENVIRONMENTAL CLEARANCE:

Adoption of this ordinance is found to be categorically exempt from the California Environmental Quality Act (CEQA) because the adoption of this Ordinance is not a project, in that it is a government funding mechanism which does not involve any commitment to any specific project (CEQA Guidelines Section 15378(b)(4)), and because it can be seen with certainty that there is no possibility that the fees may have a significant effect on the environment, in that this ordinance contains no provisions modifying the physical design, development, or construction of residences or nonresidential structures CEQA Guidelines Section 15061(b)(3)).

ALTERNATIVES:

1. Receive the first reading of the introduction of the development impact fee report, ordinance and resolution and provide direction to staff regarding modifications to the development impact fee nexus study, ordinance and resolution.

RECOMMENDATION:

Hold Public Hearing, Waive First Reading and Introduce an Ordinance Adding Chapter 12.260 to Title 12 (Zoning) of the San Bruno Municipal Code Establishing Development Impact Fees.

DISTRIBUTION:

None.

ATTACHMENTS:

1. San Bruno Development Impact Fee Nexus Study, February 6, 2019
2. Ordinance for Introduction
3. Resolution

DATE PREPARED:

February 5, 2019

The Economics of Land Use



Draft Report

San Bruno Development Impact Fee Nexus Study

Prepared for:

City of San Bruno

Prepared by:

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With support from:

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February 6, 2019

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ATTACHMENT 1

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1. INTRODUCTION AND OVERVIEW

This Nexus Study is designed to provide the City of San Bruno with the necessary technical documentation to support the adoption of a comprehensive Development Impact Fee (DIF) program. It has been prepared by Economic & Planning Systems, Inc. (EPS), with technical support from West Yost Associates for utilities and TKJM for transportation as well as input from City of San Bruno staff.

Impact fees are one-time charges on new development collected and used by jurisdictions (e.g., a City or County) to cover the cost of capital facilities and infrastructure needed to serve new residential and commercial growth. Impact fees are generally collected upon issuance of a building permit, although some jurisdictions collect them at certificate of occupancy or other points in the development process. The City of San Bruno currently has an affordable housing program, a Quimby Act parkland program, and an art-in-public-places program, but does not have DIF's to fund most types of public facilities. This Report is designed to supplement these existing programs with a comprehensive DIF program that will generate funding to support a range of capital improvements necessitated by new growth in the City.

The Fee Program described in this Report is designed to be consistent with the most recent relevant case law and the principles of Government Code Section 66000 et seq. (subsequently referred to as AB 1600). The Report provides the nexus argument and associated fee calculations for the maximum fees the City can charge for the facilities indicated pursuant to AB 1600.

Consistent with the existing practice, the fees calculated herein are proposed to be collected on a City-wide basis given the broad scope of capital improvements included in this study. As noted, the City's affordable housing impact fees are excluded from this analysis as they have been recently updated (November 2016) and they are not calculated under the same methodology.¹ It is also recommended that the City repeal its existing park in lieu fee in conjunction with the approval of the DIF given the potential for overlap.²

Purpose and Use of AB 1600 Fees

New development in the City of San Bruno will increase the demand for certain public facilities and infrastructure. The DIF revenues would be collected and expended to fund the portion of these new infrastructure and facility improvements needed to accommodate growth and maintain public service standards. Specifically, the DIF revenues calculated in this study will be used to fund:

¹ See San Bruno Municipal Code Chapter 12.230 for more information on the City's Affordable Housing Program.

² See San Bruno Municipal Code Section 12.44.140 for more information on the City's Land Dedication standards.

- **Community Facilities** – this fee will fund parkland acquisition and library, park and recreation improvements necessary to accommodate growth.
- **Public Safety Facilities** – this fee will fund police and fire capital facilities and equipment (e.g. vehicles) necessary to accommodate growth.
- **General Government** – this fee will fund community facilities and equipment necessary to maintain general government functions necessary to accommodate growth.
- **Utilities** – This fee will fund capacity improvements for various utility infrastructure needed to accommodate growth, including water, sewer, storm drainage, and telecommunications.
- **Transportation Improvements** – this fee will fund needed additions and improvements to the City's transportation infrastructure to accommodate future traffic volumes projected as a result of new development. These improvements will include infrastructure that supports both vehicles as well as transit, pedestrian, bicycle and other modes.

DIF Legal Context

This Report is designed to provide the necessary technical analysis supporting a schedule of fees to be established by an Impact Fee Ordinance and Resolution. The City will need to approve a DIF Ordinance that enables the collection of fees for capital facilities, pursuant to AB 1600. As noted, AB 1600 is codified California Government Section 66000 et seq., which sets forth procedural requirements for establishing and collecting development impact fees. These procedures require that a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition.

The guiding principles that determine the structure, scope, and amount of the proposed DIF Program are as follows:

- **Collected for Capital Facility and Infrastructure Improvements Only.** Development impact fee revenue will be collected and used to cover the cost of capital facilities and infrastructure that are required to serve new development in the City. Impact fee revenue will not be used to cover the operation and maintenance costs of these or any other facilities and infrastructure.
- **Used to Fund Facility Needs Created by New Development Rather than Existing Deficiencies.** Impact fee revenues will only be used to pay for new or expanded capital facilities needed to accommodate growth. Impact fee revenue will not be collected or used to cover the cost of existing deficiencies in the City's capital facilities or infrastructure. In other words, the cost of capital projects or facilities that are designed to meet the needs of the City's existing population must be funded through other sources.
- **Fee Amount is Based on a Rational Nexus.** The impact fee amount is based on a reasonable nexus, or connection, between new development and the needs and corresponding costs of the capital facilities and improvements needed to accommodate it. The costs associated with improvements that serve the needs of both new development and the existing population and employment are split on a "fair share" basis according to the proportion attributable to each.

Summary of Maximum Allowable Fees

Table 1 summarizes the City’s maximum allowable development impact fee schedule for the capital facility and equipment needs as evaluated in this Nexus Study. As noted above, the City can adopt fees below these maximum nexus-supported levels based on policy considerations.

Table 1 Summary of Maximum Fee Calculations*

Land Use	Community Facilities	Public Safety	General Gov.	Trans- portation	Utilities	Total*
Residential (per Unit)						
Single Family	\$21,096	\$1,566	\$2,216	\$4,615	\$3,035	\$32,528
Multi-Family	\$14,479	\$1,144	\$1,521	\$2,610	\$2,083	\$21,838
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Retail (per Sq.Ft.)	\$6.47	\$0.71	\$0.70	\$10.39	\$12.42	\$30.69
Hotel (per Room)	\$2,588	\$174	\$279	\$2,797	\$2,241	\$8,079

*Includes 2 percent administration charge; excludes affordable housing fee.

Sources: City of San Bruno; West Yost, TJKM; and Economic & Planning Systems

These development impact fees apply to new residential and nonresidential development based on a “fair share” allocation of specified capital facility and equipment costs. The maximum fee estimates include a 2 percent fee program administration fee.³

Estimated DIF Revenues Through Build-out

Table 2 provides an estimate of the total capital facility funding generated by the maximum allowable DIF program through buildout. These revenue projections are based on buildout assumptions described in **Chapter 2** of this Report. As shown, the proposed DIF program would generate revenue to cover about 32 percent of the total capital facilities identified in the fee program. The City must find other sources of revenue to cover the remaining costs.

³ The 2 percent administration cost is designed to cover expenses for preparation of the development impact fee and subsequent updates as well as the required reporting, auditing, collection and other annual administrative costs involved in overseeing the program. Development impact fee programs throughout California have applied similar administrative charges.

Table 2 Revenue Projections and Need for Outside Funding

Item	Total Cost of Improvements	Amount Allocated to DIF Program by Buildout ¹			Additional Funding Need	
		Amount	Cost Allocation	% of Total Cost	Amount	Cost Allocation
Community Services	\$137,306,729	\$74,684,387	54.4%	51%	\$62,622,342	45.6%
Public Safety	\$31,703,453	\$6,243,414	19.7%	4%	\$25,460,039	80.3%
General Government	\$42,362,927	\$7,881,008	18.6%	5%	\$34,481,919	81.4%
Utilities	\$55,000,476	\$19,168,982	34.9%	13%	\$35,831,494	65.1%
Transportation	<u>\$190,856,793</u>	<u>\$38,722,023</u>	<u>20.3%</u>	<u>26%</u>	<u>\$152,134,770</u>	<u>79.7%</u>
Total	\$457,230,379	\$146,699,814	32.1%	100%	\$310,530,565	67.9%

[1] Represents cost of DIF related improvements allocated to new development. Actual DIF revenues will depend on the amount, type, and timing of development.

Sources: City of San Bruno, Economic & Planning Systems, Inc.; West Yost Associates, and TKJM.

2. SUMMARY OF METHODOLOGY AND KEY ASSUMPTIONS

This section provides a brief overview of the nexus methodology, the key assumptions, and the approach for allocating future capital facility needs between new and existing development and by land use category. It also summarizes the demographic and land use projections underlying the fee. Subsequent chapters provide more detailed calculations for each DIF category.

Summary of Methodology

While the nexus methodology employed in this study varies by fee category as appropriate given the range of capital facilities and improvements covered, there are a number of basic steps common to all. Specifically, for each fee category, EPS has applied the following general steps to calculate the nexus-supported fee amounts:

1. EPS established an estimate of existing and future population and employment in San Bruno through buildout of the current General Plan (in the 2040 -42 timeframe) using a variety of third-party sources, as described in the subsequent section.
2. The EPS consultant team identified the universe of new infrastructure and capital facility improvements needed to serve both existing and future residents and employees based on interviews with City staff and analysis of existing city facility capacity and service standards.
3. EPS consultant team developed cost estimates for the capital facility estimates described in step 2 above. These costs estimates were developed based on information provided by City departmental staff as well as additional research and in-house knowledge of the EPS consultant team.
4. EPS allocated the capital facility costs identified in step 3 above between existing and new development to determine the share included in the DIF program. These allocation shares were determined in a variety of ways, dependent on the given improvement, available data, and City guidance. In some cases where the facility or improvement is entirely triggered by new development, the costs are allocated 100 percent to the DIF program. In cases where the improvement is expected to service both the existing population and the future population equally, the share of costs attributable to new development are based on the City's current versus future service population. In other cases, the City provided more detailed data (i.e. calls for service) or an existing deficiency approach was more appropriate (i.e. wet utilities). These cost allocation assumptions are documented in subsequent sections.
5. Once costs have been allocated between new and existing development, they are further distributed among residential and commercial uses. This process is dependent on facility or improvement type and the associated service population. For many improvements, costs are distributed based on ratios of residents to employees at General Plan buildout (as described further below). Some categories utilize alternative methodologies, like transportation and "wet" utilities where costs are allocated based on trip rates and water usage assumptions, respectively.

6. Once costs are allocated to residential and commercial uses, each cost category is divided by the total residential or employment population to arrive at a “cost per resident” or “cost per employee”. The cost per user is multiplied by the people per household or trip rate factor for each residential fee category or by the employment density or trip rate factor for each commercial fee category. For wet utilities the fee is calculated directly to costs per square foot or unit based on a Gallons per Day (GPD) by land use category factor.
7. A 2 percent charge is added to the fee cover the cost of administering the fee program. The fee plus the 2 percent administration charge determines the maximum fee amount by land use.

Demographic and Land Use Assumptions

This section describes the demographic and land use assumptions utilized in this study for both existing and future General Plan buildout conditions (i.e., the 2040 – 42 timeframe). The estimates are used for the following primary purposes in the fee calculation:

- Estimates of existing population and employment levels are used to formulate service standards for specific capital improvement categories as well as to ascertain existing needs relative to existing standards.
- Estimates of future population and employment growth in the City are the basis for determining the future need for some of the capital facilities which can be appropriately funded by the fee.
- Estimates related to population and employment density (e.g., persons per household or employees per square foot) are used to allocate costs between land use categories.

Population and Employment Growth Projections

This fee study relies on estimates of projected growth in the resident and employee population likely to occur by buildout in early 2040. Given the variety of potential outcomes, this analysis is based on the average of a variety of third-party sources. Specifically, population and employment estimates used herein were based on the average of the annual growth rates from (1) the General Plan / Transit Corridors Plan; (2) Association of Bay Area Governments (ABAG); and (3) the City / County Association of Governments of San Mateo County (C/CAG) transportation Model.⁴ As summarized in **Table 3**, this approach results in a total population of 55,791 and total employment of 17,227 at buildout. This equates to an increase of 9,076 residents and 4,866 jobs, representing a 21.1 percent and 39.4 percent increase over existing conditions, respectively.

This study is based on population and development patterns projected through early 2040 in documents adopted by the City, as well as documents adopted by state and regional authorities. It does not analyze specific projects “in the pipeline” at the local level, as such projects are, at this point, largely speculative and do not cover all years in the planning horizon. More

⁴ The existing population reflects the most recent estimate from the State Department of Finance (DOF). The existing employment represents an average of the three sources described above.

particularly, this study does not specially incorporate the details of the Bayhill Specific Plan that is currently under development but not finalized. It is the view of the authors of this study that it is more accurate to use approved long-term citywide projections as currently provided rather than try to adjust them to account for the yet to be finalized Bayhill Specific Plan. It is worth noting that the initial land use concepts for the Bayhill Specific Plan fall well within the growth projections used in this study.

Table 3 Existing Development and Future Development at Buildout

Item	Existing (2015 - 17)	Buildout (≈ 2040)	Growth		
			Amount	Avg. Annual Growth Rate	% Change
General Plan/Transit Corridors Plan					
Dwelling Units	16,051	17,396	1,345	0.32%	8.4%
Employment	10,913	17,939	7,026	2.01%	64.4%
ABAG Forecast					
Dwelling Units	15,360	19,820	4,460	1.02%	29.0%
Employment	12,710	16,950	4,240	1.16%	33.4%
C/CAG Model					
Dwelling Units	15,588	19,769	4,181	0.95%	26.8%
Employment	13,462	16,606	3,144	0.84%	23.4%
Amount Based on Average Annual Growth Rates from Three Sources¹					
Dwelling Units ²	16,062	19,445	3,383	0.77%	21.1%
Resident Population ²	46,085	55,791	9,706	0.77%	21.1%
Employment ³	12,362	17,227	4,866	1.34%	39.4%

¹Applies the average of the annual growth rates from General Plan / Transit Corridors Plan, ABAG, and C/CAG to the "existing" estimate over a 25 year time frame.

² Existing based on 2018 California Department of Finance data for San Bruno.

³ Existing based on the average from the three sources above.

Sources: San Bruno General Plan; 2009, San Bruno Transit Corridors Specific Plan; City of San Bruno; California DOF; and Economic & Planning Systems, Inc.

Service Population Calculations

The DIF is largely predicated on calculations that translate the population and employment projections provided above into estimates of existing and future "service populations." The "service population," in turn, is derived from assumptions that compare residents and employees based on the relative service demands or typical service profiles of each, as further described in the following chapters.

While the service population characterization can differ by infrastructure category, in cases where detailed estimates are not available, EPS has relied upon a default service population calculation. This calculation is based on the City's existing "daytime population" as derived using the City's existing residents, employees, and commute patterns for each to estimate the relative time spent within the City. This approach is used to derive an *employee to resident equivalency*

factor that can be used to allocate costs between existing and new growth and between residential and commercial development.

As illustrated in **Table 4**, the City's existing population, employment, and commute patterns suggest a total service population of 51,097. The service population is composed of 46,085 residents and 12,362 employees, with each employee equivalent to .405 residents (e.g., the typical service demand of an employee is about 40 percent of a resident). At buildout, the service population is projected to reach 62,775, with new growth accounting for about 18.6 percent of the service population total at that time. New residents are estimated to account for approximately 83 percent of the growth in service population while new employees account for the remaining 17 percent. These proportions are used to allocate costs for many of the facilities included in the DIF, unless otherwise indicated.

Table 4 Service Population Estimate

Item	Existing		Weight ²	Weighted Average	Build-out (2040)		Growth	
	#	%			#	%	#	%
Employment Status of San Bruno Residents¹	<i>Formula: a = b * c d = b * c = b = d - a</i>							
	46,085	b ¹	c	= b * c	55,791	= b	= d - a	
Not in Labor Force	25,881	56.2%	100%	56.2%	31,331	56.2%	5,451	
Employed in the City	1,185	2.6%	50%	1.3%	1,435	2.6%	250	
Employed Outside of the City	19,019	41.3%	67%	27.7%	23,025	41.3%	4,006	
Total Residents (see Table 3)	46,085	100%		85.1%	55,791	100%	9,706	
Residence Status of San Bruno Employees¹	<i>Formula: a = b * c d = b * c = b = d - a</i>							
	12,362	b	c	= b * c	17,227	= b	= d - a	
Live in the City	1,185	9.6%	50%	4.8%	1,652	10%	467	
Live Outside the City	11,176	90.4%	33%	29.7%	15,575	90%	4,399	
Total Jobs (see Table 3)	12,362	100%		34.5%	17,227	100%	4,866	
Employee to Resident Equivalency Factor³	(34.5% / 85.1%) = 0.405							
Service Population Calculation								
Amount Attributable to Residents (@ 100%)	46,085	90%			55,791	89%	9,706	83.1%
Amount Attributable to Employees (@ 40.5%)	5,012	10%			6,984	11%	1,973	16.9%
Total Service Population	51,097	100%			62,775	100%	11,678	100%
Service Population Growth as % Build-out Service Population	(11,678 / 62,775) = 18.6%							

[1] Distribution based on data from U.S. Census (OnTheMap 2015). Totals are based on estimates provided in Table 3.

[2] Represents EPS estimate of how various types of residents and employees relate to each other in terms of demand for City Services.

[3] Equals weighted average of residents divided by weighted average of employees.

Sources: LEHD OnTheMap 2014, Department of Finance, and Economic & Planning Systems, Inc.

Land Use Density Assumptions

In addition to the demographic calculations described above, the DIF also utilizes assumptions related to population and employment densities by land use type. Specifically, DIF improvement cost estimates per capita or per job are converted to fee rates per unit or square foot based on average persons per household and square foot per employee factors. These assumptions are summarized in **Table 5** and rely on a data from the U.S. Census and the General Plan Update.

Table 5 Average Household Size and Employment Density Assumptions

Land Use	Service Population Building Density Assumptions¹	
Residential		
Single Family	3.22	Persons/ Unit
Multi-Family	2.21	
Non-Residential		
Office	300	Sq.Ft./Employee
Industrial	600	Sq.Ft./Employee
Retail	400	Sq.Ft./Employee
Hotel	1.0	Employee/Room

¹Residential density based on US Census (American Community Survey 2013-2017) averages for San Bruno. Other density assumptions based on data from the General Plan Update

Source: San Bruno General Plan and Economic & Planning Systems

3. COMMUNITY FACILITIES

This Chapter describes the technical methodology for the Community Facilities fees which includes both park facilities, a Recreation & Aquatics Center, the park corporate yard, and the library. It is assumed that both residential and nonresidential development will pay community facilities fees.

Parks

Future Parks Needs and Costs

The amount of new park land and facilities needed to serve future development is based on the City's existing service level. **Table 6** shows the inventory of existing parks and recreation facilities based on information provided by City staff. In addition to City owned park facilities, the estimate includes park land where the School District has joint-use agreements that allow access and use by the general public when not in use for school activities. These joint-use facilities include Crestmoor High School, Parkside Intermediate School, and Belle Air Elementary School. To account for this public usage, EPS has accounted for only the share of hours that these joint-use facilities are publicly accessible by discounting school hours.

Table 6 San Bruno Existing Park Inventory and Service Level

Joint-Use Facilities			
Crestmoor High ³	12.0	74.0%	8.9
Parkside Intermediate	15.0	74.0%	11.1
Belle Air Elementary	<u>3.7</u>	74.0%	<u>2.7</u>
Joint-Use Facilities Subtotal	30.7		23
Parks			
Bayshore Circle	1.0	100%	1.0
Belle Air Park & Lions Field	3.0	100%	3.0
Buckeye Park	7.0	100%	7.0
Catalpa Tot Lot	0.3	100%	0.3
Centennial Plaza	0.2	100%	0.2
City Park	31.0	100%	31.0
Commodore Park	4.0	100%	4.0
Earl & Glenview Park	0.5	100%	0.5
Fleetwood Tot Lot	0.5	100%	0.5
Florida Avenue Park ⁴	0.8	100%	0.8
Forest Lane Park	4.0	100%	4.0
Grundy Park	4.0	100%	4.0
Herman Tot Lot	0.3	100%	0.3
Lomita Park	0.3	100%	0.3
Monte Verde Park	5.0	100%	5.0
Pacific Heights Park	5.0	100%	5.0
Ponderosa Park	0.3	100%	0.3
Posy Park	0.3	100%	0.3
7th Avenue Park	0.5	100%	0.5
7th and Walnut Park	<u>1.0</u>	100%	<u>1.0</u>
Parks Subtotal	68.7		68.7
Developed City Parkland (Acres)	99.4		91.4

¹ Assumes 180 school days and 185 non-school days based on California Code of Regulations. Assumes that weekend and summer hours are 100 percent public use.

² Assumes schools are accessible from 6am-8pm for all school days. Assumes public access is available from 6am-8am and 3:30 to closing.

³SMUHSD owned, City operated

⁴Park is in design phase

Source: City of San Bruno Community Services Department; EPS

Table 7 calculates the cost of providing the park facilities necessary to accommodate future service population growth based on the existing service level. As shown, San Bruno's existing 93.6 acres of publicly accessible park land corresponds to a service standard of 1.81 acres per 1,000 service population. This ratio is applied to the projected growth in the City's service population to estimate future facility needs.

The park fee estimate is also driven by costs, including estimated average per acre land value costs for parkland and average per acre costs of improvements. The costs of acquiring land for parks and costs of improving parkland vary on a project-by project basis. The City directed EPS to base the parkland acquisition and improvement costs on final costs for the recently completed Florida Avenue Park. When this service standard is combined with the cost estimates (described above), an average cost of \$3,758 per new service population is estimated for parkland improvements including land acquisition and park improvements. These assumptions result in the total cost of \$42.4 million, as shown in **Table 7**.

Table 7 Total Cost to Serve New Service Population at Buildout

Item	Assumptions	Formula	Supporting Tables
Existing Service Population¹	51,097 Service Population	$a = 51,097$	Table 4
Developed City Parkland			Table 5
City Parks	68.7 acres		
School District Fields/ Playgrounds	<u>22.7 acres</u>		
Total City Parkland	91.4 acres	$b = 91.4$	
Implied Citywide Existing Service Standard	1.79 acres / 1,000 Service Population	$c = b / (a / 1,000)$	
Average Land Acquisition & Park Improvement Cost¹	\$2,896,003 per acre	$d = \$2,896,003$	
Average Parks Cost	\$5,181.08 per Service Population	$e = d * (c / 1000)$	
Cost to Serve New Service Population at Buildout²			
Average Parks Cost per Service Population	\$5,181	$f = \$5,181$	
Community Services Net New Service Population	<u>11,678</u>	$g = 11,678$	Table 4
Cost to Serve Growth in Service Population	\$60,506,502	$= f * g$	

¹ Based on the actual land costs from a recently purchased park site (Florida Ave.) and improvement cost from a recent park project (Earl/Glenview).

² Numbers are presented in rounded form and thus, there will be discrepancies when replicating this calculation. Final value is calculated using exact values.

Sources: City of San Bruno; Economic & Planning Systems, Inc.

Cost Allocation and Fee Calculation

The final step in the park facility calculation is to allocate costs between residential and nonresidential development. Service population is a metric that considers both residents and workers that captures their relative demand for capital facilities. The service population includes both residents and employees since both are assumed to use and benefit from the City's park facilities (in terms of park utilization, one resident is equivalent to approximately 0.405 employees). As calculated in **Chapter 2**, about 83.1 percent of the City's projected 11,678 growth in service population is attributable to population growth, with the remaining 16.9 percent attributable to job growth (see **Table 4**).

Table 8 allocates the \$60.5 million in future park facility costs based on the relative share of service population growth attributable to new residents and employees respectively. The Park

component of the Community Facilities fee is then calculated based on assumptions related to persons per household for residential and employees per square foot for commercial land uses. The amounts shown include a 2 percent administrative fee.

Table 8 Maximum Parks Fee Calculation

Item	Assumption / Factor	Residential	Non-Residential
<u>Future Residential/ Non-Residential Allocation</u>			
% Allocation	100.0%	83.1%	16.9%
Parkland and Improvement Cost	\$60,506,502	\$50,286,604	\$10,219,898
Net Future Growth ¹		9,706 residents	4,866 jobs
Cost per Resident or Employee		\$5,181	\$2,100
<u>Land Use</u>			
	<u>Building Density</u>		<u>Maximum Fees*</u>
Single-Family (per unit)	3.22 people / unit		\$17,017
Multi-Family (per unit)	2.21 people / unit		\$11,679
Office (per Sq.Ft.)	300 Sq.Ft./Employee		\$7.14
Industrial (per Sq.Ft.)	600 Sq.Ft./Employee		\$3.57
Retail (per Sq.Ft.)	400 Sq.Ft./Employee		\$5.36
Hotel (per Room)	1 Employee/Room		\$2,142

*Includes 2% Administrative Fee.

¹ Based on average growth projections from San Bruno General Plan, Transit Corridor Plan, ABAG and C/CAG.

Sources: City of San Bruno, Community Services Department, LEHD OnTheMap, and Economic & Planning Systems, Inc.

Other Community Facilities

Future Facility Needs and Costs

Based on direction from City of San Bruno staff, the Community Facilities development impact fee category also includes consideration of a new recreation facilities, a park corporation yard, and a library. **Table 9** provides the total estimated capital costs for these community facility improvements included in the development impact fee program. As shown, the approximately \$76.8 million in cost estimate is based on a variety of previously completed City studies.

Table 9 Other Community Facilities Improvement Costs

Item	Capital Cost
Other Community Facilities	
Recreation Facilities ¹	\$15,000,000
Park Corporate Yard ²	<u>\$6,800,227</u>
Total	\$21,800,227
<hr/>	
Library³	\$55,000,000
<hr/>	
Total, Community Facilities & Library	\$76,800,227

¹ City Staff estimate for additional recreational facility improvements and expansion through build-out of the General Plan beyond those funded through the PG&E settlement.

² Based on the San Bruno Corporate Yard Master Plan estimate provided by Maintenance Design Group in Nov. 2016.

³ Based on estimates provided by City Council Action in the San Bruno Community Facilities Vision Plan.

Source: San Bruno Community Services Department, San Bruno Community Facilities Vision Plan, and San Bruno Corporate Yard Master Plan

Cost Allocation and Fee Calculation

Unlike park facilities, the additional items included in the Community Facilities fee are needed to serve both City's existing and future service population. Consequently, the costs allocated to new development are based on the growth in service population as a percentage of the total service population at buildout. Moreover, the library service population deviates slightly from parks and recreation facilities due to slightly different user profile. Specifically, City staff presented data that suggests an employee to resident equivalency of approximately .33 (e.g., a typical employee generates about one-third the demand of a resident).

Table 10 calculates the growth in the service populations for the library and other Community Facilities as a basis for allocating costs to future growth and by land use. As shown, the service population estimates for all the Community Facility infrastructure categories except library are identical to the calculations presented in **Table 4** (resulting in a service population growth that represents about 18 percent of the buildout total). For library facilities, the service population is similar but slightly lower, with service population growth representing about 17.5 percent of the buildout total.

Table 10 Community Facilities Service Population Growth Assumptions

Item	Existing		Build-out (2040)		Growth	
	#	%	#	%	#	%
Growth Projections (Table 3)						
Population	46,085		55,791			
Employment	12,362		17,227			
Recreation Facilities / Park Corp. Yard						
Amount Attributable to Employees (@ 40.5% from Table 4)	40.5%		40.5%			
Amount Attributable to Residents (@ 100%)	46,085	90%	55,791	89%	9,706	83%
Amount Attributable to Employees (@ 40.5%)	<u>5,012</u>	<u>10%</u>	<u>6,984</u>	<u>11%</u>	<u>1,973</u>	<u>17%</u>
Total Service Population	51,097	100%	62,775	100%	11,678	100%
Service Population Growth as % Build-out total						18.6%
Library						
Employee to Resident Equivalency Factor ¹	33.0%		33.0%			
Amount Attributable to Residents (@ 100%)	46,085	92%	55,791	91%	9,706	86%
Amount Attributable to Employees (@ 33.%)	<u>4,077</u>	<u>8%</u>	<u>5,685</u>	<u>9%</u>	<u>1,608</u>	<u>14%</u>
Total Service Population	50,162	100%	61,476	100%	11,314	100%
Percent Growth in Service Population						18.4%

[1] Cith staff estimates that about 25% of library users. thare not residents of San Bruno. This proportion suggests a resident to employee equivalency factor of 33%.

Table 11 allocates the \$76.8 million in Library and other Community Facilities infrastructure costs to the DIF based on the relative share of service population growth attributable to new residents and employees respectively. The fees are then calculated based on assumptions related to persons per household for residential and employees per square foot for commercial land uses. The amounts shown include a 2 percent administrative fee.

Table 11 Maximum Other Community Facilities Fee Calculations

Item	Factor / Input	Cost Allocation and Fee Calculation	
		<u>Existing Serv. Pop.</u>	<u>Future Serv. Pop.</u>
<u>Existing/ Future Growth Allocation</u>			
Rec. & Aquatics Center, Park Corp. Yard Improvements			
% Allocation	100.0%	81.4%	18.6%
Rec. & Aquatics Center, Park Corp. Yard Costs	\$21,800,227	\$17,744,611	\$4,055,616
Library Improvements			
% Allocation	100.0%	81.6%	18.4%
Library Improvements Costs	\$55,000,000	\$44,877,731	\$10,122,269
Total Other Community Facilities Improvement Costs	\$76,800,227	\$62,622,342	\$14,177,885
<u>Future Residential/ Non-Residential Allocation</u>			
Recreation Facilities / Park Corp. Yard			
% Allocation	100.0%	83.1%	16.9%
Rec. & Aquatics Center, Park Corp. Yard Costs	\$4,055,616	\$3,370,599	\$685,017
Net Future Growth		9,706 residents	4,866 jobs
Cost per Resident or Employee		\$347	\$141
Library Improvements			
% Allocation	100.0%	85.8%	14.2%
Library Improvement Cost	\$10,122,269	\$8,683,409	\$1,438,859
Net Future Growth		9,706 residents	4,866 jobs
Cost per Resident or Employee		\$895	\$296
Total Other Community Facilities Cost per Resident or Employee		\$1,242	\$437
<u>Land Use</u>			
	<u>Building Density</u>	<u>Maximum Fees*</u>	
Single-Family (per unit)	3.22 people / unit	\$4,079	
Multi-Family (per unit)	2.21 people / unit	\$2,800	
Office (per Sq.Ft.)	300 Sq.Ft./Employee	\$1.48	
Industrial (per Sq.Ft.)	600 Sq.Ft./Employee	\$0.74	
Retail (per Sq.Ft.)	400 Sq.Ft./Employee	\$1.11	
Hotel (per Room)	1.0 Employee/Room	\$445	

*Includes 2% Administrative Fee.

Sources: City of San Bruno, Community Services Department, LEHD OnTheMap, and Economic & Planning Systems, Inc.

Total Community Facilities Fee

The total community facilities fee combines both the maximum fees estimated for the City's parks and the City's other community facility needs as shown in **Table 12**.

Table 12 Maximum Community Facilities Fee*

Land Use	Parks Fee	Other Comm. Facilities Fee	Total Max Fee*
Residential			
Single-Family (per unit)	\$17,017	\$4,079	\$21,096
Multi-Family (per unit)	\$11,679	\$2,800	\$14,479
Non-Residential			
Office (per Sq.Ft.)	\$7.14	\$1.48	\$8.63
Industrial (per Sq.Ft.)	\$3.57	\$0.74	\$4.31
Retail (per Sq.Ft.)	\$5.36	\$1.11	\$6.47
Hotel (per Room)	\$2,142	\$445	\$2,588

*Includes 2% Administrative Fee.

4. PUBLIC SAFETY

This Chapter describes the technical methodology for calculating both portions of the Public Safety fees, which include both Police fees and Fire. It is assumed that both residential and nonresidential development will pay the Public Safety fees.

Police

Cost Estimates

The costs associated with police activities fall into four categories: upgrades and additions to police facilities, facilities for the emergency response planning and exercise department, technology upgrades, and vehicle costs. EPS, in consultation with City Staff, has estimated the costs for specific upgrades and additions to help the police department serve new growth in the City. These include:

- Expansion of the Evidence Room including safety upgrades and a replacement blood drying cabinet,
- Upgrades to the Dispatch Center, including a replacement console,
- Creation of a satellite police substation, and
- Upgrades to technology, including surveillance and tracking technology and mobile license plate reader technology

In addition, the Police Department will require replacement of vehicles as typical wear and tear occur. The total cost of police vehicles is based on the replacement schedule of existing police vehicles as provided by the Police Department. The Department reported that the number of vehicles they currently own would be sufficient to serve new growth, but must be replaced with time. This replacement schedule can be found in **Appendix A**. The cost estimates for the above items are summarized in **Table 13** and sum to \$6.3 million.

Table 13 Police Department Capital Cost Summary

Item	Cost per Unit	Future Need (# of Units)	Total Through Buildout
Evidence Room			
Expansion and Safe Upgrade	\$600,000	1.0	\$600,000
Blood Drying Cabinet	\$50,000	1.0	\$50,000
Dispatch Center Upgrades			
Dispatch Center Console	\$50,000	4.0	\$200,000
Dispatch Center Upgrade	\$500,000	1.0	\$500,000
Satellite Police Substation	\$30,000	1.0	\$30,000
Other Technology Upgrades			
Investigative Technology	\$35,000	1.0	\$35,000
Mobile License Plate Reader	<u>\$35,000</u>	<u>15.0</u>	\$525,000
Vehicles (see Appendix Table A-1)			<u>\$4,075,983</u>
Total Capital Improvements	\$1,300,000	22.0	\$6,015,983

Source: City of San Bruno Police Department

Cost Allocations and Fee Calculations

Improvements listed in **Table 13** will serve the existing service population and new growth. Therefore, the total cost estimate of \$6.3 million is allocated in a fair share proportion to both the existing and new service population. **Table 14** shows how calls for service data have been used to allocate police costs between new and existing development and between residential and nonresidential land uses.

The calculations in **Table 14** are based on data related to the calls for service generation rates association with residential, retail, and other commercial uses respectively, as derived from Police Department data of selected neighborhoods (see **Appendix A** for further detail). These rates are then converted to average calls per residence and per job which are then applied to the projected growth in both, as described in **Chapter 2**. The results suggest that future service population growth will account for about 25 percent of police service calls at buildout, with about 50 percent attributable to new residential uses and 44 percent attributed to employment (the remaining 6 percent is not attributable directly to development).

Table 14 Police Calls for Service Allocation Assumptions

Item	Existing Conditions		Projected Growth	
	Formula	Amount	Formula	Amount
Total Calls for Service¹	<i>a</i>	32,000	$w = \frac{(p + s) *}{(1+u)}$	10,298
Residential				
Average Calls per Unit ²	<i>b</i>	1.53	<i>b</i>	1.53
# of Residential Units	<i>c</i>	16,062	<i>o</i>	3,383
Annual Calls Attributable to Residential	$d = b * c$	24,537	$p = b * o$	5,168
% of calls attributable to residential	$= d / a$	77%	$= p / w$	50%
Non-Residential				
Average Calls per 1,000 Retail Sq. Ft. ²	<i>e</i>	2.01		
Retail Square Feet ³	<i>f</i>	2,704,680		
Annual Calls Attributable to Retail	$g = e * f$	5,428		
Average Calls per 1,000 Sq. Ft. of Other Commercial ²	<i>h</i>	0.08		
Other Commercial Square Feet ³	<i>i</i>	6,076,333		
Annual Calls Attributable to Other Commercial ⁴	$j = h * i$	509		
Employment	<i>k</i>	12,362	<i>q</i>	9,706
Avg. Call per 1,000 employee	$l = 1,000 * (g + j) / k$	480	<i>l</i>	480
Total Calls attributable to jobs	$m = k * l / 1,000$	5,937	$s = q * l / 1,000$	4,661
% of calls attributable to Jobs	$= m / a$	19%	$= s / w$	45%
Calls Attributable to Other Activity⁴	<i>n</i>	1,527	$t = w - p - s$	469
% of calls attributable to Other	$= n / a$	5%	<i>u</i>	5%
% of Calls Attributable to Growth @ Buildout			$v = w / (a + w)$	24%

¹ Provided by the San Bruno Police Department (City website estimates 32,000 calls for service).

² Based on detailed calls for service data of selected neighborhoods provided by the Police Department (see Appendix Table A-2)

³ Based on CoStar Research.

⁴ Based on Police Department estimates: about 75 percent of estimated calls for service are not attributable to either residential or retail are unrelated to real estate development (i.e. calls from unidentified locations such as streets).

Source: Police Department and Economic & Planning Systems

Table 15 uses the results of the call for service cost allocation analysis described above to calculate the police fees by land use. The calculations result in a cost per call estimate of approximately \$150 for new development which is then applied to the call for service generation rates by building type to generate a maximum fee (including a 2.0 percent administrative fee).

Table 15 Maximum Police Fee Calculation

Item	Factor / Input	Cost Allocation and Fee Calculation	
<hr/>			
<u>Existing/ Future Growth Allocation</u>		<u>Existing</u>	<u>Future</u>
		<u>Serv. Pop.</u>	<u>Serv. Pop.</u>
% Allocation	100.0%	75.7%	24.3%
Police Improvement Costs	\$6,015,983	\$4,551,351	\$1,464,633
<hr/>			
<u>Future Residential/ Non-Residential Allocation</u>		<u>Residential</u>	<u>Non-Residential</u>
% Allocation (see Table 14)	95.4%	50.2%	45.3%
Police Improvement Costs	\$1,464,633	\$734,985	\$662,952
Projected Increase in Annual Calls by Land Use		5,168	4,661
Cost per Call		\$142	\$142
<hr/>			
<u>Land Use</u>	<u>Avg. Annual Call Generation</u>	<u>Maximum Fees*</u>	
Single-Family (per unit)	1.53 / unit	\$222	
Multi-Family (per unit)	1.53 / unit	\$222	
Office (per Sq.Ft.)	0.08 1,000 sq. ft.	\$0.01	
Industrial (per Sq.Ft.)	0.08 1,000 sq. ft.	\$0.01	
Retail (per Sq.Ft.)	2.01 1,000 sq. ft.	\$0.29	
Hotel (per Room) ¹	0.034 per room	\$4.86	

¹ Assumes that hotel rooms are approximately 400 Sq.Ft.

² Includes an administrative fee of 2%.

Sources: City of San Bruno, Police Department, LEHD OnTheMap, and Economic & Planning Systems, Inc.

Fire

Capital Needs and Costs

The City Fire Department provided information on the capital facility needs and costs required to serve both existing and future residents. The costs generally fall into two categories: construction and design of two fire stations (Station 51 & 52) and vehicle purchase and life-cycle costs. In particular, the City has provided cost estimates for two new fire stations, Fire Station 51 and Fire Station 52 that will be needed to accommodate new growth at buildout. The cost estimates for the stations as well as the cost for vehicles are summarized in **Table 16 (Appendix A** provided further detail on vehicle needs and costs).

Table 16 Fire Department Capital Facility Needs and Costs

Item	Cost
Fire Station 51	
Construction	\$11,050,000
Design	<u>\$1,174,140</u>
Subtotal	\$12,224,140
Fire Station 52¹	
Construction	\$7,791,500
Design	<u>\$934,980</u>
Subtotal	\$8,726,480
Vehicles (see Appendix Table A-3)	<u>\$4,736,850</u>
Total Capital Improvements	\$25,687,470

¹Of the amount of Fire Station 52 costs allocated to existing development (and therefore not included in the DIF program), \$6 million will be covered by fines from California Public Utility Commission to PG&E.

Source: City of San Bruno Fire Department

Cost Allocations and Fee calculations

The total estimate of \$25.7 million for fire improvements is allocated to new development based on maintaining the same level of service for new development as is currently provided to existing residents. The portion of fire capital costs allocated to new development is based on the growth in the City's service population relative to the total City service population at buildout. Service population is determined by the resident and employment estimates with employees adjusted by a factor of 0.459 percent based on estimated time spent in the City, as described in **Chapter 2**.

Table 17 allocates the \$25.7 million in Fire Department facilities to the DIF based on the relative share of service population growth attributable to new residents and employees respectively. The fees are then calculated based on assumptions related to persons per household for residential and employees per square foot for commercial land uses. The amounts shown include a 2 percent administrative fee.

Table 17 Maximum Fire Fee Calculations

Item	Factor / Input	Cost Allocation and Fee Calculation	
		<u>Existing</u>	<u>Future</u>
		<u>Serv. Pop.</u>	<u>Serv. Pop.</u>
<u>Existing / Future Growth Allocation</u>			
% Allocation (see Table 4)	100.0%	81.4%	18.6%
Fire Improvement Costs	\$25,687,470	\$20,908,689	\$4,778,781
<u>Future Residential/ Non-Residential Allocation</u>		<u>Residential</u>	<u>Non-Residential</u>
% Allocation (see Table 4)	100.0%	83.1%	16.9%
Fire Improvement Costs	\$4,778,781	\$3,971,618	\$807,164
Net Future Growth (see Table 3)		9,706 residents	4,866 jobs
Cost per Resident or Employee		\$409	\$166
<u>Land Use</u>	<u>Building Density</u>	<u>Maximum Fees*</u>	
Single-Family (per unit)	3.22 people / unit	\$1,344	
Multi-Family (per unit)	2.21 people / unit	\$922	
Office (per Sq.Ft.)	300 Sq.Ft./Employee	\$0.56	
Industrial (per Sq.Ft.)	600 Sq.Ft./Employee	\$0.28	
Retail (per Sq.Ft.)	400 Sq.Ft./Employee	\$0.42	
Hotel (per Room)	1.0 Employee/Room	\$169	

*Includes 2% Administrative Fee.

Sources: City of San Bruno, Fire Department, LEHD OnTheMap, and Economic & Planning Systems, Inc.

Total Public Safety Fee

The total Public Safety fee combines both the maximum fees estimated for the Police and Fire fees as shown in **Table 18**.

Table 18 Maximum Public Safety Fee

Land Use	Police	Fire	Total Max Fee*
Residential			
Single-Family (per unit)	\$222	\$1,344	\$1,566
Multi-Family (per unit)	\$222	\$922	\$1,144
Non-Residential			
Office (per Sq.Ft.)	\$0.01	\$0.56	\$0.58
Industrial (per Sq.Ft.)	\$0.01	\$0.28	\$0.29
Retail (per Sq.Ft.)	\$0.29	\$0.42	\$0.71
Hotel (per Room)	\$4.86	\$169.21	\$174

*Includes 2% Administrative Fee.

5. GENERAL GOVERNMENT

The General Government portion of the DIF covers facility needs associated with a number of City government departments that provide a range of public services to residents and businesses. Since most City services serve the needs of both residents and businesses, it is assumed that both residential and nonresidential development will pay a general government impact fee.

Cost Estimates

City staff provided information on the General Government capital facility needs and costs required to serve both existing and future residents. In particular, cost estimates were developed for improvements to the City's Corporation Yard, a new City Hall building, technology upgrades, and city vehicle costs. **Table 19** below shows the capital costs associated with each. **Appendix A** provides further detail into the cost estimating methodology used for the new City Hall and the cost of city vehicles.

Table 19 General Government Capital Cost Summary

Item	Capital Cost
Corporate Yard ¹	\$6,800,227
New City Hall ²	\$23,000,000
IT Hardware	\$260,000
Vehicles (see Appendix Table A-4)	<u>\$12,302,700</u>
Total	\$42,362,927

¹ Based on the San Bruno Corporate Yard Master Plan estimate provided by Maintenance Design Group in Nov. 2016.

² Cost based on an average construction cost of \$500/Sq.Ft. for a 40,000 square foot development, similar to building costs of other, recently built City Halls. An additional amount of \$3 million was added to account for the construction of a new Emergency Operations Center.

Source: City of San Bruno Public Services Department

Cost Allocations and Technical Analysis

The General Government improvement costs listed in **Table 19** would serve the existing service population and new growth. The total estimate of \$42.4 million for General Government improvements is allocated to new development based on maintaining the same level of service for new development as is currently provided to existing residents. The portion of General

Government capital costs allocated to new development is based on the growth in the City's service population relative to the total City service population at buildout. Similar to the methodology for Fire, the service population is determined by the resident and employment estimates with employees adjusted by a factor of 0.459 percent based on estimated time spent in the City, as described in **Chapter 2**.

Table 20 allocates the \$42.4 million in General Government facilities to the DIF based on the relative share of service population growth attributable to new residents and employees respectively. The fees are then calculated based on assumptions related to persons per household for residential and employees per square foot for commercial land uses. The amounts shown include a 2 percent administrative fee.

Table 20 Maximum General Government Fee Calculations

Item	Factor / Input	Cost Allocation and Fee Calculation	
		<u>Existing</u>	<u>Future</u>
		<u>Serv. Pop.</u>	<u>Serv. Pop.</u>
<u>Existing/ Future Growth Allocation</u>			
% Allocation (see Table 4)	100%	81.4%	18.6%
General Government Improvement Costs	\$42,362,927	\$34,481,919	\$7,881,008
<u>Future Residential/ Non-Residential Allocation</u>		<u>Residential</u>	<u>Non-Residential</u>
% Allocation (see Table 4)	100%	83.1%	16.9%
General Government Improvement Costs	\$7,881,008	\$6,549,860	\$1,331,148
Net Future Growth		9,706 residents	4,866 jobs
Cost per Resident or Employee		\$675	\$274
<u>Land Use</u>	<u>Building Density</u>	<u>Maximum Fees*</u>	
Single-Family (per unit)	3.22 people / unit	\$2,216	
Multi-Family (per unit)	2.21 people / unit	\$1,521	
Office (per Sq.Ft.)	300 Sq.Ft./Employee	\$0.93	
Industrial (per Sq.Ft.)	600 Sq.Ft./Employee	\$0.47	
Retail (per Sq.Ft.)	400 Sq.Ft./Employee	\$0.70	
Hotel (per Room)	1.0 Employee/Room	\$279	

*Includes 2% Administrative Fee.

Sources: City of San Bruno; Economic & Planning Systems, Inc.

6. UTILITIES

This Chapter establishes the maximum Utilities fees which include “Wet Utility” improvements and Cable Utility improvements. This section describes the technical methodology for calculating both portions of the Utilities fees. It is assumed that both residential and nonresidential development will pay these fees.

Wet Utilities

This section provides an overview of the existing San Bruno wet utilities systems (water, sewer, and storm drainage), necessary improvements to accommodate new growth in the City, the costs associated with those improvements, and the portion of those costs to be included in the DIF program. The information is largely based on an analysis performed by West Yost Associates on April 19, 2017. It should be noted that while sewer facilities were considered in this analysis, these improvements were excluded because other funding sources have been identified.

Facility Needs and Cost Estimates

The capital projects included in the wet utilities fee are derived from the 2012 Water System Master Plan (WSMP) (West Yost Associates, 2012) and the 2014 Storm Drain Master Plan (SDMP) (GHD, 2014). Capital costs were updated based on an Engineering News Record Construction Cost Index (ENR CCI) that is specific to San Francisco, with all costs shown escalated to current dollars (ENR CCI = 11696).

West Yost has developed cost estimates for improvement projects that will serve new development. These projects, along with rounded cost estimates, are shown in **Table 21**. The share allocated to new development is calculated to exclude the cost of remedying existing deficiencies, as estimated by West Yost Associates. Under the given inputs and assumptions, roughly 54 percent of total water projects costs, or \$13.2 million and roughly 20 percent of storm drain projects costs, or \$3.3 million, will be included in the DIF program to serve new growth in the City.

Table 21 Summarized Wet Utility Projects and Costs Allocated to DIF Program

Project	Estimated Total Cost^{1,2}	Share Allocated to New Development¹	Costs Included in DIF Program²
Water System			
New pipeline (Transit Corridors Area)	\$3,100,000	100%	\$3,100,000
New pipeline near Regulator Station 25	\$360,000	100%	\$360,000
1.0 MG storage tank (Zone 1/4)	\$8,900,000	89%	\$7,921,000
1.4 MG storage tank (Zone 3/5)	\$9,100,000	14%	\$1,274,000
Other	<u>\$2,900,000</u>	<u>20%</u>	<u>\$580,000</u>
Water Projects Subtotal	\$24,360,000	54%	\$13,235,000
Storm Drain System			
Belle Air Box	\$5,700,000	20%	\$1,140,000
Pipeline improvement (7th and Angus Avenues)	\$2,200,000	20%	\$440,000
Bolt manholes and install catch basins backflow preventers	\$170,000	20%	\$34,000
Pipeline improvement (San Bruno Avenue E.)	\$2,100,000	20%	\$420,000
Pipeline improvement (North of Jenevein Avenue and El Camino Real)	\$2,500,000	20%	\$500,000
Pipeline improvement (Jenevein Avenue between Hazel and Cypress Avenues)	\$1,600,000	20%	\$320,000
Pipeline improvement (El Camino Real at 380 crossing)	\$920,000	20%	\$184,000
Pipeline improvement (Huntington Avenue at Cupid Row)	\$1,200,000	20%	\$240,000
Concrete Channel at City Park (South side of Crystal Springs Avenue)	\$100,000	20%	\$20,000
Catch Basins at San Antonio Avenue	<u>\$250,000</u>	<u>20%</u>	<u>\$50,000</u>
Storm Drain Projects Subtotal	\$16,740,000	20%	\$3,348,000
TOTAL	\$41,100,000	40%	\$16,583,000

¹ Cost allocation assumptions provided by West Yost based on existing capacity and needs created by growth.

² Rounded numbers, sum is reflective of rounded actual total.

Sources: West Yost Associates; Economic and Planning Systems, Inc.

Water Improvement Cost Allocations and Fee Calculations

The share of water costs allocated to new development, as shown in **Table 21**, are allocated by land use based on Gallons per Day (GPD) usage assumptions and growth projections. Each land use is associated with a standard usage rate on a per unit or per square foot basis that allows for a calculation of average net water usage that is then applied to population and employment projections. The DIF Water Utilities program cost of \$13.2 million is then allocated to residential

and non-residential uses based on the projected growth in water usage by each category. As illustrated in **Table 22**, future residential uses are estimated to account for 31 percent of new usage and non-residential uses are expected to account for 69 percent of new usage. The \$444 per resident cost estimate is calculated by dividing the amount allocated to residential uses by the expected population growth. For non-residential uses, the allocated costs are divided by the expected growth in water usage which is calculated by multiplying employment growth by average gallon per day water usage. The resulting \$10.30 per gallon per day estimate is then applied to the GPD assumptions by land use type to calculate per unit and per square foot fees, based on usage, as shown in **Table 22**.

Table 22 Estimated Water Project Cost Allocation and Maximum Fees

Item	Factor / Input	Cost Allocation and Fee Calculation	
Future Residential/ Non-Residential Allocation		<i>Residential</i>	<i>Non-Residential</i>
% Allocation ¹	100%	31%	69%
Water Utility Improvement Costs	\$13,235,000	\$4,037,460	\$9,197,540
Net Future Growth		9,706 residents	4,866 jobs
Cost per Resident or per Non-Res GPD ²		\$416	\$10.15
<hr/>			
Fee Calculation by Land Use	Building Density / Water Usage	Maximum Fees*	
Single-Family (per unit)	3.2 people / unit	\$1,366 per unit	
Multi-Family (per unit)	2.2 people / unit	\$938 per unit	
Office (per Sq.Ft.)	0.1 GPD / Sq.Ft.	\$1.02 /Sq.Ft.	
Industrial (per Sq.Ft.)	0.1 GPD / Sq.Ft.	\$1.02 /Sq.Ft.	
Retail (per Sq.Ft.)	1.2 GPD / Sq.Ft.	\$11.89 /Sq.Ft.	
Hotel (per Room)	200 GPD / Room	\$2,031 /room	

* Includes 2 percent Administration Fee

¹ Allocation between residential and non-residential land uses is calculated based on average water consumption (in GPD) by land use type (provided by West Yost) and growth projections.

²The non-residential cost per GPS equals the allocated cost divided by projected non-residential GPD. The non-residential GPD equals projected employment growth multiplied by an average GPD per employee.

Sources: City of San Bruno; West Yost; Economic & Planning Systems, Inc.

Storm Drain Improvement Cost Allocations and Fee Calculations

Storm Drain Project costs are allocated amongst new and existing development by West Yost, as seen in Table 21 to result in 20 percent of total costs, or \$3.3 million, included in the DIF program. **Table 23** allocates the \$3.3 million in Storm Drain improvements to the DIF based on the relative share of service population growth attributable to new residents and employees respectively. The fees are then calculated based on assumptions related to persons per household for residential and employees per square foot for commercial land uses. The amounts shown include a 2 percent administrative fee.

Table 23 Allocation of Storm Drain Project Costs and Fee Calculation

Item	Factor / Input	Cost Allocation and Fee Calculation	
		<u>Existing Service</u>	<u>Future Service</u>
		<u>Pop.</u>	<u>Pop.</u>
<u>Existing/ Future Growth Allocation</u>			
% Allocation (see Table 21)	100%	80%	20%
Storm Drain Utility Improvement Cost	\$16,740,000	\$13,392,000	\$3,348,000
		<u>Residential</u>	<u>Non-Residential</u>
<u>Future Residential / Non-Residential Allocation</u>			
% Allocation (see Table 4)	100%	83.1%	16.9%
Storm Drain Utility Costs	\$3,348,000	\$2,782,503	\$565,497
Net Future Growth (see Table 3)		9,706 residents	4,866 jobs
Cost per Resident or Employee		\$286.68	\$116.22
<u>Land Use</u>			
	<u>Building Density</u>	<u>Fee Amount*</u>	
Single-Family (per unit)	3.2 people / unit	\$942	
Multi-Family (per unit)	2.2 people / unit	\$646	
Office (per Sq.Ft.)	300 Sq.Ft./Employee	\$0.40	
Industrial (per Sq.Ft.)	600 Sq.Ft./Employee	\$0.20	
Retail (per Sq.Ft.)	400 Sq.Ft./Employee	\$0.30	
Hotel (per Room)	1 Employee/Room	\$119	

*Includes Administration fee of 2 percent.

Sources: San Bruno General Plan, 2009, San Bruno Transit Corridors Specific Plan, City of San Bruno, West Yost, and Economic & Planning Systems, Inc.

Cable Utilities

The City of San Bruno currently operates a cable utility service that supplies internet, TV, and digital phone services to residents and businesses located in the City. In order to continue to provide this service, the City needs to address upgrades that will allow for greater capacity and better-quality service.

Cost Estimate

The cable utility improvements included in the DIF program have been identified by City staff as improvements that increase the ability of the existing near-maximum-capacity cable system to serve new growth in the City and that will serve such growth. Staff provided all information regarding the estimated costs summarized in **Table 24**. The two components included in the Cable Utilities category are as follows:

- **Cable System Upgrade Program:** Upgrade of internet routing systems that are integral to the operation of the cable utility.

- **Fiber to the Home (FTTH):** Installation of next-generation infrastructure to support distribution of advanced technology services (telephone, TV, home security, TV Everywhere services, Wi-Fi services and high-speed internet service up to Gigabit speeds).

Table 24 Cable Utilities Cost Summary

Item	Estimated Project Cost
Cable System Upgrade Program	\$2,500,476
Fiber to the Home (FTTH)	<u>\$11,400,000</u>
Total Cable Cost Utilities Capital Cost	\$13,900,476

Sources: City of San Bruno; Economic & Planning Systems

Cost Allocations and Technical Analysis

The Cable Utility improvement costs including the Cable System Upgrade and the Fiber to the Home programs listed in **Table 24** would serve the existing service population and new growth. As a result, the total cost of \$13.9 million is allocated in fair share proportion to existing service population and new service population. The portion of Cable Utility capital costs allocated to new development is based on the growth in the City's service population relative to the total City service population at buildout. Similar to the methodology for Fire and General Government, the service population is determined by the resident and employment estimates with employees adjusted by a factor of 0.459 percent based on estimated time spent in the City, as described in **Chapter 2**.

Table 25 allocates the \$13.9 million in Cable Utility facilities to the DIF based on the relative share of service population growth attributable to new residents and employees respectively. The fees are then calculated based on assumptions related to persons per household for residential and employees per square foot for commercial land uses. The amounts shown include a 2 percent administrative fee.

Table 25 Maximum Cable Utilities Fee Calculation

Item	Factor / Input	Cost Allocation and Fee Calculation	
		<u>Existing</u>	<u>Future</u>
		<u>Serv. Pop.</u>	<u>Serv. Pop.</u>
<u>Existing/ Future Growth Allocation</u>			
% Allocation (see Table 4)	100.0%	81.4%	18.6%
Cable Utility Improvement Costs	\$13,900,476	\$11,314,494	\$2,585,982
<u>Future Residential/ Non-Residential Allocation</u>		<u>Residential</u>	<u>Non-Residential</u>
% Allocation (see Table 4)	100%	83.1%	16.9%
Cable Utility Improvement Costs	\$2,585,982	\$2,149,195	\$436,787
Net Future Growth (see Table 3)		9,706 residents	4,866 jobs
Cost per Resident or Employee		\$221	\$90
<u>Land Use</u>	<u>Building Density</u>	<u>Maximum Fees*</u>	
Single-Family (per unit)	3.22 people / unit	\$727	
Multi-Family (per unit)	2.21 people / unit	\$499	
Office (per Sq.Ft.)	300 Sq.Ft./Employee	\$0.31	
Industrial (per Sq.Ft.)	600 Sq.Ft./Employee	\$0.15	
Retail (per Sq.Ft.)	400 Sq.Ft./Employee	\$0.23	
Hotel (per Room)	1.0 Employee/Room	\$92	

*Includes 2% Administrative Fee.

Sources: City of San Bruno, West Yost, LEHD OnTheMap, and Economic & Planning Systems, Inc.

Total Utilities Fee

The total Utilities fee combines both the maximum fees estimated for the City's Wet Utilities and the City's Cable Utilities as shown in **Table 26**.

Table 26 Maximum Utilities Fee

Land Use	Wet Utilities		Cable Utilities	Total Max Fee*
	Water	Storm Drain		
Residential				
Single-Family (per unit)	\$1,366	\$942	\$727	\$3,035
Multi-Family (per unit)	\$938	\$646	\$499	\$2,083
Non-Residential				
Office (per Sq.Ft.)	\$1.02	\$0.40	\$0.31	\$1.72
Industrial (per Sq.Ft.)	\$1.02	\$0.20	\$0.15	\$1.37
Retail (per Sq.Ft.)	\$11.89	\$0.30	\$0.23	\$12.42
Hotel (per Room)	\$2,031	\$119	\$92	\$2,241

*Includes 2% Administrative Fee.

7. TRANSPORTATION

This section describes the methodology and assumptions used to calculate the transportation component of the San Bruno Development Impact fee program. The analysis and assumptions used in this fee setting process are largely a product of transportation consultant, TJKM. Their original analysis (prepared May 8, 2017) has been updated by EPS, as necessary, to reflect changes in the list of projects to be included in the fee program. As previously discussed, certain components of this fee category require an alternative methodology based on trip rates rather than service population growth.

Transportation Projects and Cost

EPS and TKJM worked with City staff to prepare a list of potential transportation projects to be included in the DIF. A description of each project and their estimated cost is provided in **Table 27**. The cost estimates are based on input from City staff and additional EPS research, as indicated.

Cost Allocation

The allocation of transportation cost between existing and new development is based on two methodologies, as follows:

1. Future vehicle trips attributable to growth in San Bruno: For this methodology, the cost of future transportation projects needed to serve growth in the City is derived using an auto trip generation methodology, wherein standard trips rates are used to calculate the number of trips that will be generated by new development in the City. This methodology is applied to transportation improvements that can be directly attributable to vehicle trips.
2. Growth in service population: For this methodology, the cost of future transportation projects needed to serve growth in the City is based on the share of the City's service population, as described in **Chapter 2**, which is attributable to growth at buildout. As calculated in **Table 4**, the new service population is expected to account for about 18 percent of the City's total population at build-out.

Table 27 Transportation Projects, Estimated Costs, and Source of Cost Estimate

Name	Estimated Project Cost	Project Description	Source of Cost Estimate
ECR Ped Overcrossing	\$10,000,000	Construct pedestrian overcrossing on El Camino Real at Tanforan Shopping Center.	City Staff / TJKM (based on costs of similar projects)
ECR/San Mateo Intersection	\$3,000,000	Reconstruct El Camino Real/San Mateo Avenue intersection to create a 90 degree intersection.	City Staff / TJKM
TCP Intersections	\$5,000,000	Construct intersection improvements within the Transit Corridors Plan area.	City Staff / TJKM
450 Stall Parking Garage	\$18,000,000	Construct 450 stall parking garage in downtown.	City Staff / Parking Management Plan
San Bruno at SB 101 ramps	\$250,000	Construct improvements to the intersection of San Bruno Avenue and Southbound US 101 ramps	City Staff / TJKM
Scott Street Grade Separation	\$142,660,000	Multi-faceted improvements to separate Caltrain ROW from vehicle and pedestrian ROW.	Based on data from other Caltrain grade separation projects and HSR Authority projects (see Appendix Table A-5).
Cherry Ave. & San Bruno Ave. Upgrades	\$1,500,000	Street improvements	City Staff
ECR & Angus Intersection Improvements	\$300,000	Intersection improvements	City Staff
San Mateo Ave Street Scope	\$10,066,793	Street scape improvements, including sidewalk treatments, landscaping improvements, street furnishings, gateway features, and improvements to both Centennial Plaza and Posy Plaza. Improvements extend from ECR North to San Bruno Ave.	Street Scape estimate based on a cost per linear foot of \$3,372 used in the Burlingame Streetscape Improvement Project (adjusted to 2018 dollars). In addition, EPS estimates (using Google maps) suggest the San Mateo Ave. segment to be improved spans about 2,985 linear feet. While EPS is aware that the Burlingame street improvements may be more comprehensive than the improvements envisioned for San Mateo Avenue, this cost estimate is based on the best available data (and the understanding that these cost estimates do not include major utility upgrades) and is considered appropriate given that this cost estimate does not account for improvements to plazas, or civic spaces.
Emergency vehicle signal pre-emption equipment	<u>\$80,000</u>	5 devices at CalTrans ROW signal locations	City Staff estimate of \$16K / intersection
Total	\$190,856,793		

Sources: TJKM, 2-17; Economic & Planning Systems, Inc; Burlingame Downtown Specific Plan Street Improvement Costs; High Speed Rail; Mott MacDonald; AECOM

Table 28 calculates the growth in vehicle trips in the City for use in the cost allocation methodology #1 above. As shown, the projected growth in population and employment is paired with an appropriate PM peak hour trip rate, as found in *ITE's Trip Generation, 9th Edition*. Under this methodology, there is expected to be approximately 8,473 new trips associated with new growth in the City. These new trips will represent 20.7 percent of total trips at buildout. This percentage is used to allocate the cost of selected transportation projects between the City's new and existing service population.

Table 28 Existing and Projected Growth and Trip Generation

Item	Amount			Weighted PM Peak Trip Rate ¹			Trips		
	Existing	Buildout	Growth	Existing	Buildout	Growth	Existing	Buildout	Growth
Dwelling Units	16,062	19,445	3,383	0.75	0.75	0.75	12,047	14,584	2,537
Employment¹	12,362	17,227	4,866	1.65	1.53	1.22	20,397	26,333	5,936
Total							32,443	40,916	8,473
Share of New Trips (Buildout)²							(8,473 / 40,916) = 20.7%		

¹Based on ITE's Trip Generation, 10th Edition. The non-residential trip rates are weighted based on existing and future employment composition (e.g. retail rates have generate more trips per job than other uses) which changes over time, as suggested by the General Plan.

²Share of new trips calculated as net new trips as a share of total build-out trips.

Sources: TJKM, ITE's Trip Generation 10th edition; Economic & Planning Systems, Inc.

Table 29 further details the cost allocation amounts and the cost allocation rationale for each project and the total estimated Transportation Impact Fee (TIF) cost. The cost allocation has conservatively been set at 20.7 percent for all projects where impact is assumed to be generated by vehicle traffic and 18.6 percent for all projects where impact is assumed to be generated by pedestrian traffic, under the assumption that all projects will, in turn, benefit the City as a whole. The 18.6 percent reflects the growth in service population as a percent of total service population at build-out (**Table 4**). The DIF Cost column is reflective of the cost allocation factor applied to the estimated project cost, generating the total amount that will be included in the transportation impact fee program.

Table 29 Transportation Project Costs and Allocation Assumption

Name	Estimated Project Cost ¹	% Allocated to Growth ²	Cost Allocation Rationale	DIF Cost
ECR Ped Overcrossing	\$10,000,000	18.6%	TJKM estimates approximately 50% of the need for this project is due to an existing deficiency. EPS conservatively allocated 18.6% to new development (equivalent to service population growth as % of total service population @ build-out as shown in Table 4).	\$1,860,355
ECR/San Mateo Intersection	\$3,000,000	20.7%	These intersections do not have existing deficiencies so 100% of the cost could apply to the TIF program. EPS has conservatively allocated 20.7% to new development based on growth in vehicle trips.	\$621,250
TCP Intersections	\$5,000,000	20.7%		\$1,035,416
450 Stall Parking Garage	\$18,000,000	18.6%	Since a new parking garage in the Downtown would serve both the City's new and existing service population, EPS conservatively allocated 18.6% to new development (equivalent to service population growth as % of total service population @ build-out as shown in Table 4).	\$3,348,639
San Bruno at SB 101 ramps	\$250,000	20.7%		\$51,771
Scott Street Grade Separation ¹	\$142,660,000	20.7%		\$29,542,495
Cherry Avenue & San Bruno Ave	\$1,500,000	20.7%	These improvements are projected to benefit both new growth and existing development proportionately. Accordingly, EPS has conservatively allocated 18.6% to new development when service population-related, and 20.7% when trip related.	\$310,625
ECR & Angus Intersection Improvements	\$300,000	20.7%		\$62,125
Emergency vehicle signal pre-emption equipment	\$80,000	20.7%		\$16,567
San Mateo Ave Streetscape ¹	<u>\$10,066,793</u>	18.6%		<u>\$1,872,781</u>
Total	\$190,856,793	20.3%		\$38,722,023
Total New Trips (see Table 28)				8,473
Cost per Trip				\$4,570

¹See Table 27

²For trip allocation methodology see Table 28 (above) and for service population allocation methodology see Table 4.

Sources: TJKM, 2-17; Economic & Planning Systems, Inc; Burlingame Downtown Specific Plan Street Improvement Costs; High Speed Rail; Mott MacDonald; AECOM

Maximum Fee Calculation

To calculate appropriate fees that are allocated fairly among new development land use categories, EPS uses the cost per trip calculated in **Table 29** and the trip rates found in the *ITE Trip Generation, 9th Edition*, to estimate the fee amount by land use. **Table 30** shows detailed land use categories, trip rates, and calculated fee rates (inclusive of a two percent administration fee).

Table 30 Calculated Fee Amounts

Land Use Category	Trip Rate	Cost per Trip	Fee Rate¹	Admin Fee²	Maximum Fee / Unit
Residential					
Single-Family (per unit)	0.99	\$4,570	\$4,524	2%	\$4,615
Multi-Family (per unit)	0.56	\$4,570	\$2,559	2%	\$2,610
Non-Residential					
Office (per Sq.Ft.)	2.23	\$4,570	\$10.19	2%	\$10.39
Industrial (per Sq.Ft.)	1.49	\$4,570	\$6.81	2%	\$6.95
Retail (per Sq.Ft.)	0.6	\$4,570	\$2,742	2%	\$2,797
Hotel (per Room)	0.75	\$4,570	\$3.43	2%	\$3.50

¹Fee rate calculated is per dwelling unit for residential uses, per square feet for commercial uses, and per room for hotel uses.

²An administration fee of 2 percent is added to all development impact fee rates.

Sources: TJKM, ITE's Trip Generation 10th edition; Economic & Planning Systems, Inc.

APPENDIX A:

Detailed Cost and Allocation Assumptions



Appendix Table A-1
City of San Bruno Police Department Vehicle Cost Summary

Manufacturer	Model	Model Year	Number of Units	Total City Cost	Replacement Life	Average Annual Cost	Total Through Buildout
Chevrolet	Camaro	1986	1.0	\$30,000	10.0	\$3,000	\$69,000
Chevrolet	Malibu	2006	1.0	\$30,000	10.0	\$3,000	\$69,000
Chevrolet	1500	2006	1.0	\$40,000	10.0	\$4,000	\$92,000
Ford	Van	2007	1.0	\$39,000	12.0	\$3,250	\$74,750
Ford	Explorer	2015	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Explorer	2015	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2009	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Explorer	2016	1.0	\$40,000	10.0	\$4,000	\$92,000
Ford	Explorer	2016	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Explorer	2015	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Explorer	2016	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Taurus	2015	1.0	\$30,000	10.0	\$3,000	\$69,000
Ford	Crown Victoria	2002	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Explorer	2005	1.0	\$40,000	10.0	\$4,000	\$92,000
Ford	Ranger	1998	1.0	\$35,000	10.0	\$3,500	\$80,500
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Crown Victoria	2011	1.0	\$40,000	5.0	\$8,000	\$184,000
Ford	Explorer	2017	1.0	\$30,000	10.0	\$3,000	\$69,000
Ford	Fusion	2012	1.0	\$30,000	10.0	\$3,000	\$69,000
Ford	Fusion	2012	1.0	\$30,000	10.0	\$3,000	\$69,000
Go Four	Int 3	2010	1.0	\$18,000	10.0	\$1,800	\$41,400
Go Four	Int 4	2013	1.0	\$18,000	10.0	\$1,800	\$41,400
Harley Davidson	1200	2005	1.0	\$18,000	15.0	\$1,200	\$27,600
Harley Davidson	1200	2005	1.0	\$18,000	15.0	\$1,200	\$27,600
Kustom Signals	Smart	1996	1.0	\$7,000	15.0	\$467	\$10,733
Mercury	Grand Marquis	2007	1.0	\$30,000	10.0	\$3,000	\$69,000
Mercury	Grand Marquis	2006	1.0	\$40,000	5.0	\$8,000	\$184,000
Pontiac	Grand Prix	2004	1.0	\$30,000	10.0	\$3,000	\$69,000
Total			34.0	\$1,153,000	277.0	\$177,217	\$4,075,983

Source: City of San Bruno, Police Department

Appendix Table A-2
Police Calls for Service by Land Use

Item	Number of Units or Sq.Ft.	Annual Calls for Service	
		Total	Calls per Unit or 1,000 Sq.Ft.
Residential¹			
Area 12	801	1,036	1.29
Area 22	393	512	1.30
Area 33	607	1,121	<u>1.85</u>
Average			1.53
Retail			
Area 3 ²	436,478	942	2.16
Area 4 ³	1,089,086	2,112	<u>1.94</u>
Average			2.01

¹ Residential calls for service are based on Areas 12, 22, and 33 from a randomly selected number of residents.

² Area 3 is based in Towne Center.

³ Area 4 is the Tanforan Mall.

Source: City of San Bruno, Police Department

Appendix Table A-3
City of San Bruno Fire Department Vehicle Cost Summary
San Bruno Development Impact Fee Nexus Analysis; EPS 161077

Manufacturer	Model	Model Year	Number of Units	Total City Cost	Replacement Life	Average Annual Cost	Total Through Buildout
Ford	Expedition	2016	1.0	\$120,000	5.0	\$24,000	\$552,000
Ford	F150	2018	1.0	\$45,000	15.0	\$3,000	\$69,000
Ford	Explorer	2010	1.0	\$45,000	15.0	\$3,000	\$69,000
Emergency One	Cyclone Pumper II	2001	1.0	\$640,000	20.0	\$32,000	\$736,000
Emergency One	Cyclone Pumper	2017	1.0	\$650,000	20.0	\$32,500	\$747,500
Seagrave	Marauder II	2011	1.0	\$640,000	20.0	\$32,000	\$736,000
Emergency One	Cyclone Pumper II	2001	1.0	\$389,000	20.0	\$19,450	\$447,350
Emergency One	Aerial 100 ft Ladder	2001	<u>1.0</u>	<u>\$1,200,000</u>	<u>20.0</u>	<u>\$60,000</u>	<u>\$1,380,000</u>
Total			8.0	\$3,729,000	135.0	\$205,950	\$4,736,850

Source: City of San Bruno, Fire Department

Appendix Table A-4
City of San Bruno General Government Vehicle Cost Summary
San Bruno Development Impact Fee Nexus Analysis; EPS 161077

Manufacturer	Model	Model Year	Number of Units	Total City Cost	Replacement Life	Average Annual Cost	Total Through Buildout
N/A	F350	2014	1.0	\$35,000	10.0	\$3,500	\$80,500
Applied Sweepers Tennant	Green Machine Model 636HS	2009	1.0	\$35,000	12.0	\$2,917	\$67,083
ARROW BOARD	1	1998	1.0	\$7,000	10.0	\$700	\$16,100
Case IH	570M XT	2003	1.0	\$70,000	12.0	\$5,833	\$134,167
Chevrolet	3500	1999	1.0	\$35,000	10.0	\$3,500	\$80,500
Chevrolet	Blazer	1999	1.0	\$25,000	10.0	\$2,500	\$57,500
Chevrolet	3500 bucket truck	1990	1.0	\$110,000	10.0	\$11,000	\$253,000
Chevrolet	Astro Van	2000	1.0	\$39,000	10.0	\$3,900	\$89,700
Chevrolet	Astro Van	2000	1.0	\$39,000	10.0	\$3,900	\$89,700
Chevrolet	Bucket Truck	1995	1.0	\$110,000	10.0	\$11,000	\$253,000
Chevrolet	C30	1997	1.0	\$35,000	10.0	\$3,500	\$80,500
Chevrolet	C3500	1994	1.0	\$30,000	10.0	\$3,000	\$69,000
Chevrolet	C3500	1999	1.0	\$37,000	10.0	\$3,700	\$85,100
Chevrolet	DUMPBED	1999	1.0	\$37,000	10.0	\$3,700	\$85,100
Chevrolet	Impala	2001	1.0	\$28,000	10.0	\$2,800	\$64,400
Chevrolet	Lumina	1998	1.0	\$28,000	10.0	\$2,800	\$64,400
Chevrolet	Lumina	1997	1.0	\$28,000	10.0	\$2,800	\$64,400
Chevrolet	S10	1998	1.0	\$33,000	10.0	\$3,300	\$75,900
Chevrolet	S10	1998	1.0	\$35,000	10.0	\$3,500	\$80,500
Chevrolet	Tahoe	2007	1.0	\$28,000	10.0	\$2,800	\$64,400
Chevrolet	Venture	1999	1.0	\$33,000	10.0	\$3,300	\$75,900
Chevrolet	Water Truck	1996	1.0	\$110,000	10.0	\$11,000	\$253,000
Ford	AERIAL	2003	1.0	\$110,000	10.0	\$11,000	\$253,000
Ford	E150	2012	1.0	\$39,000	10.0	\$3,900	\$89,700
Ford	E150	2012	1.0	\$39,000	10.0	\$3,900	\$89,700
Ford	E150	2014	1.0	\$39,000	10.0	\$3,900	\$89,700
Ford	E150	2014	1.0	\$39,000	10.0	\$3,900	\$89,700
Ford	Escape	2016	1.0	\$27,000	10.0	\$2,700	\$62,100
Ford	Escape	2014	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Escape	2014	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Escape	2014	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Escape	2014	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Escape Hybrid	2007	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Escape Hybrid	2009	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Escape Hybrid	2010	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Escape Hybrid	2010	1.0	\$25,000	10.0	\$2,500	\$57,500
Ford	Expedition	2000	1.0	\$53,000	10.0	\$3,300	\$75,900
Ford	Explorer	2002	1.0	\$53,000	10.0	\$3,300	\$75,900
Ford	Explorer	1999	1.0	\$27,000	10.0	\$2,700	\$62,100
Ford	F150	2015	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F150	2003	1.0	\$33,000	10.0	\$3,300	\$75,900
Ford	F150	2002	1.0	\$33,000	10.0	\$3,300	\$75,900
Ford	F-150	2014	1.0	\$27,000	10.0	\$2,700	\$62,100
Ford	F250	2006	1.0	\$35,000	10.0	\$3,500	\$80,500
Ford	F250	2003	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F250	2016	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F250	2016	1.0	\$35,000	10.0	\$3,500	\$80,500
Ford	F350	2006	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2015	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2015	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2015	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2001	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2007	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2007	1.0	\$35,000	10.0	\$3,500	\$80,500
Ford	F350	2015	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2006	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2012	1.0	\$35,000	10.0	\$3,500	\$80,500
Ford	F350	2015	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2012	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2012	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2012	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F350	2012	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F450	2012	1.0	\$65,000	15.0	\$4,333	\$99,667
Ford	F450	2007	1.0	\$50,000	10.0	\$5,000	\$115,000
Ford	F450	2001	1.0	\$55,000	10.0	\$5,500	\$126,500
Ford	F450	2001	1.0	\$65,000	10.0	\$6,500	\$149,500
Ford	F450	2006	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	F450	2013	1.0	\$50,000	10.0	\$5,000	\$115,000
Ford	F650	2011	1.0	\$50,000	10.0	\$5,000	\$115,000
Ford	F650	2007	1.0	\$55,000	10.0	\$5,500	\$126,500
Ford	F750	2008	1.0	\$110,000	10.0	\$11,000	\$253,000
Ford	Flex Crossover	2015	1.0	\$35,000	10.0	\$3,500	\$80,500
Ford	Transit Van	2016	1.0	\$39,000	10.0	\$3,900	\$89,700
Ford	Transit Van	2016	1.0	\$39,000	10.0	\$3,900	\$89,700
Ford	Transit Van	2016	1.0	\$37,000	10.0	\$3,700	\$85,100
Ford	VAN	2005	1.0	\$39,000	12.0	\$3,250	\$74,750
Freightliner	114 SD	2013	1.0	\$420,000	10.0	\$42,000	\$966,000
Freightliner	VACTOR	2012	1.0	\$420,000	10.0	\$42,000	\$966,000
General Motors	C7500	2000	1.0	\$65,000	10.0	\$6,500	\$149,500
General Motors	OK Champion Rodder	1990	1.0	\$350,000	10.0	\$35,000	\$805,000
GM	Aerial bucket truck	1999	1.0	\$110,000	10.0	\$11,000	\$253,000
GMC	Safari	2002	1.0	\$39,000	10.0	\$3,900	\$89,700
Hamm	Asphalt Roller	2008	1.0	\$7,000	10.0	\$700	\$16,100
Hustler 4600	925008	1998	1.0	\$7,000	10.0	\$700	\$16,100
Hustler 4600	V1505-ES01 mower	2009	1.0	\$7,000	12.0	\$583	\$13,417
International	4300 Sweeper	2007	1.0	\$220,000	12.0	\$18,333	\$421,667
International	IH 4700	2001	1.0	\$65,000	10.0	\$6,500	\$149,500
International	IH 7400	2007	1.0	\$400,000	12.0	\$33,333	\$766,667
John Deere	310SE	1999	1.0	\$7,000	10.0	\$700	\$16,100
John Deere	310SG backhoe loader	2003	1.0	\$7,000	10.0	\$700	\$16,100
John Deere	Tractor 870	1994	1.0	\$30,000	15.0	\$2,000	\$46,000
N/A	Stump Grinder	1993	1.0	\$25,000	15.0	\$1,667	\$38,333
Toro	Groundmaster 5900	2009	1.0	\$7,000	12.0	\$583	\$13,417
Toyota	Tacoma	2015	1.0	\$27,000	10.0	\$2,700	\$62,100
Trantex	Asphalt Zipper Trailer - Thermo m	2008	1.0	\$7,000	10.0	\$700	\$16,100
TYMCO	Freightliner Sweeper	2014	1.0	\$220,000	12.0	\$18,333	\$421,667
Vermeer	BC 1230A chipper	2003	1.0	\$58,000	12.0	\$4,833	\$111,167
Total			96.0	\$5,565,000	993.0	\$534,900	\$12,302,700

*Excludes any vehicles that did not report a cost estimate; must be confirmed with City.
Source: City of San Bruno

Appendix Table A-5
Grade Separation Cost Estimate
San Bruno Development Impact Fee Nexus Analysis; EPS 161077

	Total Estimated Cost Range (\$2017)		Average
	Low	High	
Palo Alto¹			
Churchill lowered under Caltrain and Alma	\$90,000,000	\$183,000,000	\$136,500,000
Meadow lowered under Caltrain and Alma	\$85,000,000	\$143,000,000	\$114,000,000
Charleston lowered under Caltrain and Alma	\$102,000,000	\$153,000,000	\$127,500,000
Other			
City of Santa Fe Springs Rosecrans / Marquardt ²			\$155,300,000
Menlo Park Caltrain @ Ravenswood Ave. ³	\$160,000,000	\$200,000,000	\$180,000,000
Average			\$142,660,000

[1] Based on data from Mott Macdonald
[2] Based on data from AECOM
[3] Based on data from High Speed Rail Authority

ORDINANCE NO. 2019-_____

AN ORDINANCE OF THE CITY OF SAN BRUNO REPEALING SECTION 12.44.140 (REGARDING PARKLAND DEDICATIONS AND IN-LIEU FEES) AND ADDING CHAPTER 12.260 TO TITLE 12 (LAND USE) OF THE SAN BRUNO MUNICIPAL CODE REGARDING DEVELOPMENT IMPACT FEES

Section 1. City Council makes the following findings:

A. The City owns, operates, and maintains public facilities that enable the City to provide necessary and desirable public services within the City.

B. New residential and non-residential developments increase the demand for public services and public facilities.

C. A program of development impact fees can help to ensure that developers pay a “fair share” of the capital costs associated with the public facilities that are necessitated by or serve their development projects.

D. A development impact fee program does not fund costs attributable to existing deficiencies in public facilities, but can include the costs attributable to the increased demand for public facilities reasonably related to a development project in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan.

E. Because the development impact fee program will fund parkland acquisitions necessary to serve all new development, it replaces the City’s existing parkland dedication and in-lieu fee requirements that apply only to subdivisions.

Section 2. Section 12.44.140 of Title 12 of the City of San Bruno Municipal Code is hereby repealed in its entirety.

Section 3. Chapter 12.260 (Development Impact Fees) is hereby added to Title 12 (Land Use) of the San Bruno Municipal Code, to read as follows:

CHAPTER 12.260

DEVELOPMENT IMPACT FEES

Sections:

12.260.010 Purpose

12.260.020 Definitions

12.260.030 Fees Imposed

12.260.040 Rate

- 12.260.050 Payment
- 12.260.060 Credit for Redevelopment
- 12.260.070 Improvement Agreement
- 12.260.080 Special Funds
- 12.260.090 Annual Report
- 12.260.100 Appeals
- 12.230.110 Regulations
- 12.230.120 Inflation Adjustment

12.260.010 Purpose

The purpose of this chapter is to impose fees upon development projects that fully or partially offset the costs of public facilities that are needed to serve demand created by that development project. The amount of fees will not include the costs attributable to demand generated by existing development.

12.260.020 Definitions

“Building Permit” means a full structural building permit as well as partial permits such as foundation-only permits.

“Developer” means the owner of land that is to be developed as part of a Development Project; however, Developer does not include: (a) the City and or (b) with respect to any Fee other than the Utilities Facilities Impact Fee, the United States or any of its agencies, the State of California or any of its agencies, the California State University, the Regents of the University of California, a county, a county office of education, a city, a school district, community college district, or any other district, a public authority, or any other political subdivision or public corporation of the State of California.

“Development Project” or “Project” means a development or redevelopment project that requires a building permit under this code.

“Fee” means a fee imposed pursuant to Section 12.260.030 of this chapter.

12.260.030 Fees Imposed

Except as otherwise provided in this chapter, the following Fees are hereby imposed upon the Developer of each Development Project in the city as a condition of development:

Community Facilities Impact Fee

Public Safety Facilities Impact Fee

General Government Facilities Impact Fee

Utilities Facilities Impact Fee

Transportation Facilities Impact Fee

12.260.040 Rate

The rate of each Fee shall be set by the City Council by ordinance or resolution. At the time it sets a rate, the City Council shall make each of the findings required by Section 66001(a) of the California Government Code.

12.260.050 Payment

A. Except as otherwise provided in this section, the Fees required by this article shall be paid prior to the issuance of a building permit for the Development Project. The city shall not issue a building permit for a Development Project unless the Fees have been paid.

B. The Fees for a Development Project shall be calculated at the rates in effect as of the date the Developer submits a complete and adequate application for a building permit for the Development Project.

C. If applicable state law does not permit the City to require payment of the Fees for a Development Project on the schedule set forth in Subdivision A of this section, then the Fees for that Development Project shall be paid on a lump sum basis for the entire Development Project at the earliest date that the City is permitted to require such payment under state law. If payment is to be made pursuant to this subdivision, the City shall not issue a building permit to the Developer until (i) the Developer and the City enter into a contract for delayed payment as authorized by Section 66007(c) of the California Government Code; (ii) such contract is recorded in the manner set forth in that Section; and (iii) unless the Developer is specifically exempt from such requirement under state law, the Developer posts a performance bond or a letter of credit from a federally insured, recognized depository institution to guarantee payment of the Fees.

12.260.060 Credit For Redevelopment

Where the Development Project involves the demolition of an existing structure and its replacement with a new structure, the Developer shall be entitled to credits against the Fees required by this chapter. A credit shall not be applied for any building or part of a building unless the Developer can establish, to the satisfaction of the City, that the building or part of building was either occupied by a resident (for a residential building) or occupied by a business that conducted actual business activities (for a non-residential building) during six of the twelve months prior to the date on which a complete and adequate building permit application for the Development is submitted. A

credit shall be calculated separately for each of the five Fees imposed pursuant to section 12.260.030 of this chapter. Each credit shall be equal to the Fee that would be charged for the development of the structure to be demolished, calculated at the rate in effect on the date the Developer submits a complete and adequate application for his or her building permit. In no event shall the amount of the credit reduce any Fee for the Development Project below \$0, and a credit may not be transferred to any other Development Project in the city, applied to any of the five Fees other than the Fee for which it was calculated or used for any purpose other than offsetting Fees imposed pursuant to this chapter. For example, a credit calculated based on the rate for the Community Facilities Impact Fee may not be applied to any Fee other than the Community Facilities Impact Fee.

12.260.070 Improvement Agreement

A. The city may, but is not required to, enter into an Improvement Agreement with a Developer pursuant to which the Developer will construct, pursuant to City standards and requirements, one or more public improvements that would otherwise be eligible for funding with the proceeds of a Fee.

B. The credit amount shall be the engineering and construction costs that would be reasonably incurred by the city in building the public facility, and shall not exceed the amount set forth in the Improvement Agreement.

C. The credit will be available to the Developer only upon completion of the public improvement to the satisfaction of the city.

D. The credit shall be applied first to the Fee that would otherwise be eligible to fund the public improvement. For example, a credit awarded for construction of a transportation facility shall be applied first against the Transportation Facilities Impact Fee for the Development Project. If the amount of the credit exceeds the amount of the associated Fee, the credit may be applied to other Fees due against the Development Project pursuant to this chapter. When a credit is applied against some other Fee, an amount equal to the credit shall be transferred by the City from the fund established pursuant to Section 12.260.080 of this Chapter for the associated Fee to the fund established pursuant to Section 12.260.080 for the Fee to which the credit is applied. For example, if a \$50,000 credit for a transportation facility is applied to a Public Safety Facilities Impact Fee, then \$50,000 shall be transferred from the City's Transportation Facilities Impact Fee Fund to the City's Public Safety Facilities Impact Fee Fund.

E. The Improvement Agreement must be approved by the City Council and may include any additional terms as the City Council finds to be necessary or useful.

12.260.080 Special Funds

A. The following accounts or funds shall be established:

Community Facilities Impact Fee Fund

Public Safety Facilities Impact Fee Fund

General Government Facilities Impact Fee Fund

Utilities Facilities Impact Fee Fund

Transportation Facilities Impact Fee Fund

B. When the City receives payment of a Fee pursuant to this chapter, that payment shall be deposited in the appropriate account or fund established pursuant to this Section in a manner that avoids any commingling of the Fees with other revenues and funds of the City, except for temporary investments.

C. Any interest income earned by moneys in an account or fund established pursuant to this Section shall also be deposited in that account or fund.

D. Moneys in the Community Facilities Impact Fee Fund shall be expended by the City only for parkland acquisition and library, park and recreation improvements.

E. Moneys in the Public Safety Facilities Impact Fee Fund shall be expended by the City only for police and fire capital facilities and equipment.

G. Moneys in the General Government Facilities Impact Fee Fund shall be expended by the City only for community facilities and equipment necessary to maintain general government functions.

H. Moneys in the Utilities Facilities Impact Fee Fund shall be expended by the City only for water, sewer, storm drainage, and telecommunications infrastructure and equipment.

I. Moneys in the Transportation Facilities Impact Fee Fund shall be expended by the City only for transportation infrastructure.

12.260.090 Annual Report

A. For each separate account or fund established pursuant to Section 12.260.080 of this chapter, the City shall, within 180 days after the last day of each fiscal year, make available to the public the information required by Section 66006(b)(1) of the California Government Code. The information may be included in the City's Consolidated Annual Financial Report or any other report prepared by the City, and need not be isolated in a separate document.

B. The City Council shall review the information made available to the public pursuant to paragraph A of this Section at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

C. Notice of the time and place of the meeting where the City Council will review the information, including the address where the information may be reviewed,

shall be mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the City Clerk for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year.

D. For the fifth fiscal year following the first deposit into the accounts or funds established pursuant to Section 12.260.080 of this chapter, and every five years thereafter, the City Council shall, in connection with its review conducted pursuant to paragraph C of this section, make each of the findings required by Section 66001(d) of the California Government Code.

12.260.100 Appeals

A. If a Developer believes that one or more of the Fees applied to his or her Project have been calculated incorrectly by the City, he or she may apply to the City Manager for an adjustment to those Fees.

B. Any such appeal must be made in writing, and must include a proposed revised Fee amount and an explanation of why the proposed revision constitutes a correct application of the terms of this Chapter and of any resolutions or other actions of the City Council that set the rate of the Fees or that otherwise affect the Fees.

C. The written appeal must be filed no later than the later of (i) ten days after the date on which the Fee becomes due or (ii) ten days after the date on which the Fee is paid. An appeal may be filed prior to payment of a Fee; however, full payment of the Fee, as calculated by the City shall remain a precondition to issuance of a certificate of occupancy or the conduct of a final inspection (as applicable) unless and until the City Manager makes a determination that revises the amount of the Fees.

D. The City Manager shall have thirty days to respond to the appeal after it had been filed, either by determining that the original calculated amount was correct, or by determining that a revised amount should be due. The determination of the City Manager is the final determination of the City. If the City Manager does not respond to the appeal within the thirty day period, the appeal shall be deemed finally rejected.

E. If the City Manager determines that the correct Fee is less than the amount already paid to the City, the City will refund to the Developer the amount of the overpayment. If the City Manager determines that the correct Fee is greater than the amount already paid to the City, the Developer shall pay to the City the amount of the underpayment.

F. The appeals process set forth in this Section applies solely to the case where the Developer believes that the City has incorrectly applied the Fees according to the City's ordinances, resolutions, City Council actions, and regulations. It does not apply to any claim that any such approved ordinances, resolutions, actions or regulations exceed the authority of the City or violate state or federal law. This Section does not excuse the Developer from compliance with Chapter 9 of Division 1 of Title 7

of the California Government Code (beginning with Section 66020) with respect to any matter subject to that chapter of the Government Code.

12.260.110 Regulations

The City Manager may promulgate such interpretive regulations for the application of this Chapter as he or she finds necessary or useful.

12.260.120 Inflation Adjustment

Each July 1, beginning July 1, 2020, each rate adjusted to reflect the change in the Construction Cost Index published by the Engineer News Record (or any successor to such index) during the twelve months prior to the February proceeding that July 1. However, any such adjustment shall take effect only if approved by the City Council, by resolution, and shall take effect no earlier than sixty days following such approval.

Section 4. It is the intent of the City Council that the requirements of Section 12.44.140 of the Municipal Code, as they existed prior to that Section's repeal by this Ordinance, shall apply to any subdivision that, for any reason, is not subject to a parks impact fee imposed consistent with this Ordinance.

Section 5. Adoption of this ordinance is found to be categorically exempt from the California Environmental Quality Act because the adoption of this Ordinance is not a project, in that it is a government funding mechanism which does not involve any commitment to any specific project (CEQA Guidelines Section 15378(b)(4)), and because it can be seen with certainty that there is no possibility that the fees may have a significant effect on the environment, in that this ordinance contains no provisions modifying the physical design, development, or construction of residences or nonresidential structures CEQA Guidelines Section 15061(b)(3)).

Section 6. If any section, subsection, sentence, clause or phrase of the ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it should have adopted the ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Section 7. The City Clerk shall publish this ordinance in accordance with applicable law.

Section 8. Effective date. This ordinance shall take effect thirty (30) days from the date of its passage. This ordinance shall be published according to law.

Rico E. Medina
Mayor

ATTEST:

Melissa Thurman, CMC
City Clerk

APPROVED AS TO FORM

Marc Zafferano
City Attorney

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I hereby certify that the foregoing Ordinance No. 2019-_____ was introduced on _____, and adopted at a regular meeting of the San Bruno City Council on _____, by the following vote:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

City Clerk: _____

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO
SETTING THE RATE OF DEVELOPMENT IMPACT FEES PURSUANT
TO SECTION 12.260.040 OF THE SAN BRUNO MUNICIPAL CODE**

WHEREAS, the City Council has engaged Economic & Planning Systems, Inc. (“EPS”) to study the level of development impact fees necessary to cover the capital costs of public facilities needed to serve anticipated development in the City ;

WHEREAS, a report of EPS, entitled “San Bruno Development Impact Fee Nexus Study” and dated February 6, 2019 (the “Report”), documents the results of EPS’s study; and

WHEREAS, the Report is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

WHEREAS, Section 12.260.040 of the Municipal Code, added to the Municipal Code by Ordinance No. 2019-_____, authorizes the City Council, by ordinance or resolution, to set the rates for the Development Impact Fees listed in Section 12.260.030 of the Municipal Code; and

WHEREAS, on February 12, 2019, 2019, at its regularly schedule meeting, the City Council held a full and fair public hearing regarding the establishment of such rates and the imposition of such fees (the “Hearing”); and

WHEREAS, notice of the Hearing was published pursuant to Section 66018 of the California Government Code on February 1, 2019 and February 7, 2019; and

WHEREAS, the information required by Section 66019 of the California Government Code was made available for inspection in the Office of the City Clerk and notice of such availability was given as required by that Section 66019; and

WHEREAS, the City Council now desires to set the rates for the Development Impact Fees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Bruno as follows:

1. The foregoing recitals are true and correct and incorporated into this Resolution by this reference.
2. The Report has been considered by the City Council, and the analysis and findings contained in the Report are hereby adopted by the City Council.
3. Each of the development impact fees (“Fees”) listed in Exhibit “A” to this report, attached hereto and incorporated herein by reference, shall be imposed at the rate set forth in Exhibit “A.” Each Fee shall be administered as set forth in Chapter 12.260 of the Municipal Code and in the Resolution.

4. The Fees shall not apply to any development project that meets both of the following conditions: (i) the development application for the project was deemed complete no later than May 1, 2019, and (ii) on or before August 1, 2019, the City and the developer of the development project have entered into a development agreement or other negotiated contract with the City for the project; provided however if the development project has not commenced construction in compliance with and prior to expiration or termination of the development agreement or other negotiated contract, then the Fees shall apply to the project.

5. Based on the Report, the City Council finds that:

- a. The purpose of the Fees is as set forth in the Report.
- b. The Fees shall be used to fund Public Facilities as set forth in Section 12.260.080.
- c. For the reasons set forth in the Report, there is a reasonable relationship between each Fee's use and the type of development project on which the Fee is imposed.
- d. For the reasons set forth in the Report, there is a reasonable relationship between the need for the public facilities for which a Fee is imposed and the type of development project on which the fee is imposed.

6. Adoption of this ordinance is found to be categorically exempt from the California Environmental Quality Act because the adoption of this Ordinance is not a project, in that it is a government funding mechanism which does not involve any commitment to any specific project (CEQA Guidelines Section 15378(b)(4)), and because it can be seen with certainty that there is no possibility that the fees may have a significant effect on the environment, in that this ordinance contains no provisions modifying the physical design, development, or construction of residences or nonresidential structures CEQA Guidelines Section 15061(b)(3)).

7. This Resolution shall take effect on May 1, 2019, but only if Ordinance 2019-_____ is adopted and effective prior to that date.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the City Council of the City of San Bruno, at a regular meeting of said City Council held on _____, 2019, by the following vote:

AYES:
NOES:
ABSENT:

Melissa Thurman, CMC
City Clerk

EXHIBIT A

Land Use	Communi- ity	Public Safety	General Gov't	Trans- portation	Utilities	Total
Residential (per Unit)						
Single Family	\$15,424	\$1,145	\$1,621	\$3,374	\$2,219	\$23,783
Multi-Family	\$14,479	\$1,144	\$1,521	\$2,610	\$2,083	\$21,838
Non-Residential (per Sq.Ft. or Room)						
Office (per Sq.Ft.)	\$8.63	\$0.58	\$0.93	\$6.95	\$1.72	\$18.79
Industrial (per Sq.Ft.)	\$3.43	\$0.23	\$0.37	\$2.78	\$1.08	\$7.89
Retail (per Sq.Ft.)	\$5.57	\$0.61	\$0.60	\$8.95	\$10.69	\$26.43
Hotel (per Room)	\$1,413	\$95	\$152	\$1,527	\$1,223	\$4,410

An Accessory Dwelling Unit shall be subject to 50% of the fee for a Multi-Family Residential Dwelling Unit