

CITY OF FRESNO 2022 DEVELOPMENT IMPACT FEE UPDATES

Presented by City of Fresno &
Economic & Planning Systems, Inc.
(EPS)



Economic & Planning Systems, Inc.
The Economics of Land Use

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CITY DEVELOPMENT IMPACT FEE PROGRAMS

2022 FEE PROGRAM UPDATES

- Police Facilities Impact Fee Program
- Fire Facilities Impact Fee Program
- Park Impact Fee Program
- Major Streets Impact Fee Program
- Traffic Signal Mitigation Impact Fee Program

DEVELOPMENT IMPACT FEE UPDATE

WHAT IS A DEVELOPMENT IMPACT FEE?

- Fee charged on new development to mitigate its impact on the need for new facilities
 - Provides funding for public infrastructure and/or facilities needed to serve new residents and employees
- Must be legally defensible and conform to the requirements established in the Mitigation Fee Act (CA Government Code Section 66000 et seq.)

DEVELOPMENT IMPACT FEE UPDATE

MITIGATION FEE ACT LEGAL REQUIREMENTS

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of public facility attributable to development on which the fee is imposed.

DEVELOPMENT IMPACT FEE UPDATE

ELIGIBLE COSTS FOR IMPACT FEE FUNDING

Eligible Costs	Ineligible Costs
New Improvements Required to Serve New Development	Improvements Required to Serve Existing Development (Existing Deficiencies)
Buy-In to Existing Facilities by New Development	Operations and Maintenance
Debt Service for New and Oversized Facilities	
Fee Program Administration	

DEVELOPMENT IMPACT FEE UPDATE

FEE UPDATE PROCESS AND METHODOLOGY

- Demographic and Land Use Analysis
- Capital Facilities Analysis
- Project List and Cost Estimates
- Cost Allocation
- Fee Calculation
- Technical Report Establishing Legal Nexus between New Development and the Proposed Fees

POLICE FEES

FEE COMPARISON

Item	Police Fee			
	Proposed Fee	Existing Fee	Difference	Percent Difference
Residential	<i>per dwelling unit</i>			
Single-Family	\$948	\$673	\$275	41%
Multifamily	\$723	\$507	\$216	43%
Nonresidential	<i>per 1,000 bldg. sq. ft.</i>			
Retail	\$886	\$717	\$169	24%
Office	\$844	\$682	\$162	24%
Industrial	\$422	\$340	\$82	24%

POLICE FEES

FEE ADJUSTMENT SUMMARY

- Greater percentage increase for residential fees vs. commercial fees
 - Higher persons per household factors than in 2016.
 - Greater percentage of residential service calls vs. commercial service calls.
- Major reasons for fee increases across land uses
 - Change in land acquisition cost structure and addition of site improvement and parking costs:
 - 2016: \$265,000 per acre for land acquisition
 - 2022: \$210,000 per acre for land acquisition
 - \$332,000 per acre for site improvement and parking
 - \$542,000 per acre total**
 - Increase in planned police headquarters size:
 - 2016: 60,000 square feet
 - 2022: 125,000 square feet

FIRE FEES

FEE COMPARISON

	Proposed Fee	Existing Fee	Difference	Percentage Difference
Residential	<i>per dwelling unit</i>			
Single-Family	\$2,285	\$2,061	\$224	11%
Multifamily	\$1,743	\$1,556	\$187	12%
Nonresidential	<i>per 1,000 bldg. sq. ft.</i>			
Retail	\$602	\$721	(\$119)	(17%)
Office	\$688	\$824	(\$136)	(17%)
Industrial	\$344	\$413	(\$69)	(17%)

FIRE FEES

FEE ADJUSTMENT SUMMARY

- Increase for residential fees and decrease for commercial fees
 - Higher persons per household factors than in 2016.
 - Greater percentage of residential service calls vs. commercial service calls.
- Fire fees updated in 2019
 - Lower percentage fee changes than for other improvement types.

MAJOR STREET FEE PROGRAM

FEE PROGRAMS

Development Area	Major Street Fee Program	
	Citywide Fee	New Growth Fee
	<i>Regional Streets</i>	<i>New Growth Area Streets</i>
Infill Area	✓	
New Growth Area	✓	✓

MAJOR STREET FEES

FEE COMPARISON

Land Use	Major Street Fees Comparison [1] (per adjusted gross acre, excluding area of major streets)			
	Proposed Fee (2022 \$)	Existing Fee (FY 2021-22)	Difference	Percentage Difference
Citywide Fee				
Residential				
Residential Low - Medium	\$8,783	\$8,752	\$31	0%
Residential Medium/High - High	\$17,054	\$16,993	\$61	0%
Nonresidential				
Retail	\$15,769	\$15,475	\$294	2%
Office	\$16,517	\$16,390	\$127	1%
Light Industrial	\$4,728	\$4,661	\$67	1%
Heavy Industrial	\$2,874	\$2,865	\$9	0%
New Growth Fee				
Residential				
Residential Low - Medium	\$27,490	\$24,090	\$3,400	14%
Residential Medium/High - High	\$53,424	\$46,816	\$6,608	14%
Nonresidential				
Retail	\$50,710	\$43,487	\$7,223	17%
Office	\$47,189	\$41,162	\$6,027	15%
Light Industrial	\$15,396	\$13,281	\$2,115	16%
Heavy Industrial	\$9,196	\$8,058	\$1,138	14%
Total New Growth Area Street Fees (Sum of Citywide Fee and New Growth Fee)				
Residential				
Residential Low - Medium	\$36,273	\$32,842	\$3,431	10%
Residential Medium/High - High	\$70,478	\$63,809	\$6,669	10%
Nonresidential				
Retail	\$66,479	\$58,962	\$7,517	13%
Office	\$63,706	\$57,552	\$6,154	11%
Light Industrial	\$20,124	\$17,942	\$2,182	12%
Heavy Industrial	\$12,070	\$10,923	\$1,147	11%

fee comp

Source: City of Fresno; Kittelson & Associates; Fresno COG; EPS.

[1] Includes 2% administration component.

MAJOR STREET FEES

FEE ADJUSTMENT SUMMARY

- Updated development projections for 2022 through buildout in Infill and New Growth Areas.
- City updated Roads CIP for Regional and Growth Area Streets.
- City updated deficiency analysis to estimate impact fee contribution.
- Preliminary results.

TRAFFIC SIGNAL IMPACT FEES

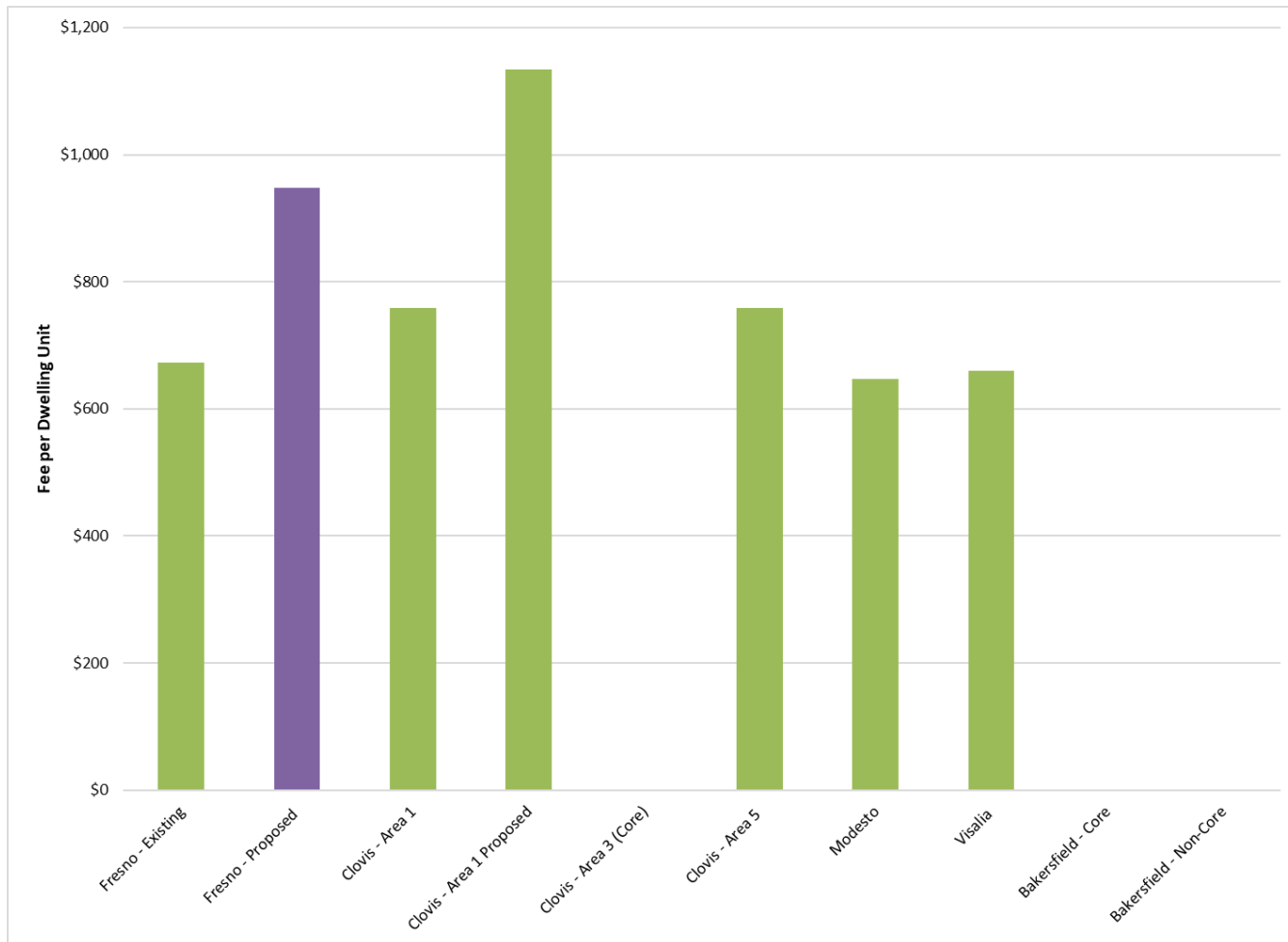
FEE COMPARISON

Land Use	Proposed Fee	TSMI Fee		Percentage Difference
		Existing Fee ¹	Difference	
Residential		<i>per dwelling unit</i>		
Single-Family	\$762	\$546	\$216	40%
Multifamily	\$591	\$381	\$210	47%
Nonresidential		<i>per 1,000 bldg. sq. ft.</i>		
Large Retail	\$3,048	\$2,445	\$603	25%
Shopping Center				
Commercial Office	\$786	\$632	\$154	24%
Light Industrial	\$400	\$399	\$1	0%
Fast-Food Restaurant	\$19,019	\$14,219	\$4,800	34%

¹ = As published in the Master Fee Schedule - 2016 fee adjusted annually based on the 20-City Construction Cost Index as report in the Engineering News Record (ENR) for the 12-month period ending in May of the year of the adjustment.

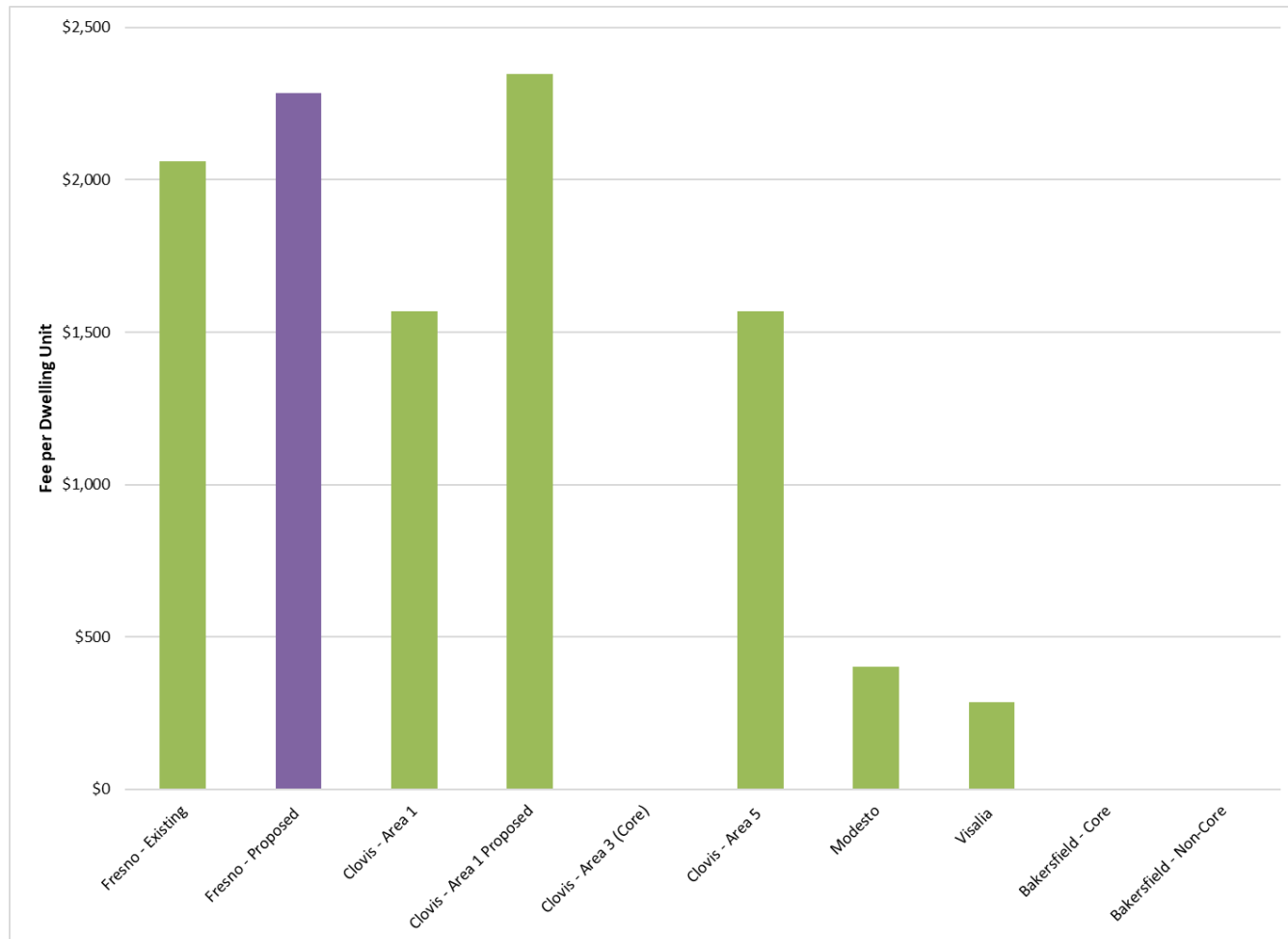
REGIONAL IMPACT FEE COMPARISON

SINGLE FAMILY FEES PER DWELLING UNIT – POLICE



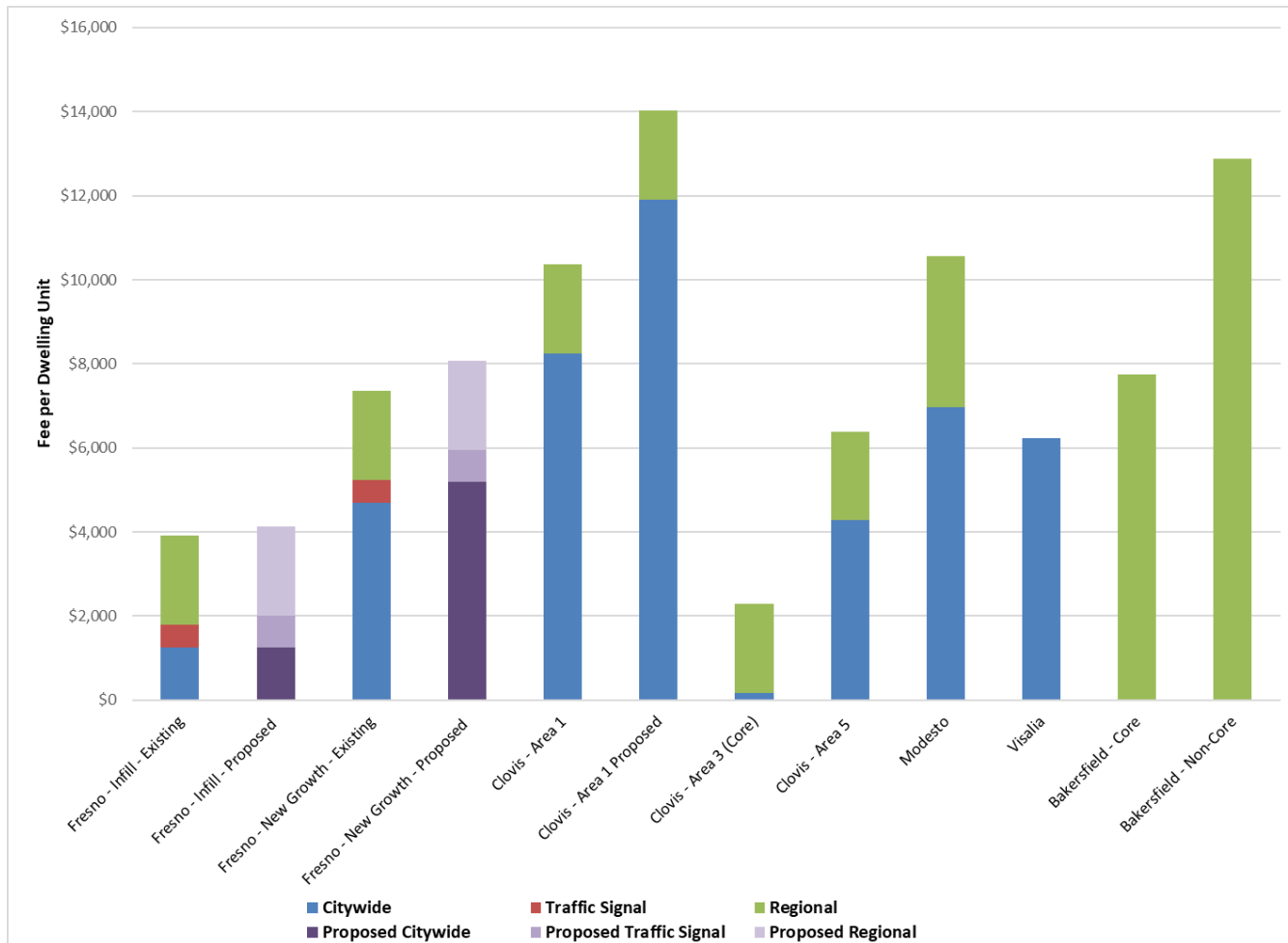
REGIONAL IMPACT FEE COMPARISON

SINGLE FAMILY FEES PER DWELLING UNIT – FIRE



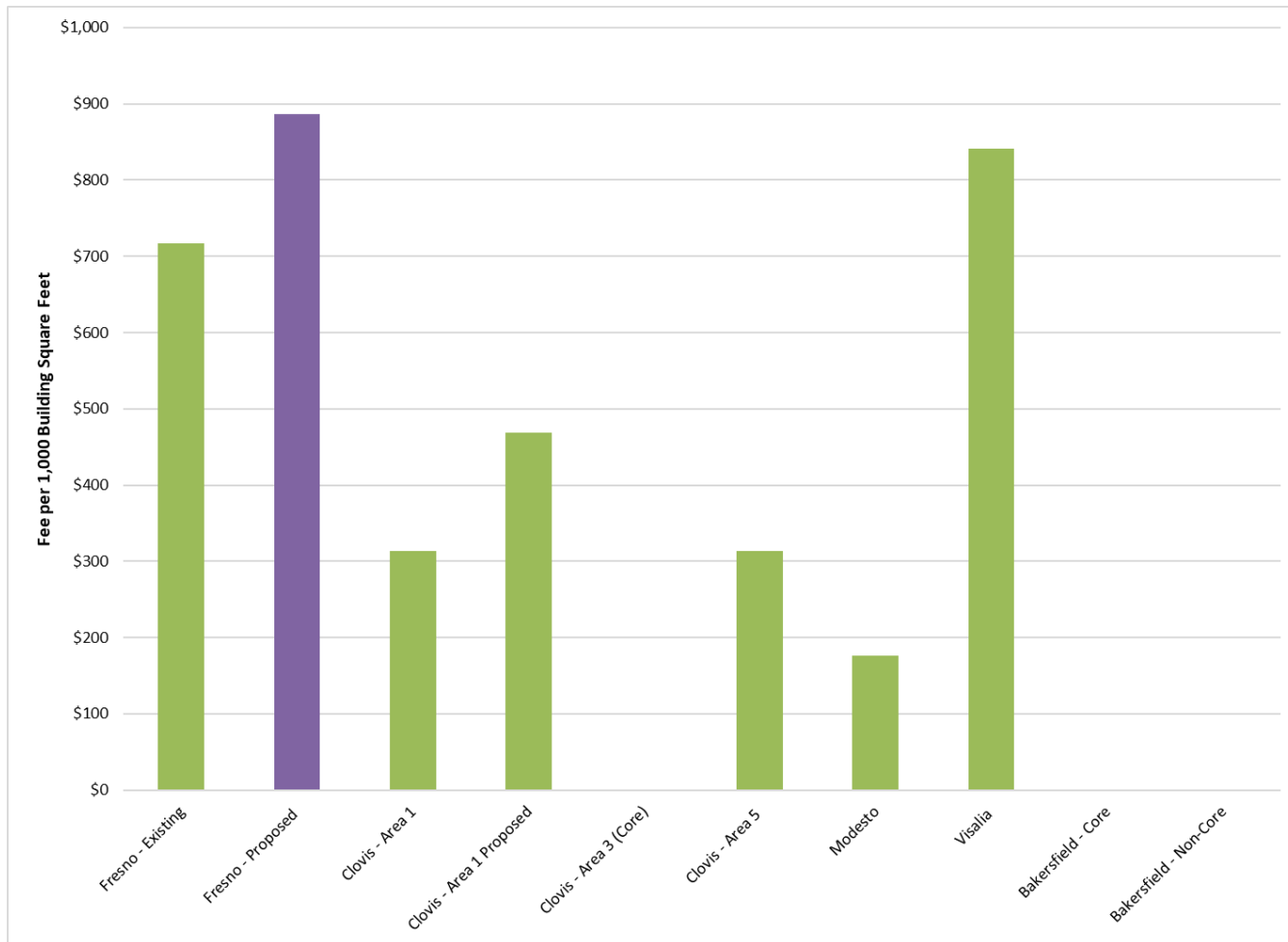
REGIONAL IMPACT FEE COMPARISON

SINGLE FAMILY FEES PER DWELLING UNIT – TRANSPORTATION



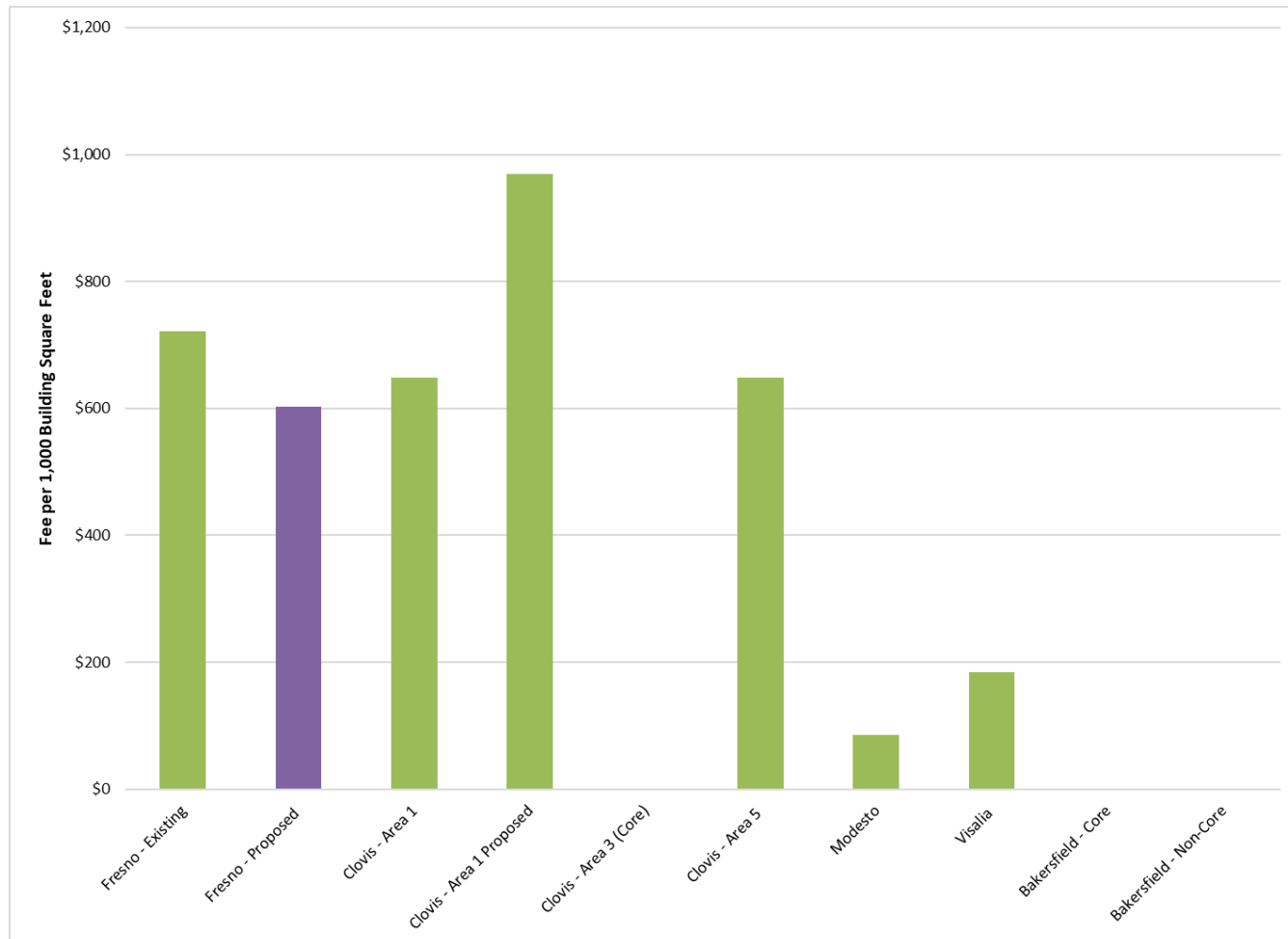
REGIONAL IMPACT FEE COMPARISON

RETAIL FEES PER 1,000 BLDG. SQ. FT. – POLICE



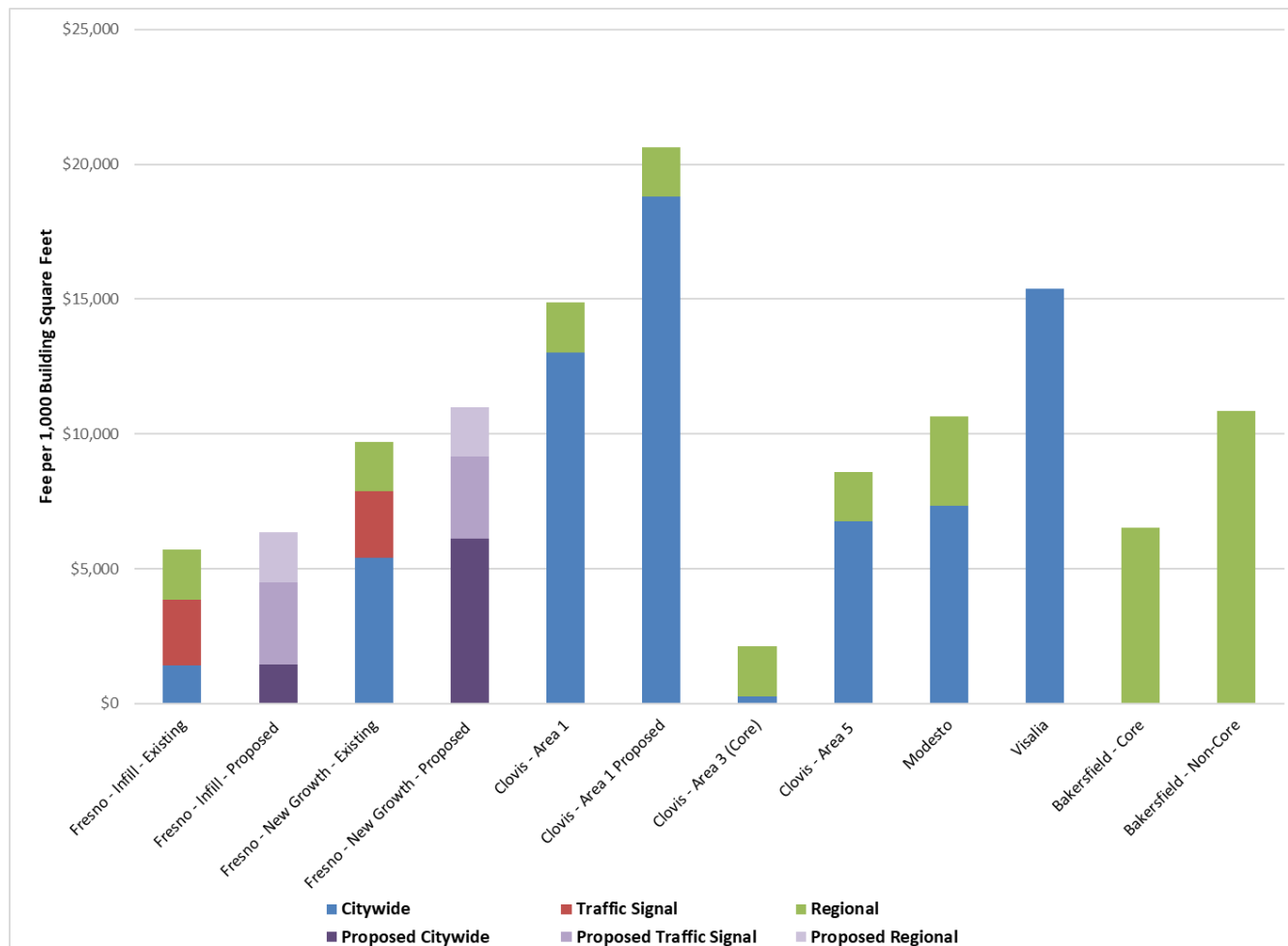
REGIONAL IMPACT FEE COMPARISON

RETAIL FEES PER 1,000 BLDG. SQ. FT. – FIRE



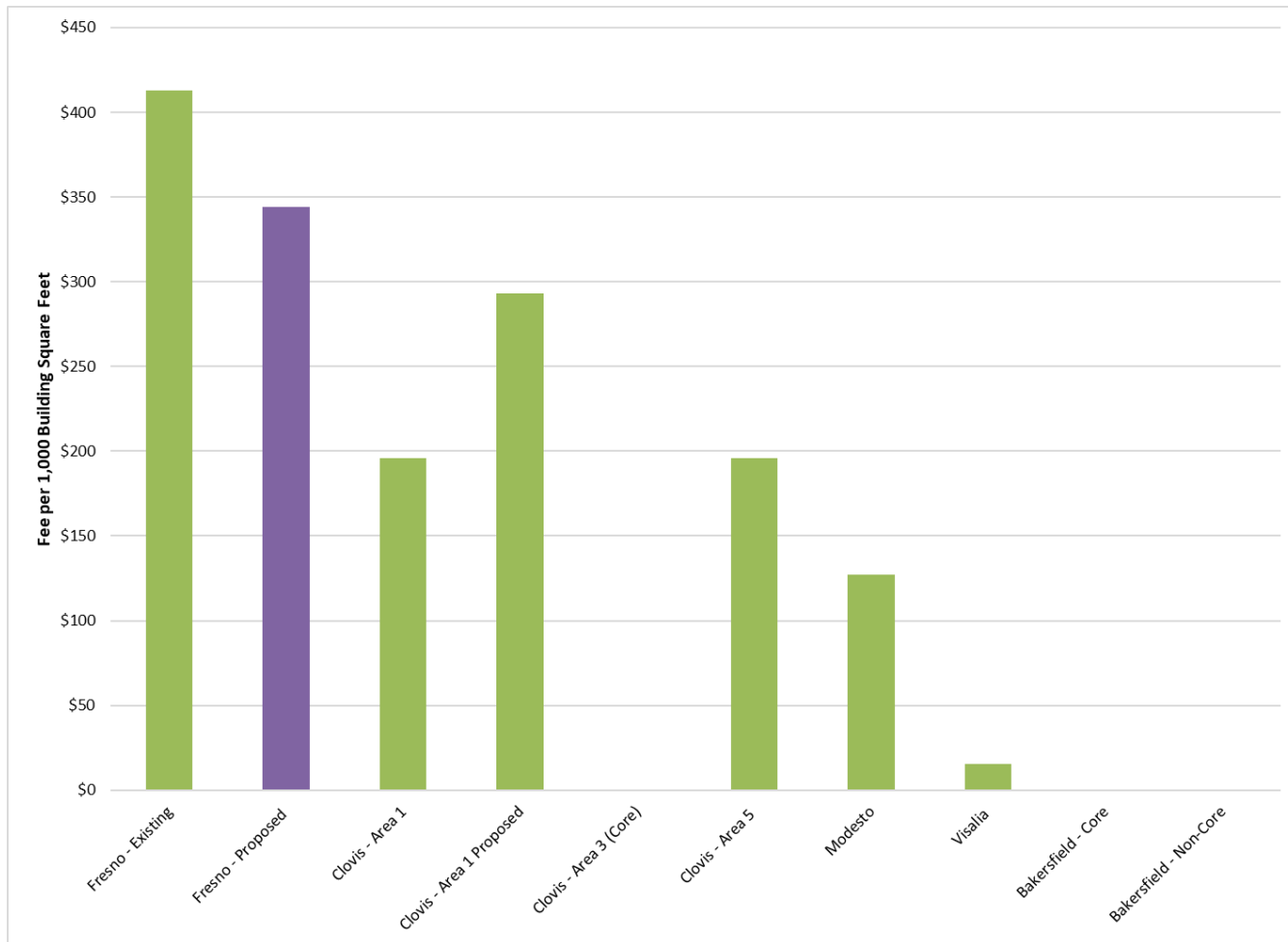
REGIONAL IMPACT FEE COMPARISON

RETAIL FEES PER 1,000 BLDG. SQ. FT. – TRANSPORTATION



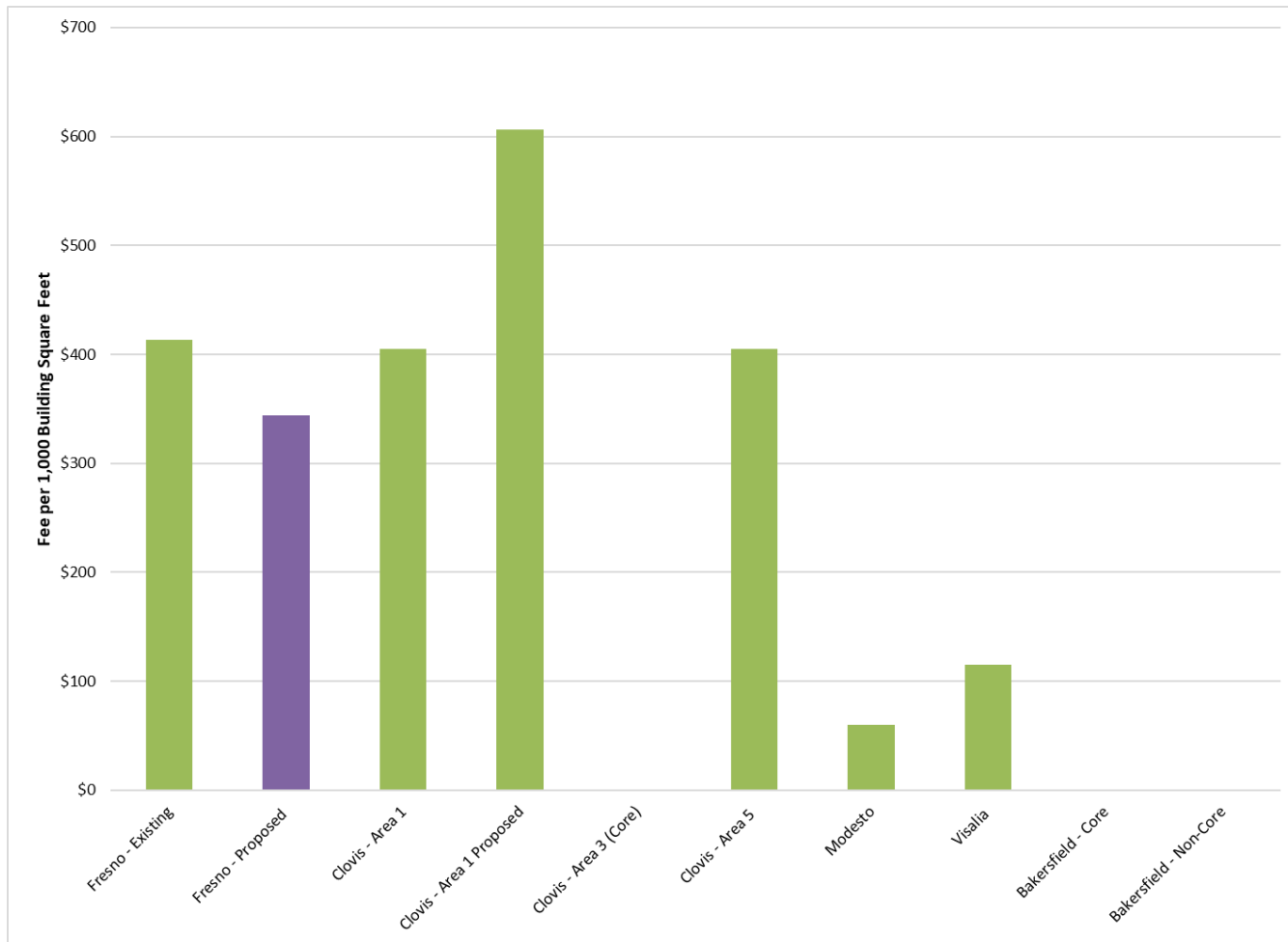
REGIONAL IMPACT FEE COMPARISON

INDUSTRIAL FEES PER 1,000 BLDG. SQ. FT. – POLICE



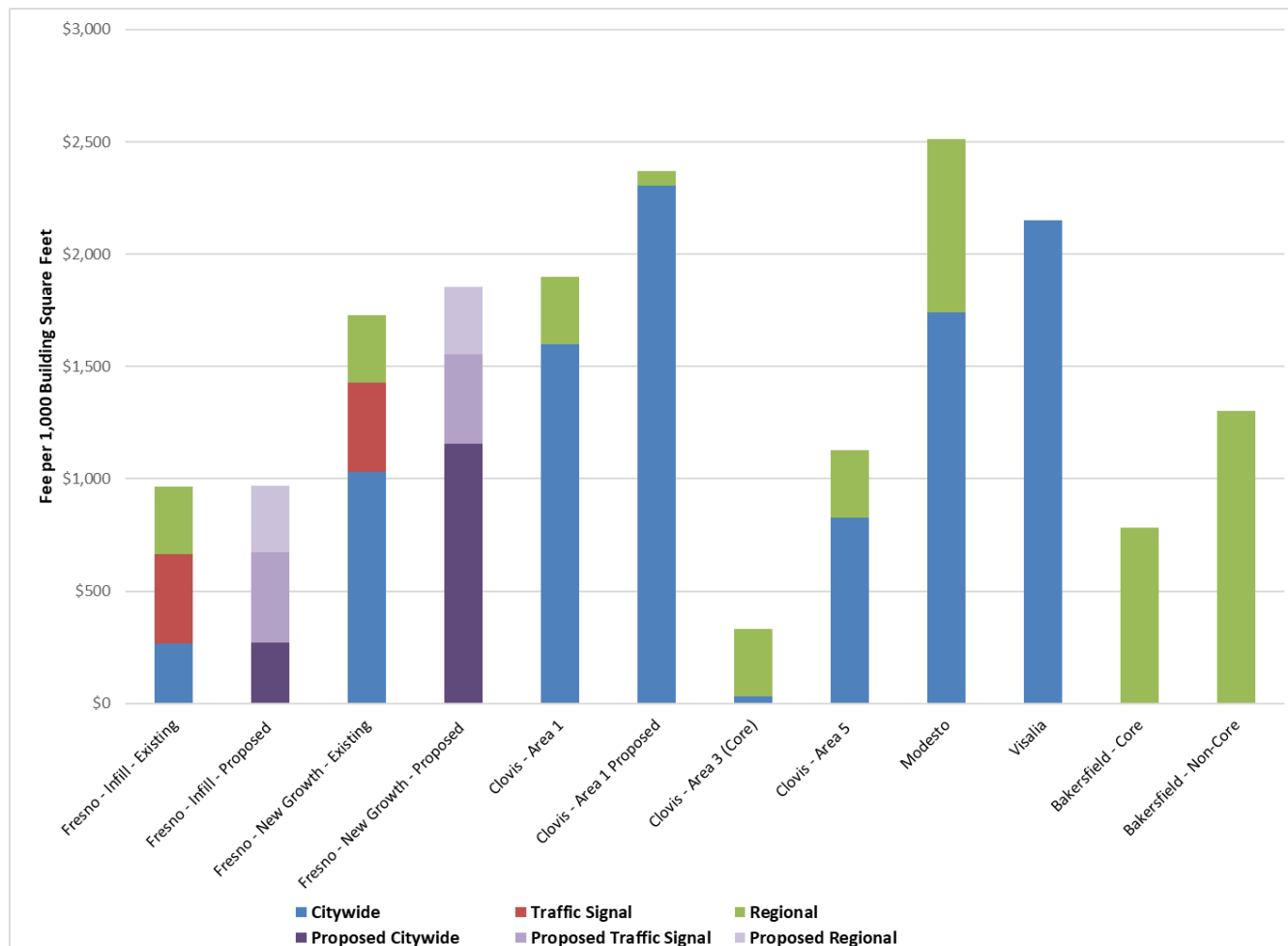
REGIONAL IMPACT FEE COMPARISON

INDUSTRIAL FEES PER 1,000 BLDG. SQ. FT. – FIRE



REGIONAL IMPACT FEE COMPARISON

INDUSTRIAL FEES PER 1,000 BLDG. SQ. FT. – TRANSPORTATION



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