

**Annual Impact Fee Report
For the City of South San Francisco
For Fiscal Year 2018-19**

This report contains information on the City of South San Francisco's development impact fees for Fiscal Year 2018-19. This information is presented to comply with the annual reporting requirements contained in Government Code section 66000 *et seq.* Please note that this annual report is not a budget document, but rather is compiled to meet reporting requirements. It is not intended to represent a full picture of currently planned projects as it only reports project information, revenues and expenditures for Fiscal Year 2018-19.

Government Code Section 66006 requires local agencies to submit annual reports outlining certain specified information regarding the status of development impact fees. In addition, Government Code Section 66001 requires local agencies to submit five-year reports with additional categories of information detailing the status of development impact fees. The annual report must be made available to the public within 180 days after the last day of the fiscal year, and must be presented to the public agency (City Council) at least 15 days after it is made available to the public.

This report summarizes the following annual reporting information for each of the development impact fee programs required under Government Code Section 66006:

1. A brief description of the fee program.
2. The amount of the fee.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned, and transfers/loans.
5. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
6. A description of each interfund transfer or loan, the date the loan will be repaid, the rate of interest, and a description of the public improvement on which the transferred or loaned fees will be expended.
7. The estimated date when projects will begin if sufficient revenues are available to construct the project.
8. The amount of refunds made to property owners.

This report also summarizes the following five-year reporting information for the Oyster Point Interchange Impact Fee program as required under Government Code Section 66001:

1. The purpose to which the fee is to be put.
2. The reasonable relationship between the fee and the purpose for which it is charged.
3. All sources and amounts of funding anticipated to complete financing in incomplete improvements.
4. The approximate dates on which the funding referred to in subparagraph (3) above is expected to be deposited into the appropriate account or fund.

In addition, this report contains information on the City of South San Francisco's sewer capacity charges. Government Code Section 66013 requires local agencies to submit annual reports detailing the status of sewer capacity charges. The annual report must be made available to the public within 180 days after the last day of each fiscal year. This report summarizes the following information for the sewer capacity charges:

1. A description of the charges deposited in the fund.
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.
3. The amount of charges collected in that fiscal year.
4. An identification of all of the following:
 - a. Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.
 - b. Each public improvement on which charges were expended that was completed during that fiscal year.
 - c. Each public improvement that is anticipated to be undertaken in the following fiscal year.
5. A description of each interfund transfer or loan from the capital facilities fund, the date the loan will be repaid, and the rate of interest. In the case of an interfund transfer, the report identifies the public improvements on which the transferred moneys are or will be expended.

More detailed information on certain elements of the various fee programs is available through other documents such as nexus studies, master plans, capital improvement programs, and budgets.

The City does not typically earmark impact fees for any specific project as the revenues are collected, but rather the revenues are applied toward a series of capital improvement projects as

outlined in the nexus studies, such as a future sewer infrastructure, transportation infrastructure, and other capital facilities.

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Bicycle and Pedestrian Impact Fee Program

The nexus study for this citywide impact fee program was adopted by the City Council in 2017. The study identified the need to support the Bicycle Master Plan adopted by the City in February 2011 by Resolution 23-2011. The study justified the need to provide sufficient funding to achieve the City's goal of maintaining bicycle and pedestrian infrastructure and improvements for residents, employees, and visitors of the City in accordance with the standards established in the General Plan. The Bicycle Master Plan recommends the completion of the City's existing network of bicycle paths, lanes, and routes.

Annual Reporting Information:

1. The purpose of the Bicycle and Pedestrian Impact Fee Program is to provide sufficient funding for bicycle and pedestrian improvements that are necessary due to development projects that generate additional daily trips that place additional demands on bicycle and pedestrian infrastructures in the city.
2. Refer to page 25 of this report for the fee schedule outlining the amount of the Bicycle and Pedestrian Impact Fee.
3. Refer to page 7 of this report for the beginning and ending balance of the account for the Bicycle and Pedestrian Impact Fee.
4. See page 7 of this report for the amount of Bicycle and Pedestrian Impact Fees that have been collected, and interest earned.
5. There have been no projects completed during Fiscal Year 2018-19 using the Bicycle and Pedestrian Impact Fee funding.
6. The approximate date for funding and execution of projects will be determined, at the discretion of the City Council, when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There were no potential refunds to property owners.

Bicycle and Pedestrian Impact Fee Program (Fund 822)

This citywide development impact fee program funds bicycle and pedestrian improvements for the development projects that generate additional daily trips that place additional demands on bicycle and pedestrian infrastructures in the city.

Beginning balance, July 1, 2018	\$926	
Additions		
Bicycle and pedestrian impact fees collected	\$49,601	
Interest earned	<u>\$746</u>	
Total additions	\$51,273	
Disbursements		<u>% Fee Funded</u>
Unrealized losses		
Projects		
Total disbursements	\$0	
Remaining balance as of June 30, 2019	<u>\$51,273</u>	
Planned projects for Fiscal Year 2019-20		<u>% Fee Funded</u>
There are no planned projects for		
Fiscal Year 2019-20	0	
Remaining balance after planned projects	\$ <u>51,273</u>	

Childcare Impact Fee Program

The nexus study for this citywide impact fee program was adopted by the City Council in 2001. The study identified the need for new and expanded child care facilities in the City. Updates since 2001 to this fee program have included a periodic inflation adjustment. The fee program includes a 5% administrative fee. The estimated cost of the new and expanded facilities included in the nexus study totaled \$43.9 million. The nexus study identified new development's share of the cost as 24.6% of the total new and expanded facilities cost. The expected development impact fee revenue was estimated at \$11.3 million, which includes administrative costs of 5% of total fee revenue. Existing development's share of the cost is \$33.1 million (75.4% of new facilities) which must be funded with other funding sources such as the City's General Fund, grants, developer contributions, and Community Development Block Grants.

Annual Reporting Information:

1. The purpose of the Childcare Impact Fee Program is to provide new development's share of funding for new and expanded childcare facilities required at build-out of the City.
2. Refer to page 25 of this report for the fee schedule outlining the amount of the Childcare Impact Fee.
3. Refer to page 9 of this report for the beginning and ending balance of the account for the Childcare Impact Fee.
4. See page 9 of this report for the amount of the Childcare Impact Fees that have been collected, and interest earned.
5. There was one projected worked on during Fiscal Year 2018-19 using the Childcare Impact Fee funding.
6. The approximate date for funding and constructing future facilities will be determined, at the discretion of the City Council, when adequate additional funds for facility construction have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds to property owners.

Childcare Impact Fee (Fund 830)

This citywide development impact fee program funds new development's fair share of new and expanded childcare facilities to serve the City.

Beginning balance, July 1, 2018		\$4,692,411	
Additions			
Childcare impact fees collected	\$747,845		
Interest earned	<u>172,624</u>		
Total additions		920,469	
Disbursements			
			<u>% Fee Funded</u>
City administration	2,652		100%
Projects			
Orange Library Conversation Feasibility Study (pf1807)	<u>73,500</u>		100%
Total disbursements		<u>(76,152)</u>	
Remaining balance as of June 30, 2019		\$5,536,728	
Planned projects for Fiscal Year 2019/20			
			<u>% Fee Funded</u>
There are no planned projects for Fiscal Year 2019/20	0		100
Remaining balance after planned projects		\$5,536,728	

Park Land Acquisition Fee

The nexus study for this impact fee program was adopted by the City Council in 2017. Ordinance 1520-2016 amended the Municipal Code to include Chapter 8.67 adopting the parkland acquisition fee and park construction fee. The purpose of this fee is to provide funding to meet the goals set forth by the General Plan, the Parks + Recreation Master Plan, and the East of 101 Area Plan, which require acquiring 3 acres of park land per 1,000 future residents and ½ an acre per 1,000 new employees. This fee differs from the City's Quimby Act fee in Section 19.24.040 et seq of the Municipal Code. The Quimby Act allows for the imposition of land dedication requirements and in-lieu fees for residential subdivisions; it does not apply to other types of residential development projects or commercial development projects. The Park Land Acquisition Fee is applied to residential and non-residential development projects in order to support the demands for parks and recreation spaces generated by new residents of residential development projects and new employees of non-residential development projects. The nexus study calculated the fee for park land acquisition based on the number of residents generated by each new type of residential unit and the number of employees per 1,000 square feet in non-residential development projects. The City adopted the Park Land Acquisition Fee under the authority of the Mitigation Fee Act.

Annual Reporting Information:

1. The purpose of the Park Land Acquisition Fee fund is to provide new development's share of funding for acquiring new parks and recreation spaces at a rate of 3 acres per 1,000 new residents in multifamily development projects and 0.5 acres per 1,000 new employees in commercial development projects.
2. Refer to page 25 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 11 of this report for the beginning and ending balance for the account of this fee.
4. Refer to page 11 of this report for the amount of fees collected and interest earned.
5. There have been no projects completed during Fiscal Year 2018-19 using the Park Land Acquisition fee funding.
6. The approximate date for funding and acquiring park land will be determined, at the discretion of the City Council, when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds to property owner.

Park Land Acquisition Fee (Fund 805)

This citywide development impact fee program funds new development's fair share for acquiring new park and recreation spaces.

Beginning balance, July 1, 2018		\$54,664	
Additions			
Park land acquisition fees collected	\$294,649		
Interest earned	<u>16,622</u>		
Total additions		311,271	
Disbursements	0		<u>% Fee Funded</u>
Unrealized losses	0		%
Projects	<u>0</u>		
Total disbursements		<u>0</u>	
Remaining balance as of June 30, 2019		<u>\$365,935</u>	
Planned projects for Fiscal Year 2019/20			<u>% Fee Funded</u>
There are no planned projects for Fiscal Year 2019/20	0		
Remaining balance after planned projects		\$365,935	

Park Construction Fee

The nexus study for this impact fee program was adopted by the City Council in 2017. Ordinance 1520-2016 amended the Municipal Code to include Chapter 8.67 adopting the parkland acquisition fee and park construction fee. The purpose of the Park Construction Fee is to provide funding for the construction of park facilities and improvements on the park land acquired by other fees. The General Plan, the Parks + Recreation Master Plan, and the East of 101 Area Plan call for 3 acres of park land and facilities per 1,000 new residents and ½ an acre of park land and facilities per 1,000 new employees. The nexus study estimated the hard construction and soft costs at \$981,250 per acre, which were subsequently increased to \$1,019,911 per acre, based on the incremental change in the Construction Cost Index (CCI). The City will incur the costs of administering the fee program and preparing analyses and reports related to it.

Annual Reporting Information:

1. The purpose of the Park Construction Fee fund is to provide new development's share of funding developing new parks and recreation spaces at a rate of 3 acres per 1,000 new residents in multifamily development projects and 0.5 acres per 1,000 new employees in commercial development projects.
2. Refer to page 26 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 13 of this report for the beginning and ending balance for the account of this fee.
4. Refer to page 13 of this report for the amount of fees collected and interest earned.
5. Three projects were worked on during Fiscal Year 2018-19 using the Park Construction Fee fund, refer to page 13 of this report for an identification of public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
6. The approximate date for further funding and developing park land and recreation facilities will be determined, at the discretion of the City Council, when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds to property owners.

Park Construction Fee (Fund 806)

This citywide development impact fee program funds new development's fair share for developing new park and recreation spaces.

Beginning balance, July 1, 2018	\$17,619	
Additions		
Park construction fees collected	\$2,092,001	
Interest earned	<u>20,812</u>	
Total additions	2,112,813	
Disbursements		
Projects		<u>% Fee Funded</u>
Sellick Park Renovation Project (pk1803)	9,621	100%
Buri Buri Field & Court Improvements (pk1804)	1,800	100%
Avalon Parks Improvements (pk1805)	2,497	100%
Total disbursements	<u>(13,918)</u>	
Remaining balance as of June 30, 2019	<u>\$2,116,514</u>	
Planned projects for Fiscal Year 2019/20		
There are no planned projects for Fiscal Year 2019/20		<u>% Fee Funded</u>
Remaining balance after planned projects	\$2,116,541	

Public Safety Impact Fee Program

The nexus study for this citywide impact fee program was adopted by the City Council in 2012. The study identified the need for new and expanded public safety capital facility and equipment to support new development projects. This fee program also includes an annual inflation adjustment. The fee program includes a 2% administrative fee. The estimated cost of the new and expanded public safety equipment and facilities included in the nexus study totaled \$40.4 million. The nexus study identified new development's share of the cost at \$10.4 million (25.6% of the total new and expanded equipment and facilities cost). Existing development's share of the cost is \$30.0 million (74.4% of new equipment and facilities) which must be funded with other funding sources such as the City's General Fund, grants, or developer contributions.

Annual Reporting Information:

1. The Public Safety Impact Fee is collected to provide new development's share of funding for new and expanded public safety capital facility and equipment required at build out of the City.
2. Refer to page 26 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 15 of this report for the beginning and ending balance for the account of this fee.
4. Refer to page 15 of this report for the amount of fees collected and interest earned.
5. Three projects were worked on during Fiscal Year 2018-19 using the Public Safety Impact Fee fund, refer to page 15 of this report for an identification of public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
6. The approximate date for further funding and constructing facilities and procuring future equipment identified in the nexus study will be determined when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds to property owners.

Public Safety Impact Fee (Fund 821)

This citywide development impact fee program funds new development's fair share of new and expanded capital facility and equipment to serve the City.

Beginning balance, July 1, 2018	\$836,038	
Additions		
Public Safety impact fees collected – Fire	\$356,109	
Public Safety impact fees collected - Police	89,352	
Interest earned	<u>33,639</u>	
Total additions	479,100	
Disbursements		
		<u>% Fee Funded</u>
Unimac PPE Dryer Purchases	4,391	25.6%
Training Tower Maintenance (pf1704)	3,328	25.6%
Station Alert Package (5 Stations) (pf1706)	6,189	25.6%
Total disbursements	<u>(13,908)</u>	
Remaining balance as of June 30, 2019	\$1,301,230	
Planned projects for Fiscal Year 2019/20		
		<u>% Fee Funded</u>
Fire Station 64 Dormitory & Bathroom Remodel (pf1805)	<u>76,200</u>	25.6%
Total planned projects	<u>(76,200)</u>	
Remaining balance after planned projects	\$1,225,030	

Oyster Point Interchange Impact Fee Program

The City Council adopted this plan area fee program on May 23, 1984 using a February 1983 Feasibility Study prepared by Nolte and Associates in conjunction with Resolution No. 71-84 which created the “Oyster Point Contribution Formula”. The 1983 Feasibility Study identified the need for the Oyster Point Interchange project which was, at that time, referred to as the grade separation project.

Updates to the fee program since 1984 include the following:

1. An ongoing monthly inflation adjustment.
2. June 26, 1996, fee program change via Resolution No. 102-96 included adjustments for:
 - a. the inflationary index that reduced the fee by approximately 22%,
 - b. the project description which increased the scope of the project to include the Terrabay hook ramps and the southbound off-ramp flyover, and the use of more current trip generation rates
3. October 9, 1996 fee program change via Resolution No. 152-96 that added additional land uses with their associated trip generation rates.

The Feasibility Study identified new development’s share of the grade separation project cost at 64.8% and existing development’s share of the cost at 35.2%. The grade separation was completed and funded in 1995 and is not part of this annual report. The increased scope portion of the project, added in 1996, was identified as being 100% the responsibility of new development. Of this additional scope, the flyover, estimated to cost \$6.4 million, was completed in 2005, and the hook ramps, estimated to cost \$15 million, were completed in October 2006. Additional work relating to property transfers and gaining final Caltrans project acceptance is on-going.

Required 5-Year Findings for Unexpended Funds/Annual Reporting Requirements

1. The purpose of the Oyster Point Interchange Impact Fee Program is to provide new development’s share of funding for this project required at build-out of the plan area.
2. Refer to page 18 of this report for the beginning and ending balance of the account for this fee.
3. Refer to page 18 of this report for the amount of fees collected and interest earned.
4. The reasonable relationship between the Oyster Point interchange impact fee and the purpose for which it is charged is demonstrated in the 1983 Feasibility Study by Nolte and Associates, and in the fee program updates in Resolution No. 102-96 and Resolution No. 152-96. As of June 30, 2019, there continues to be a need for Oyster Point Interchange Impact fees due to further developments in that area of South San Francisco.

5. The sources and amounts of funding anticipated for Oyster Point Interchange projects can be found in the updates adopted via Resolution No. 102-96 and Resolution No. 152-96. Additional working relating to property transfers and gaining final Caltrans project acceptance is on-going.
6. Buildout in the Oyster Point Interchange area is ongoing due to further developments in South San Francisco. The City's buildout is assumed to occur over a 20-year period, which is consistent with the General Plan.
7. There are currently no planned projects for Oyster Point Interchange impact fees.
8. The fund has one loan from the former Redevelopment Agency, please refer to page 18 of this report. The amount owed as of June 30, 2019, is approximately \$4.8 million. Since the dissolution of the Redevelopment Agency in 2012, the interest rate charged by the Successor Agency is 0%. The loan is repaid as new impact fee revenue is received. Given that the amount of future impact fee revenue is unknown, the repayment date is unknown. There were no other interfund transfers or loans.
9. There are no potential refunds of Oyster Point Interchange Impact Fees to property owners.
10. Refer to page 27 of this report for the fee schedule outlining the amount of the Oyster Point Interchange Impact Fee.

Oyster Point Interchange Impact Fee (Fund 840)

This plan area development impact fee program funds new development's fair share of the Oyster Point Interchange project.

Beginning balance, July 1, 2018		\$29,811	
Additions			
Fees collected	\$3,460,060		
Interest earned	<u>46,385</u>		
Total additions		3,506,445	
Disbursements			
Projects	0		<u>% Fee Funded</u>
Repayment of RDA Loan	<u>3,464,000</u>		100%
Total disbursements		<u>(3,464,000)</u>	
Remaining balance as of June 30, 2019		\$72,256	
Planned Projects for Fiscal Year 2019/20			
There are no planned projects for Fiscal Year 2019/20			<u>% Fee Funded</u>
Remaining Balance After Planned Projects			
		\$72,256	
Loans to Oyster Point Interchange Fee Fund from Successor Agency to RDA			
			<u>Due Date and Interest Rate</u>
Balance, July 1, 2018	8,309,152		None & None
Less payment during fiscal year	<u>(3,464,000)</u>		
Balance, June 30, 2019		(4,845,152)	
Fees available (future fees required) for current and completed projects [1]		<u>\$(4,772,896)</u>	

[1] Includes the Successor Agency loan of \$10.7 million.

Sewer Impact Fee Program

The 2002 nexus study for this plan area fee was adopted by the City Council in 2002. The study identified the need for new and rehabilitated sewer collection and treatment facilities to serve the area located east of US 101 in the City of South San Francisco. This fee program also includes an annual inflation adjustment. The estimated cost of the 20 new and expanded sewer projects included in the study totaled \$21.4 million. The study identified new development's share of the cost of the required facilities at \$15.5 million (72.4% of the total new and expanded facilities cost) while existing development's share of the cost (existing deficiency) is \$5.9 million (27.6% of new facilities). New development's share of the cost, \$15.5 million, was increased to include some master planning costs (\$425,000) and some CEQA reviewing costs (\$600,000) for a total cost to new development of \$16,425,000. Of that amount, \$12,429,000 was to be sewer impact fee funded and \$4,066,000 was to be funded directly by developer contributions. Of the twenty total projects listed in the nexus study, eleven projects are either fully or partially funded with the sewer impact fee funds, four are existing development's responsibility, four are to be funded by developer contributions, and one is to be funded with a combination of developer contributions and revenues from existing development. Existing development's share will be funded with the sewer charges appearing on property tax bills as a direct levy.

Annual Reporting Information

1. The purpose of the Sewer Impact Fee Program is to provide new development's share of funding for new and rehabilitated sewer collection and treatment facilities to serve the area located east of US 101 at build-out of the plan area.
2. Refer to page 27 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 20 of this report for the beginning and ending balance of the account for this fee.
4. Refer to page 20 of this report for the amount of fees collected, and interest earned.
5. There was one project that was partially funded in FY 2018-19 using the Sewer Impact Fee program funding, refer to page 20 of this report for an identification of public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
6. The approximate date for funding and constructing additional future facilities and infrastructure will be determined when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds of Sewer Impact Fees to property owners.

Sewer Impact Fee (Fund 810)

This plan area development impact fee program funds new development's fair share of new and rehabilitated sewer collection and treatment facilities to serve the area located east of US 101 in the City.

Beginning balance, July 1, 2018		\$2,838,902	
Additions			
Fees collected	\$1,781,407		
Interest earned	100,304		
Net Fee Credit Permits	<u>0</u>		
Total additions		1,881,711	
Disbursements			
City administration	2,652		<u>% Fee Funded</u> 100%
Pump Station #2 Upgrade (ss1702)	281,827		100%
Total Disbursements		<u>(284,479)</u>	
Remaining balance as of June 30, 2019		\$4,436,134	
Planned Projects for Fiscal Year 2019/20			
There are no planned projects for Fiscal Year 2019/20			<u>% Fee Funded</u>
Fees available (future fees required) for current and completed projects [1]		\$(1,825,537)	
[1] Includes the \$2.0 million developer prepayment.			

Traffic Impact Fee Program

The 2001 nexus study for this plan area fee was adopted by the City Council in 2002. The study identified the need for new and expanded roadway and intersection improvements to serve the area located east of US 101 in the City of South San Francisco. The study was updated on May 6, 2005, and on July 19, 2007. This fee program includes an annual inflation adjustment and a 2.5% administrative fee. The estimated cost of the new and expanded facilities included in the 2007 study totaled \$38.5 million (\$32.4 million in net cost after accounting for fees already received). There are 26 road improvements listed in the 2007 study and two studies for a total of 28 projects. The study determined that new development would be responsible for 100% of the cost of the 28 projects.

Annual Reporting Information

1. The purpose of the Traffic Impact Fee Program is to provide new development's share of funding for new and expanded roadway and intersection improvements to serve the area located east of US 101 at build-out of the plan area.
2. See page 27 of this report for the fee schedule outlining the amount of the fee.
3. See page 22 of this report for beginning and ending balance of the account for this fee.
4. See page 22 of this report for the amount of fees collected and interest earned.
5. Of the approximate \$12.4 million of unexpended traffic impact fee revenue, \$701,000 was spent in Fiscal Year 2018-19 (refer to table on page 22). The remaining \$20.5 million will be used to fund projects in subsequent years, such as the design of projects listed in the original and updated fee studies. The approximate date of funding to complete financing of projects identified in the nexus study and the traffic fee study updates is unknown, as the sole source of funding is the traffic impact fee, which is dependent on the implementation of new developments. Of the 26 improvement projects listed in the nexus study, six have been completed. A traffic study, which will prioritize the construction of the new and expanded facilities listed in the nexus study is in progress. The projects currently underway are shown in the Fiscal Year 2019-21 Capital Improvement Program (CIP) budget.
6. The remaining nexus study projects will be programmed in future years' CIP budgets at the discretion of the City Council.
7. There were no interfund transfers or loans.
8. There are no potential refunds of Traffic Impact Fees to property owners.

Traffic Impact Fee (Fund 820)

This plan area development impact fee program funds new development's fair share of new and expanded roadway and intersection improvements east of US 101 to serve the City of South San Francisco.

Beginning balance, July 1, 2018		\$12,459,805	
Additions			
Fees collected	\$8,304,582		
Interest earned	<u>533,381</u>		
Total additions		\$8,837,963	
Disbursements			
City administration	2,652		<u>% Fee Funded</u> 100%
Airport Blvd/Grand Ave (tr1104)	94		100%
Traffic Impact Fees Study (tr1013)	10,091		100%
E. Grand, Gateway & Forbes Intersection (tr1602)	64,859		100%
E. 101 Traffic Model Update (tr1702)	63,113		100%
Adaptive Traffic Control System (tr1901)	536,804		100%
E.101 Traffic Signal IDEA Grant (tr1902)	26,251		100%
Littlefield Ave Extension Feasibility (tr1905)	448		100%
Total disbursements		<u>(704,311)</u>	
Remaining Balance as of June 30, 2019		\$20,593,457	
Planned Projects for Fiscal Year 2019/20			
Oyster Pt & E Grand Corridor Improvements (tr1602)	4,000,000		<u>% Fee Funded</u> 100%
E 101 Traffic Signal IDEA Grant (tr1902)	45,000		100%
Traffic Impact Fees Study (tr1013)	200,000		100%
Adaptive Traffic Control System (tr1901)	200,000		100%
Total planned projects		<u>(4,445,000)</u>	
Remaining balance after planned projects		<u>\$16,148,457</u>	

Sewer Capacity Charge Program

The original analysis was adopted by the City Council in 2000 and annual updates included a preset adjustment to the charges based on borrowing costs. The most current Sewer Capacity Charge Analysis by Bartle Wells & Associates is dated August 26, 2009 and was adopted by the City Council in April of 2010 to be effective in Fiscal Year 2010-11. This analysis identifies the need for sewer collection and treatment capacity in the City of South San Francisco. There are two components to the Sewer Capacity Charge: the capital assets valuation charge and the capital improvements charge. The capital assets charge accounts for the existing value of the sewer collection and treatment system which is calculated using the depreciated replacement cost of the system's assets. The capital assets charge (also called a "buy-in" fee) assigns a value to the benefit that new development receives from the availability of sewer capacity (which existing development has maintained over the years through the sewer rates). The total depreciated replacement value is \$161.6 million, of which 37.2 percent is new development's fair-share, or \$60.1 million. The second component is the charge for future improvements to the system identified in the City's Capital Improvement Program. The total cost of these future improvements is \$84.6 million, the fair-share allocation to new development is 37.2 percent of that amount, or \$29.8 million. The total fair-share is \$90 million. These funds may be used for capital improvements to maintain capacity in the system.

Annual Reporting Information:

1. Refer to page 24 of this report for the beginning and ending balance of the account for the sewer capacity fund, the amount of charges collected, and the interest earned from investment of moneys in the fund.
2. There was one project that was worked on in FY 2018-19 using the sewer capacity charge program. Refer to page 24 of this report for an identification of the public improvement on which charges were expended, the amount of the expenditures on each improvement.
3. Refer to page 24 of this report for an identification of public improvements anticipated to be undertaken in the next fiscal year.
4. The sewer capacity charges do not exceed the estimated reasonable costs of providing the facilities for which the fee is charged (see Cal. Gov. Code § 66013, subd. (a)).
5. The sewer capacity charge's accounting and reporting requirements are being met, i.e., the revenues are kept in a separate fund and the City provides annual reports on the use of the funds collected (see Cal. Gov. Code §§ 66013, subs. (c) and (d)). Since the update for the sewer capacity charges went into effect in Fiscal Year 2010-11, \$1.5 million of collected sewer capacity charges has been spent on Water Quality Control Plant upgrades.
6. There were not any interfund transfers or loans.

Sewer Capacity Charges (Fund 730)

This fee program funds the cost associated with providing collection and treatment capacity to new development, both through the existing infrastructure provided, and through future capital projects not funded by other sources.

Beginning Balance, July 1, 2018	\$9,506,598	
Charges collected	\$2,825,571	
Interest earned	<u>\$361,686</u>	
Total Additions	\$3,187,257	
Disbursements		<u>% Charge Funded</u>
City Administration	\$2,652	100%
Bad Debt	<u>\$(2,100)</u>	
Projects		
WCQP Wet Weather & Digester Improvements (ss1301)	<u>\$369,745</u>	
Total Disbursements	\$370,297	

Remaining Balance, June 30, 2019	\$12,323,558	
<u>Planned Projects for Fiscal Year 2019/20</u>	<u>Amount</u>	<u>% Charge Funded</u>
Pump Station # 2 Upgrade (ss1702)	\$4,500,000	
Remaining Balance After Planned Projects	\$7,823,558	

Bicycle and Pedestrian Impact Fee for Fiscal Year 2018-2019

Land Use Type	ADT per Units or 1,000 square feet	Cost per ADT(*)
Residential, per unit		
Single Family	9.60	\$25.31
Multi-Family	6.70	\$25.31
Mobile Homes	5.00	\$25.31
Non-Residential, per 1,000 square feet		
Office	3.71	\$25.31
Commercial/Retail	14.40	\$25.31
Hotel/Visitor	9.45	\$25.31
Services (rooms)		
Industrial	4.91	\$25.31

Childcare Impact Fee Rates for Fiscal Year 2018-19

Land Use	per Unit or per Gross Sq. Ft. (GSF)
Residential	
Low Density	\$1,979 per unit
Medium Density	\$1,858 per unit
High Density	\$1,851 per unit
Other Residential	\$1.28 per GSF
Commercial/Industrial	
Commercial / Retail	\$0.68 per GSF
Hotel / Visitor Services	\$0.18 per GSF
Office / R&D	\$0.57 per GSF
Other Non-Residential	\$0.54 per GSF

Park Land Acquisition Fee for Fiscal Year 2018-19

Land Use	per Unit or 1,000 Square Feet (SQFT)
Residential	
Single Family	\$21,735 per unit
Duplex to Four-plex	\$18,774 per unit
5 to 19	\$15,939 per unit
20 to 49	\$12,852 per unit
50+	\$11,214 per unit
Mobile Home	\$16,694 per unit
Commercial/Industrial	
Commercial / Retail	\$938 per 1,000 SQFT
Hotel / Visitor Services	\$893 per 1,000 SQFT
Office / R&D	\$833 per 1,000 SQFT
Industrial	\$1,560 per 1,000 SQFT

Park Construction Fee for Fiscal Year 2018-2019

Land Use	per Unit or 1,000 Square Feet (SQFT)
Residential	
Single Family	\$7,389 per unit
Duplex to Four-plex	\$6,383 per unit
5 to 19	\$5,419 per unit
20 to 49	\$4,369 per unit
50+	\$3,812 per unit
Mobile Home	\$5,676 per unit
Commercial/Industrial	
Commercial / Retail	\$2,639 per 1,000 SQFT
Hotel / Visitor Services	\$2,280 per 1,000 SQFT

Public Safety Impact Fee Rates for Fiscal Year 2018-19

Land Use	per Unit or per Square Foot (SF)
Residential	
Low Density	\$1,285 per unit
Medium Density	\$810 per unit
High Density	\$563 per unit
Commercial/Industrial	
Commercial / Retail	\$0.44 per SF
Hotel / Visitor	\$0.42 per SF
Office / R&D	\$0.44 per SF
Industrial	\$0.18 per SF

Oyster Point Interchange Impact Fee Rates for Fiscal Year 2018-19

The impact fee is calculated by multiplying the number of vehicle trips by \$154 and by the percentage increase in the Construction Cost Index (CCI) as published in the Engineering News-Record (ENR) from the date of adoption, when the CCI was 6,552.16, to the current effective CCI.

Vehicle Trips are based on average daily traffic (ADT). The rates shown below are based on 1,000 gross square feet of land use.

The ENR CCI published in April is used to calculate monthly increases. The CCI for April 2017 and 2018 were 11,696.47 and 12,014.72, respectively, resulting in a percentage increase of 2.56%.

Land Use	ADT Trip Rate per 1,000 GSF
General Industrial	5.46
Manufacturing	3.99
Warehousing	4.50
Hotel	10.50
General Office Building	12.30
Research & Development (R&D)	5.30
Restaurant (Dinner House/High Turn-over)	56.30 / 164.40
General Commercial	48.00

Sewer Impact Fee Rates for Fiscal Year 2018-19

Gallons per area x area x \$4.92. The generation rate for all land use is 400 gallons per day per 1,000 square feet of building area.

Traffic Impact Fee Rates for Fiscal Year 2018-19

Area of Building x Land Use Fee where the Land Use Fee is:

R&D = \$6.05 per building sq. ft.

Hotel = \$1,407.23 per room

Commercial = \$25.06 per building sq. ft.

Sewer Capacity Charge for Fiscal Year 2018-19

The fee is updated each calendar year. The fee is currently \$4,785.88 per EDU. An EDU, or Equivalent Dwelling Unit, is the amount and strength of sewage equivalent to that discharged by a single-family residence. $EDU = (0.00347 \times Q) + (0.362 \times BOD) + (0.589 \times TSS)$. Q = gallons

per day of sewage to be discharged; BOD = pounds per day of biochemical oxygen demand to be discharged; TSS = pounds per day of total suspended solids to be discharged.

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