

Report

Foster City Comprehensive Development Impact Fee Nexus Study

The Economics of Land Use



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City of Foster City

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1. Introduction and Results

Introduction

This Nexus Report is designed to provide the City of Foster City 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 Fehr & Peers for transportation as well as input from City of Foster City 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. This Nexus Report provides a legal basis for requiring payment of a development impact fee consistent with Mitigation Fee Act (AB 1600/ Government Code Section 66000 et seq.) and subsequent related legislation. The DIF Program must be approved by the City Council and will be effective 60 days following the City's adoption of the fees.

This Report is designed to support a comprehensive DIF program that will generate funding to support a range of capital improvements necessitated by new growth in the City. It provides the nexus arguments and associated fee calculations for the maximum fees the City can charge for the facilities described herein. The calculated fees are proposed to be collected on a City-wide basis given the broad scope of capital improvements included in this study. While the City may elect to charge lower fees for particular land uses, areas of the city, or across the board, it should consider the implications of doing so on funding for the identified improvements.

Foster City currently has an Quimby Act fee for parkland acquisition and an affordable housing commercial linkage fee. Additionally, the City is undertaking a parallel effort to update its commercial linkage fees.

Legal Context

This Nexus Study is designed to provide the necessary technical analysis to support the Foster City DIF program to be established by a City Ordinance and implemented by Resolution. The Mitigation Fee Act allows the City to adopt, by resolution, the citywide DIF program consistent with the supporting technical analysis and findings provided in this Nexus Report. The Resolution approach to setting the fee allows periodic adjustments of the fee amount that may be necessary over time, without amending the enabling ordinance.

Impact fee revenues are used to cover the cost of constructing capital and infrastructure improvements required to serve new development and growth in the area in which they apply. As such, impact fees must be based on a reasonable nexus, or connection,

between new development and the need for specific capital facilities and improvements. Impact fee revenue cannot be used to cover the operation and maintenance costs of these or any other facilities and infrastructure. In addition, impact fee revenue cannot be collected or used to cover the cost of preexisting infrastructure needs or deficiencies.

In establishing, increasing, or imposing a fee as a condition for the approval of a development project, Government Code 66001(a) and (b) require a local agency to:

1. Identify the purpose of the fee;
2. Identify how the fee is to be used;
3. Determine how a reasonable relationship exists between the fee use and type of development project for which the fee is being used;
4. Determine how the need for the public facility relates to the type of development project for which the fee is imposed; and
5. Show the relationship between the amount of the fee and the cost of the public facility.

In September 2021, the State of California adopted Assembly Bill (AB) 602, which includes several new requirements related to the development and implementation of impact fee programs. The key provisions related to the calculations documented in this Nexus Report are summarized below.

- **Capital Improvement Plan:** AB 602 requires that jurisdictions adopt a capital improvement plan as part of the nexus study process. This adoption can occur at the same time as the fee ordinance adoption. Accordingly, this Nexus Report relies on a Foster City DIF Long-Term Capital Improvement Plan (Foster City DIF CIP) to be approved by the City Council in conjunction with the DIF Program. The Foster City DIF CIP presented in this Nexus Report is derived from the capital improvements identified as part of the Nexus Report and is attached as **Appendix Table A-1**.
- **Explanation of Level of Service and Fee Increase:** AB 602 requires that when applicable, the nexus study identifies the existing level of service for each public facility, identifies the proposed new level of service, and includes an explanation of why the new level of service is appropriate. Since Foster City does not currently have impact fees for Parks, Public Safety, or Transportation, the calculations presented herein provide justification for entirely new fees rather than an increase over an existing amount. This Nexus Report relies on service standards developed in consultation with City staff, based on City planning documents, and with reference to the existing capital facilities and improvements in the City as appropriate and documented herein. The level of service is articulated in the CIP provided in **Appendix A-1**.

All State statutory requirements have been followed in establishing this DIF, as documented in subsequent chapters. **Chapter 6** summarizes the specific findings that explain or demonstrate this nexus. If the DIF is adopted, this Nexus Report and the technical information it contains should be maintained and reviewed periodically by the City to ensure its accuracy and to enable the adequate programming of funding sources. To the extent that infrastructure requirements, costs, and development potential changes over time, the DIF will need to be updated. AB 602 requires the DIF to be updated at least every 8 years. Further information on Program implementation and administration considerations is provided in **Chapter 7**.

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. The DIF revenues will be used to fund:

- **Parks Facilities** – this fee will fund parkland and trail improvements, and recreation facility 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.
- **Transportation Improvements** – this fee will fund needed additions and improvements to the City’s transportation infrastructure to accommodate future transportation volumes associated with new development. These improvements will include infrastructure that supports both vehicles as well as transit, pedestrian, bicycle, and other modes.

Table 1 Summary of Maximum Fee Calculations

Land Use	Parks	Public Safety	Transportation	Total Maximum Fee*
Residential (per unit)				
Single Family Residential	\$14,926	\$1,594	\$2,123	\$18,644
Multifamily Residential	\$11,639	\$1,243	\$1,656	\$14,538
Non-Residential (per Sq.Ft. or Room)				
Office (per Sq. Ft.)	\$10.71	\$1.14	\$3.62	\$15.48
Retail (per Sq. Ft.)	\$5.95	\$0.64	\$2.01	\$8.60
Industrial (per Sq. Ft.)	\$3.51	\$0.38	\$1.19	\$5.07
Hotel (per Room)	\$1,071	\$114	\$362	\$1,548

*Includes 2 percent administration charge.

Source: City of Foster City; Fehr & Peers; 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. As noted above, the City can adopt fees below these maximum nexus-supported levels based on policy considerations. The maximum fee estimates include a 2 percent program administration fee.¹

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 total improvement cost included in the fee program totals \$33.4 million. The Parks improvement costs are entirely attributable to new growth, as described in a later section, and as such 100 percent of the improvement costs are included in the fee program. The Public Safety and Transportation costs allocated to the fee program are based on the portion of the improvement costs attributable to new growth.

Table 2 Revenue Projections and Need for Outside Funding

Item	Total Cost of Improvements	Amount Allocated to DIF Program by Buildout ¹		Additional Funding Needed	
		Amount Included In Fee Program	% of Total Cost	Other Funding Required	Cost Allocation
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>b / (sum of b)</i>	<i>c = a - b</i>	<i>c / a</i>
Parks	\$25,434,509	\$25,434,509	76%	\$0	0.0%
Public Safety	\$21,423,446	\$2,716,392	8%	\$18,707,053	87.3%
Transportation	<u>\$22,200,000</u>	<u>\$5,241,566</u>	<u>16%</u>	<u>\$16,958,434</u>	<u>76.4%</u>
Total	\$69,057,955	\$33,392,467	100%	\$35,665,488	51.6%

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

Source: City of Foster City; Fehr & Peers; Economic & Planning Systems

¹ 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.

2. DIF Methodology and Key Assumptions

This section provides a brief overview of the nexus methodology and key assumptions used in this DIF Nexus Report. 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 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 estimated existing and future population and employment in Foster City through buildout of the current General Plan (in the 2040 - 2042 timeframe) using a variety of third-party sources, as described in the subsequent section.
2. The EPS Team identified the universe of new infrastructure and capital facility improvements needed to serve both existing and future residents and employees. These needs were 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 improvements 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 resources.
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 depending on improvement, available data, and City guidance. In 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 is based on the City's current versus future service population.
5. Once costs have been allocated between new and existing development, they are further distributed among residential and commercial uses to arrive at a cost per resident and a cost per employee. This distribution is based on the proportion of total forecasted service population that is composed of residents and employees, respectively.
6. Once costs are allocated to a "cost per resident" and "cost per employee" basis, they are multiplied by the people per household for each residential fee category or by the employment density for each commercial fee category.

7. A 2 percent charge is added to the fee cover the cost of administering the fee program.

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 – 2042 timeframe). The estimates are used for the following primary purposes in the fee calculation:

- Existing population and employment levels are used to estimate service levels for specific capital improvement categories as well as to ascertain existing needs relative to existing standards.
- Future population and employment growth in the City are the basis for determining future capital facility needs and apportioning these costs between existing and new development.
- 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

The nexus analysis relies on estimated population and employment growth likely to occur by buildout in early 2040. Given the variety of potential outcomes, the projections are based on the average annual growth rates from three (3) third-party sources: (1) Association of Bay Area Governments (ABAG); (2) Foster City Community Development Department Projections 2040; and (3) the City / County Association of Governments of San Mateo County (C/CAG) transportation Model.² EPS did 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.

As summarized in **Table 3**, this approach results in a total population of 36,623 and total employment of 26,638 at buildout. This equates to an increase of 3,434 residents and 3,951 jobs, representing a 10.3 percent and 17.4 percent increase over existing conditions, respectively.

² The existing population and employment represent an average of the three sources described above.

Table 3 Existing Development and Development at Buildout

Item	2020	2040	Growth 2020-2040		Avg. Ann. Growth Rate
			#	%	
ABAG					
Population	33,140	39,070	5,930	17.9%	0.89%
Households	13,055	15,110	2,055	15.7%	0.79%
Jobs	23,700	27,250	3,550	15.0%	0.75%
Foster City CDD					
Population	33,033	34,439	1,406	4.3%	0.21%
Households	13,567	15,720	2,153	15.9%	0.79%
Jobs	19,573	26,045	6,472	33.1%	1.65%
C/CAG¹					
Population	33,393	36,360	2,967	8.9%	0.44%
Households	N / A	N / A	N / A	N / A	N / A
Jobs	24,788	26,620	1,832	7.4%	0.37%
Average					
Population	33,189	36,623	3,434	10.3%	0.52%
Households	13,311	15,415	2,104	15.8%	0.79%
Jobs	22,687	26,638	3,951	17.4%	0.87%

[1] C/CAG estimates provided only for 2015 and 2040. 2020 values were interpolated assuming linear growth.

Source: ABAG; Foster City; C/CAG; Economic & Planning Systems

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 (e.g., amount of time spent in the city, likely utilization of specific infrastructure).

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* 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 42,740. The service population is composed of 33,189 residents and 9,552 employees, with each employee equivalent to .421

residents (e.g., the typical service demand of an employee is about 42 percent of a resident).

Table 4 Service Population Factor Estimate

Item	Existing		Weight ²	Weighted Average	
	#	%			
Employment Status of Foster City Residents¹					
	<i>Formula: a = b * 33,189</i>		<i>b¹</i>	<i>c</i>	<i>= b * c</i>
Not in Labor Force	15,304	46.1%	100%	46.1%	
Employed in the City ³	1,817	5.5%	50%	2.7%	
Employed Outside of the City	<u>16,067</u>	<u>48.4%</u>	67%	<u>32.5%</u>	
Total Residents	33,189	100.0%		81.3%	
Residence Status of Foster City Employees¹					
	<i>Formula: a = b * 22,687</i>		<i>b¹</i>	<i>c</i>	<i>= b * c</i>
Live in the City ³	1,817	8.0%	50%	4.0%	
Live Outside the City	<u>20,870</u>	<u>92.0%</u>	33%	<u>30.2%</u>	
Total Jobs	22,687	100.0%		34.2%	
Employee to Resident Equivalency Factor⁴			(34.2% / 81.3%) =		42.1%
Service Population Calculation					
Amount Attributable to Residents (@ 100%)	33,189	77.7%			
Amount Attributable to Employees (@ 42.1%)	<u>9,552</u>	<u>22.3%</u>			
Total Service Population	42,740	100.0%			

[1] Distributions based on data from U.S. Census (OnTheMap 2019). Total residents and jobs per **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. Assumes 5,840 waking hours per year (16 waking hours per day * 365 days per year), and 1,920 working hours per year (40 work hours per week * 48 work weeks per year). Therefore, employees who live outside the City spend 33% of their waking time in the City (1,920 / 5,840) with access to City services, with the inverse (67%) being true for residents who are employed outside of the City.
 [3] The number of residents who are employed in the City and the number of employees in the City who are residents are the same, representing the same group of unique individuals. This group is reflected both in the Total Residents and the Total Jobs to demonstrate the composition of the totals, with their weighting split evenly between the resident and employee groups.
 [4] Equals weighted average of residents divided by weighted average of employees.

Sources: LEHD OnTheMap 2019; Economic & Planning Systems

At buildout, the service population is projected to reach 47,838, with new growth accounting for about 10.7 percent of the service population total at that time as shown in **Table 5**. New residents are estimated to account for approximately 67 percent of the growth in service population while new employees account for the remaining 33 percent. These proportions are used to allocate costs for many of the facilities included in the DIF, unless otherwise indicated.

Table 5 Forecasted 2040 Service Population Estimate

Item	Existing ¹		Buildout (2040) ²	Net New	
	#	%		#	%
Employment Status of Foster City Residents					
Not in Labor Force	15,304	46.1%	16,888	-	-
Employed in the City	1,817	5.5%	2,005	-	-
Employed Outside of the City	<u>16,067</u>	<u>48.4%</u>	<u>17,730</u>	-	-
Total Residents	33,189	100.0%	36,623	3,434	10.3%
Residence Status of Foster City Employees					
Live in the City	1,817	8.0%	2,134	-	-
Live Outside the City	<u>20,870</u>	<u>92.0%</u>	<u>24,505</u>	-	-
Total Jobs	22,687	100.0%	26,638	3,951	17.4%
Service Population Calculation³					
Amount Attributable to Residents (@ 100%)	33,189		36,623	3,434	67%
Amount Attributable to Employees (@ 42.1%)	<u>9,552</u>		<u>11,215</u>	<u>1,664</u>	<u>33%</u>
Total Service Population	42,740		47,838	5,098	100%
Growth Percentage				10.7%	

[1] Existing Resident and Job totals per **Table 3**, percent distributions per **Table 4**.

[2] Resident and Job totals per **Table 3**. Composition based on existing proportions.

[3] Amount attributable to Employees per **Table 4**.

Source: Economic & Planning Systems

Land Use Density Assumptions

In addition to the demographic calculations described above, the DIF 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 6** and rely on data from the U.S. Census, CoStar, and the City of Foster City.

Table 6 Average Household Size and Density Assumptions

Item	Amount	Source
<u>Residential Densities</u>		
Persons per Single Family Unit	2.93	ACS 2019 5-Year Estimates
Persons per Multifamily Unit	2.29	ACS 2019 5-Year Estimates
<u>Employee Densities¹</u>		
Office (Sq. Ft. per Employee)	200	CoStar Group
Retail (Sq. Ft. per Employee)	360	CoStar Group
Industrial (Sq. Ft. per Employee)	610	CoStar Group
Hotel (Employees per Room)	0.5	City of Foster City - 2015 Commercial Linkage Nexus Study ²

[1] Employment densities for office and retail were derived from CoStar Group using February 2022 self-reported employment and square footage figures for Foster City office tenants and mid-San Mateo County retail tenants; lodging densities are consistent with the 2015 Nexus Study produced by Strategic Economics/Vernazza Wolfe.

[2] Assumes rooms average 500 square feet.

Source: CoStar Group; U.S. Census ACS 2019 5-Year Estimates; City of Foster City; Economic & Planning Systems

3. Parks and Recreation DIF

This Chapter describes the technical methodology for the Parks Facilities fees which includes park facility improvements, walkway and trail improvements, and recreation facilities. The calculations assume that the fee will be assessed on both residential and nonresidential development.

Future Parks Needs and Costs

The amount of new park land improvements and facilities needed to serve future development is calculated by first determining the City’s existing service levels for these facilities. **Table 7** shows the inventory of existing parks, walkways/trails, and recreation facilities based on information provided by City staff and establishes the existing service level of these facilities. As shown, the existing recreation acreage service level (which includes both parks and walkways/trails) is 2.81 acres per 1,000 service population. The existing level standard for other recreation facilities, such as community centers, is 1,765 square feet per 1,000 service population.

Table 7 Foster City Existing Park Inventory and Service Level

Item	Amount	Item	Amount
<u>Parks (Acres)</u>		<u>Walkways / Trails (Acres)</u>	
Arcturus Park	0.75	Levee Pedway	7.76
Baywinds Park	1.30	Arcturus Walkway	0.09
Boat Park	3.18	Pilgrim Walkway (East)	0.19
Boothbay Park	11.21	Constitution Walkway (North)	0.17
Bridgeview Park	3.20	Pilgrim Walkway (West)	0.73
Catamaran Park	5.88	Constitution Walkway (South)	0.70
Edgewater Park	8.53	Walkway / Trail Acreage	9.64
Erckenbrack Park	3.48		
Farragut Park	3.86	<u>Total Recreation Acreage (Parks + Trails)</u>	
Full Park	3.14	Parkland Acreage	110.59
Gateshead Park	0.12	Walkway / Trail Acreage	9.64
Ketch Park	1.60	Total Recreation Acreage	120.23
Killdeer Park	2.42	Existing Recreation Acreage Service Standard¹	2.81
Leo J. Ryan Park	20.73	(Acres per 1,000 Service Population)	
Leo Park	0.02		
Marlin Park	3.13	<u>Other Facilities (Square Feet)</u>	
Pompano Park	0.56	Recreation Center	31,786
Port Royal Park	3.98	Library and Community Center	34,150
Sea Cloud Park	23.90	VIBE Teen Center	9,500
Shad Park	2.16	Subtotal Other Facilities	75,436
Shorebird Park	3.50	Existing Other Facilities Service Standard¹	1,765
Sunfish Park	2.41	(Square Feet per 1,000 Service Population)	
Turnstone Park	1.53		
Parkland Acreage	110.59		

[1] Divides total value by a thousandth of current estimated service population of 42,740 per **Table 5**.

Source: City of Foster City; Economic & Planning Systems

Table 8 calculates the additional acreage of recreation areas and square feet of park-related facilities that are needed to maintain the existing service levels through 2040, then applies costs to arrive at a total park and recreation facility cost to serve growth. As the City has an existing Quimby In-Lieu Fee which covers parkland acquisition cost, this fee study focuses only on park improvements and includes no land costs in the calculation of the fee levels. The existing service levels per 1,000 service population derived in **Table 7** are multiplied by a thousandth of the total net new increase in service population from **Table 5**. As shown, the City will need to improve an additional 14.34 acres of recreational areas (parkland and walkways/trails) and an additional 8,998 square feet of recreational facilities by 2040 to maintain the current service standard and accommodate anticipated new growth.

Table 8 Park Facility Future Needs Calculation

Item	Formula	Assumption / Value
Implied Citywide Existing Service Standards		
Recreation Areas (Acres/1,000 Service Population)	<i>a</i>	2.81 per Table 7 .
Facilities (Sq. Ft./1,000 Service Population)	<i>b</i>	1,765 per Table 7 .
Net New Service Population in 2040	<i>c</i>	5,098 per Table 5 .
Additional Needs to Maintain Existing Standard		
Recreation Areas	$d = c * (a / 1,000)$	14.34 Acres
Facilities	$e = c * (b / 1,000)$	8,998 Square Feet
Recreation Areas Costs		
Site Prep (e.g., demolition, remediation, grading) ¹		\$450,000 per Acre
Construction ¹		<u>\$750,000</u> per Acre
Average Park Improvement Cost	<i>f</i>	\$1,200,000 per Acre
Recreation Area Acres to be Improved by 2040	<i>d</i>	14.34 Acres
Total Park Improvement Cost to Serve Growth	$g = f * d$	\$17,207,926
Other Facilities Costs		
Average Cost per Square Foot of Park-Related Facilities ¹	<i>h</i>	\$914 per Square Foot
Square Feet of Other Facilities to be Constructed by 2040	<i>e</i>	<u>8,998</u> Square Feet
Total Other Facilities Cost to Serve Growth	$i = h * e$	\$8,226,583
Total Park-Related Cost to Serve Growth	$g + i$	\$25,434,509

[1] See **Appendix Table A-1**.

Source: Economic & Planning Systems

As shown in **Table 8**, when the costs for park improvements and park-related facilities (e.g., community centers) are applied to the calculated additional needs required to maintain existing standards, the total park-related cost to serve future growth is \$25.4 million. For details on cost estimates, see **Appendix Table A-1**. Cost for park-related facilities only include construction (i.e., estimates assume no land acquisition is needed).

Cost Allocation and Parks Fee Calculation

The final steps in the park facility calculation are to allocate costs between residential and nonresidential development to arrive at a cost per resident and per employee (i.e., service population). The per unit service population costs are then multiplied by the resident and employee densities of land uses included in the fee study. The park fee is charged based on both residents and employees as both are assumed to use and benefit from the City's park facilities (in terms of park utilization, one resident is equivalent to approximately 0.421 employees).

Table 9 allocates the \$25.4 million in total DIF park-related capital improvements between residents and employees based on the composition of net new service population by 2040. As shown, of the 5,098 estimated new service population, 67 percent of the costs are attributed to residents (based on a 3,434 increase in population) and 33 percent to employment (based on 3,951 new jobs but discounted based on assumption that the impact of a typical employee on park facilities is about 42.1 percent that of a typical resident). This methodology results in \$17.1 million in park-related improvement costs allocated to residents and \$8.3 million allocated to employees. Dividing these numbers by the net future growth in residents and employees results in a \$4,989 cost per resident and a \$2,101 cost per employee.

Table 9 multiplies the future park facility costs per resident and per employee by the assumptions related to persons per household for residential and employees per square foot for commercial land uses (or employees per room for Hotel uses) to arrive at the maximum park fee levels. The amounts shown include a 2 percent administrative fee.

Table 9 Maximum Parks Fee Calculation

Item	Assumption / Factor	Residential	Non-Residential
Future Residential/ Non-Residential Allocation			
% Allocation ¹	see Table 5	67%	33%
Parkland and Improvement Cost ²	\$25,434,509	\$17,134,496	\$8,300,013
Net Future Growth ³		3,434 residents	3,951 jobs
Cost per Resident or Employee		\$4,989	\$2,101
<hr/>			
Land Use	Building Density⁴	Maximum Fees*	
Single Family Residential (per Unit)	2.93 people / unit	\$14,926	
Multifamily Residential (per Unit)	2.29 people / unit	\$11,639	
Office (per Sq.Ft.) ⁵	200 Sq.Ft./Employee		\$10.71
Retail (per Sq.Ft.) ⁶	360 Sq.Ft./Employee		\$5.95
Industrial (per Sq.Ft.) ⁷	610 Sq.Ft./Employee		\$3.51
Hotel (per Room)	0.5 Employee / Room		\$1,071

*Includes 2% Administrative Fee.

[1] Based on residential/non-residential allocation of net new service population per **Table 5**.

[2] Per **Table 8**.

[3] Based on total new residents and total new jobs as shown in **Table 5**.

[4] Per **Table 6**.

[5] Office is defined as any building type designed to accommodate employees of companies that provide administrative, professional, or clerical services. Examples include offices for law, medical, accounting, software, and professional consulting firms.

[6] Retail is defined as any building area designed to accommodate business operators that sell consumer goods and services directly to the public and that is open to the public during business hours. Examples include grocery stores, department stores, and restaurants.

[7] Industrial is defined as any building type designed to accommodate activities such as manufacturing, distribution, processing, maintenance, and storage. Examples include manufacturing plants, warehouses, and most research & development uses.

Source: Economic & Planning Systems

4. Public Safety DIF

This Chapter describes the technical methodology for calculating the Public Safety fees, which include both Police and Fire. Police services in Foster City are provided by the Foster City Police Department (FCPD), and fire services are provided by the San Mateo Consolidated Fire Department (SMCFD), which serves the cities of Foster City, Belmont, and San Mateo. It is assumed that both residential and nonresidential development will pay the Public Safety fees.

Because the SMCFD serves the residents of three cities, EPS has adjusted the portion of capital facility costs that can be attributed to Foster City. The contributions to the SMCFD budget are 20 percent from Foster City, 20 percent from Belmont, and 60 percent from the City of San Mateo. Accordingly, only 20 percent of the costs of any fire-related items included in the fee program can be attributed to Foster City, and only a portion of that can be attributed to new growth, as described in this section.

Public Safety Capital Needs, Cost Estimates, and Cost Allocations

The costs associated with public safety activities fall into four categories: vehicle costs, expansions of existing facilities, new facilities, and a new Emergency Operations Center (EOC). EPS, in consultation with FCPD and SMCFD staff, has estimated the costs for specific upgrades and additions needed for these departments to serve new growth in the City. The fire facilities included were identified by SMCFD staff, and the level of service utilized to identify additions required to serve new growth is based on existing inventory and professional judgment. The upgrades and additions include:

- **Vehicles and Transportation-Related Equipment:** fire engines, patrol cars, and a police motorcycle
- **Facility Improvements:** police locker room, police evidence room, fire training facility, fire mechanic shop, fire administrative office, and Emergency Operations Center improvements.

Table 10 summarizes the costs of the above items, the percent allocation to new development, and the resulting public safety cost allocated to the fee program. Further details regarding the cost allocation calculations are provided in **Appendix Table A-2**, with the cost assumptions shown in **Appendix Table A-1**. As shown, the total Foster City costs of all public safety items sum to \$21.4 million, but only \$2.7 million of this cost is attributable to new growth and therefore included in the fee program.

Table 10 Public Safety Capital Cost and Allocation Summary

Item	Total Cost ¹	Allocation to New Dev. ²	Cost Allocated to Fee Program
Vehicles and Transportation-Related Equipment ³	\$5,567,446	18.4%	\$1,026,695
Facility Improvements ⁴	<u>\$15,856,000</u>	10.7%	<u>\$1,689,698</u>
Total	\$21,423,446		\$2,716,392

*Cost allocation details can be found in **Appendix Table A-2**.

[1] Represents total cost for Foster City, excluding the portions of fire improvement costs that are attributable to other jurisdictions within the San Mateo Consolidated Fire Department (SMCFD) as shown in **Appendix Table A-2**.

[2] The 10.7% allocation represents net new service population growth by 2040 per **Table 5**. The 18.4% allocation reflects the fact that a number of vehicle and transportation-related equipment are attributable entirely to new growth (see **Appendix Table A-2**).

[3] Includes Fire Engines, Patrol Vehicles, and a Police Motorcycle.

[4] Includes expansion of existing facilities (Police locker room and evidence room), new facilities (Fire training facility, mechanic shop, and administrative office), and Emergency Operations Center Technology / Improvements. See **Appendix Table A-2** for details.

Source: City of Foster City; Economic & Planning Systems

The Facility Improvements item in **Table 10** applies a 10.7 percent allocation to new development. This allocation represents the percentage growth in service population by 2040 per **Table 5**. The calculations used to arrive at the 18.4 percent allocation to new growth assigned to Vehicles and Transportation-Related Equipment represents a combination of factors, including deductions for SMCFD multi-jurisdictional responsibilities, as further detailed in **Appendix Table A-2**.

Public Safety Fee Calculations

Table 11 allocates the \$2.7 million in fair share costs attributed to new service population growth between residential and nonresidential development to arrive at a cost per resident and cost per employee. The public safety cost of \$533 per resident and \$224 per employee are multiplied by the assumptions related to persons per household for residential and employees per square foot for commercial land uses (or employees per room for Hotel uses) to arrive at the maximum public safety fee levels. The resulting public safety fees by land use shown in **Table 11** include a 2 percent administrative fee.

Table 11 Public Safety Fee Calculation

Description	Assumption / Factor	Residential	Non-Residential
<u>Future Residential/ Non-Residential Allocation</u>			
% Allocation ¹	see Table 5	67%	33%
Public Safety Improvement Costs ²	\$2,716,392	\$1,829,955	\$886,437
Net Future Growth ³		3,434 residents	3,951 jobs
Cost per Resident or Employee		\$533	\$224
<u>Land Use</u>	<u>Building Density⁴</u>	<u>Maximum Fees*</u>	
Single Family Residential (per Unit)	2.93 people / unit	\$1,594	
Multifamily Residential (per Unit)	2.29 people / unit	\$1,243	
Office (per Sq.Ft.) ⁵	200 Sq.Ft./Employee		\$1.14
Retail (per Sq.Ft.) ⁶	360 Sq.Ft./Employee		\$0.64
Industrial (per Sq.Ft.) ⁷	610 Sq.Ft./Employee		\$0.38
Hotel (per Room)	0.5 Employee / Room		\$114

*Includes 2% Administration Fee

[1] Based on residential/non-residential allocation of net new service population per **Table 5**.

[2] Per **Table 10**.

[3] Based on total new residents and total new jobs as shown in **Table 5**.

[4] Per **Table 6**.

[5] Office is defined as any building type designed to accommodate employees of companies that provide administrative, professional, or clerical services. Examples include offices for law, medical, accounting, software, and professional consulting firms.

[6] Retail is defined as any building area designed to accommodate business operators that sell consumer goods and services directly to the public and that is open to the public during business hours. Examples include grocery stores, department stores, and restaurants.

[7] Industrial is defined as any building type designed to accommodate activities such as manufacturing, distribution, processing, maintenance, and storage. Examples include manufacturing plants, warehouses, and most research & development uses.

Source: Economic & Planning Systems

5. Transportation DIF

This section describes the methodology and assumptions used to calculate the transportation component of the Foster City Impact fee program. Transportation consultant Fehr & Peers (F&P) provided research and technical analysis to support the analysis and assumptions used in this fee calculation.

Transportation Capital Needs, Cost Estimates, and Cost Allocations

Fehr & Peers, in coordination with City staff, developed a list of capital improvement projects for inclusion as part of the Transportation category of the Citywide Development Impact Fee. The projects reflect the goals and objectives in the General Plan Circulation Element, the Pedestrian, Bicycle and Intersection Evaluation Study (2018), and City budget documents, with some project needs determined based on existing service standards as described below. The capital project list has a particular emphasis on improving traffic flow and reducing conflicts for vehicles, bicyclists, and pedestrians through the application of new signalized intersections, upgraded signal infrastructure, and various pedestrian/bicycle safety improvements such as installing new bidirectional curb ramps, curb extensions, and crosswalk improvements.

Table 12 demonstrates the calculation to derive the growth in service population by 2040 as it relates to transportation items. As shown, the fair share allocation to new development used for transportation items is 11.7 percent, which differs from the 10.7 percent used for the other fee categories. This is because the transportation analysis assumes that, per the professional opinion of Fehr & Peers, new residents and employees generate equivalent transportation impacts (the 42.1 percent service population reduction applied to employees in the other fee categories does not apply). The 11.7 percent growth value represents the portion of total employees and residents projected by 2040 that is attributable to growth (7,386 new residents and employees by 2040 divided by 63,261 total residents and employees in 2040).

Table 12 Transportation Service Population Estimate

Item	2020	2040	Growth 2020 - 2040
Population ¹	33,189	36,623	3,434
Jobs ¹	<u>22,687</u>	<u>26,638</u>	<u>3,951</u>
Transportation Service Population ² <i>Growth as a Percent of 2040 Value</i>	55,876	63,261	7,386 11.7%

[1] per **Table 3**.

[2] Represents sum total of Population and Jobs values.

Source: Economic & Planning Systems

Table 13 lists each project, their total costs, and resulting costs allocated to new development and included in the fee program. As shown, the total transportation-related costs included in the fee program sums to \$5.2 million. A more detailed list of these items and their descriptions can be found in **Appendix Table A-1**.

The 11.7 percent allocation to growth is applied to all transportation fee items except for new traffic signals. F&P estimated the need for new traffic signals based on the existing number of signals in the City (i.e., existing service level) multiplied by projected increase in service population. Thus, 100 percent of the traffic signal cost can be attributable to growth. This analysis assumes that the existing number of traffic signals citywide is sufficient to serve the current population and that additional traffic signal needs will increase in proportion to growth. This approach is conservative, because if there are existing deficiencies in the City’s traffic signals, none of those costs are allocated to future development.

Table 13 Transportation Capital Cost and Allocation Summary

Item	Total Cost ¹	Allocation to New Dev. ²	Cost Allocated to Fee Program
New Traffic Signals	\$3,000,000	100.0%	\$3,000,000
Citywide Traffic Signal Upgrade	\$8,000,000	11.7%	\$933,986
101/92 Interchange	\$10,000,000	11.7%	\$1,167,482
Hovercraft Feasibility	\$200,000	11.7%	\$23,350
Pedestrian/Bicycle Improvements	<u>\$1,000,000</u>	11.7%	<u>\$116,748</u>
Total	\$22,200,000		\$5,241,566

[1] The Public Works Department has indicated that some of the items may be eligible for funding from other sources. However, while the exact amount of outside funding has yet to be determined or secured, Public Works has indicated that it will fall well below the proportion of costs allocated to existing development.

[2] The 11.7% allocation represents net new resident and employee growth by 2040 per **Table 12**. Unlike the other fee categories, the allocation used for the transportation items uses the sum of residents and employees with no discount applied for employees. Based on direction from Fehr & Peers, per capita and per employee transportation impacts are roughly equivalent.

Source: Fehr & Peers; Economic & Planning Systems

Transportation Fee Calculations

Table 14 allocates the \$5.2 million in fair share costs attributed to new growth between residential and nonresidential development to arrive at a cost per resident and cost per employee. As noted, because the transportation category does not apply the service population reduction to employee growth, the percent allocation between residential (46 percent) and non-residential (54 percent) differs from the other fee categories because it represents the actual population ratio of residents and employees. The transportation cost of \$710 per resident and per employee is multiplied by the assumptions related to persons per household for residential and employees per square foot for commercial land uses (or employees per room for Hotel uses) to arrive at the maximum transportation fee levels. The resulting public safety fees by land use shown in **Table 14** includes a 2 percent administration fee.

Table 14 Transportation Fee Calculation

Description	Assumption / Factor	Residential	Non-Residential
Future Residential/ Non-Residential Allocation			
% Allocation ¹	see Table 5	46%	54%
Transportation Improvement Costs ²	\$5,241,566	\$2,437,310	\$2,804,256
Net Future Growth ³		3,434 residents	3,951 jobs
Cost per Resident or Employee		\$710	\$710
Land Use	Building Density⁴	Maximum Fees*	
Single Family Residential (per Unit)	2.93 people / unit	\$2,123	
Multifamily Residential (per Unit)	2.29 people / unit	\$1,656	
Office (per Sq.Ft.) ⁵	200 Sq.Ft./Employee		\$3.62
Retail (per Sq.Ft.) ⁶	360 Sq.Ft./Employee		\$2.01
Industrial (per Sq.Ft.) ⁷	610 Sq.Ft./Employee		\$1.19
Hotel (per Room)	0.5 Employee / Room		\$362

*Includes 2% Administration Fee

[1] Based on residential/non-residential allocation of net new population per **Table 5**. Note that this allocation differs from other fee categories as these represent total net new growth in residents and employees with no service population discount applied to employees.

[2] Per **Table 13**.

[3] Based on total new residents and total new jobs as shown in **Table 5**.

[4] Per **Table 6**.

[5] Office is defined as any building type designed to accommodate employees of companies that provide administrative, professional, or clerical services. Examples include offices for law, medical, accounting, software, and professional consulting firms.

[6] Retail is defined as any building area designed to accommodate business operators that sell consumer goods and services directly to the public and that is open to the public during business hours. Examples include grocery stores, department stores, and restaurants.

[7] Industrial is defined as any building type designed to accommodate activities such as manufacturing, distribution, processing, maintenance, and storage. Examples include manufacturing plants, warehouses, and most research & development uses.

Source: Fehr & Peers; Economic & Planning Systems

6. Nexus Findings and DIF Summary

This chapter documents the necessary findings for the approval of a comprehensive DIF program for Foster City DIF, as required under Government Code Section 66000 (also referred to as AB1600/the Mitigation Fee Act). Specifically, it demonstrates the "nexus" between new development in Foster City and the infrastructure improvements needed to serve it. It also summarizes the DIF calculations presented in previous chapters.

Nexus Findings

The development impact fees to be collected for all new development in the Plan Area are calculated based on the proportionate share of the total facility use that these land uses represent. With this context, the following findings are made regarding the Fee Program.

Purpose of Fee

Parks

The fee will help provide parks facilities to serve new development in the City of Foster City, including park improvements, walkways and trails improvements, and recreation facilities.

Public Safety

The fee will help provide public safety facilities, vehicles, and other equipment to serve new development in the City of Foster City.

Transportation

The fee will help provide transportation facilities to serve new development in the City of Foster City.

Use of Fees

Parks

Fee revenue will be used to help fund the improvement of parks and walkways / trails, as well as recreation facilities, to serve new development.

Public Safety

Fee revenue will help fund the expansion or construction of Police and Fire facilities, the improvement of existing buildings, and the acquisition of new vehicles and specialized equipment. A representative list of projects and costs is included in **Appendix Table A-1**.

Transportation

Fee revenue will be used to fund City transportation improvements and planning efforts, including interchange, pedestrian / bicycle safety, and traffic signal improvements required to serve future growth. A representative list of projects and costs is included in **Appendix Table A-1**.

Relationship between Use of Fees and Type of Development

New development in the City of Foster City will require additional public facilities and capital improvements in order to maintain adequate levels of service. The DIF revenue will be used to fund the “fair share” cost of these facilities and improvements based on the nexus relationships described in previous chapters. While some of the infrastructure improvements included in the DIF Long Term CIP will also benefit existing land uses, the cost allocated to the DIF only reflect the cost attributable to new development.

Relationship between Need for Facility and Type of Project

The specific infrastructure improvements identified in this study are designed to accommodate the needs of new development. In addition, the infrastructure is based on the level of service standards and goals that reflect what is currently being providing and / or addresses future needs identified by city staff.

Relationship between Fee Amount and Cost Facilities Attributed to Development

The fee levels calculated in this Nexus Report are based on a fair share cost allocation to new citywide development. Overall, about 11 percent of the costs are allocated to future development, which corresponds with growth as a percentage of future population, with the remainder attributable to existing land uses in the city.

Summary of DIF Calculations

Table 15 summarizes calculations and fee levels for all the DIF categories described in previous chapters. The portion of the total improvement costs included in the DIF are based on each item’s specific allocations between new and existing growth. The DIF costs are then distributed between Residential and Non-Residential land uses based on the composition of net new growth projected by 2040. The costs allocated to residential and non-residential uses are divided by the total net new residents and employees, respectively, to arrive at a cost per resident and cost per employee.

The actual fees are based on the unique land use density assumptions for each land use. Specifically, the costs per resident are multiplied by the persons per household and the costs per employee are divided by the employee density assumptions (except for hotel, which is multiplied by the employees per room assumption). The maximum allowable fee also includes a 2 percent administrative fee for on-going program implementation,

including collection, periodic updates, reporting requirements, and other activities described in **Chapter 7**.

Table 15 DIF Calculation Summary for All Fee Categories

Land Use	Assumptions	Parks	Public Safety	Transportation	Total
Total Cost of Improvements		\$25,434,509	\$21,423,446	\$22,200,000	\$69,057,955
Cost Allocated to New Development / DIF		\$25,434,509	\$2,716,392	\$5,241,566	\$33,392,467
Cost Allocation between:					
Residential		\$17,134,496	\$1,829,955	\$2,437,310	\$21,401,761
Non-Residential		\$8,300,013	\$886,437	\$2,804,256	\$11,990,705
Total Net New:					
Residents	3,434				
Employees	3,951				
Cost per Service Population					
per Resident		\$4,989	\$533	\$710	
per Employee		\$2,101	\$224	\$710	
Residential Fee (per unit)*	Density				
Single Family Residential	2.93	\$14,926	\$1,594	\$2,123	\$18,644
Multifamily Residential	2.29	\$11,639	\$1,243	\$1,656	\$14,538
Non-Residential Fee (per Sq.Ft. or Room)*					
Office (per Sq. Ft.)	200	\$10.71	\$1.14	\$3.62	\$15.48
Retail (per Sq. Ft.)	360	\$5.95	\$0.64	\$2.01	\$8.60
Industrial (per Sq. Ft.)	610	\$3.51	\$0.38	\$1.19	\$5.07
Hotel (per Room)	0.5	\$1,071	\$114	\$362	\$1,548

*Includes 2 percent administration charge.

Source: City of Foster City; Fehr & Peers; Economic & Planning Systems

7. DIF Implementation and Administration

The proposed Foster City DIF Program is anticipated to be adopted by the City of Foster City through an ordinance establishing and authorizing collection of the fee. The City will also adopt a resolution approving the DIF Long-Term Capital Improvement Program and establishing the fee amount. This chapter describes the additional implementation and administrative issues and procedures to be addressed in the Fee Program.

Fee Amount and Collection

As noted, the actual fee levels by land use will need to be approved by the City Council but cannot exceed the maximum allowable fees calculated herein. Other fee collection considerations are described below.

Applicable Land Uses

All new development that occurs within the City of Foster City, except as specifically exempted by the DIF Ordinance, shall pay the DIF based on an approved Fee Schedule made available by the City and updated periodically. The amount will vary by land use, as described in the Nexus Study. While the maximum fee amount will be determined by the AB 1600 Nexus Study, the City may elect to charge less for a variety of reasons.

It is possible that certain projects may not fit neatly into the land use categories defined in the fee schedule. In cases where such ambiguity exists, the City Manager or an authorized representative will need to make a determination as to the applicable fees.

Fee Escalation

The City Fee Ordinance will allow for an automatic adjustment of the DIF to keep pace with inflation adjusted increases in construction cost. This allows the fee level to keep pace with inflation without requiring an annual approval process. This adjustment should be based on a trusted cost index published annually. There are a variety of sources available, including Engineering News Record (ENR), the Bureau of Labor Statistics (BLS) and Saylor, among others. ENR's CCI has been published consistently every month since 1913 for 20 U.S. cities and a national average of the 20 cities. As such, it is one of the most reliable and consistent indices that track trends in construction costs.

Fee Credits, Reimbursements, and Exemptions

Impact fee programs frequently allow developers subject to the fee to obtain fee credits, reimbursements, and/or adjustments under certain and limited circumstances as determined by the City's Impact Fee Ordinance. Fee credits, reimbursements, or adjustments are generally not allowed by right but rather should be subject to discretionary review and approval by the City to ensure that they are warranted and appropriate.

Annual Review, Accounting, and Updates

Annual review

This Nexus Study and the technical information it contains should be maintained and reviewed periodically by the City as necessary to ensure DIF accuracy and to enable the adequate programming of funding sources. To the extent that improvement requirements, costs, or development potential changes over time, the DIF will need to be updated. Specifically, AB 1600 (at Gov. C. §§ 66001(c), 66006(b)(1)) stipulates that each local agency that requires payment of a fee make specific information available to the public annually within 180 days of the last day of the fiscal year. This 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
- The percent of total costs funded by the fee

If sufficient fees have been collected to fund the construction of an improvement, the agency must specify the approximate date for construction of that improvement. Because of the dynamic nature of growth and infrastructure requirements, the City should monitor development activity, the need for infrastructure improvements, and the adequacy of the fee revenues and other available funding. Costs associated with this monitoring and updating effort are included in the Impact Fee as an administrative charge.

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: (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 on 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 local agency that has collected the funds must refund them.

DIF Updates

This fee program is based on growth forecasts from the (1) Association of Bay Area Governments (ABAG); (2) Foster City Community Development Department Projections 2040; and (3) the City / County Association of Governments of San Mateo County (C/CAG) transportation Model. The amount of development that will occur by 2040 may deviate from the projections assumed in the Fee Program. These factors may affect the appropriate fee level needed to cover necessary infrastructure. Accordingly, the Nexus Study should be updated periodically to account for these potential changes. Ideally this would occur every five (5) years, however, under state law, the fees must be updated at least every eight (8) years.

The DIF program should also include an automatic annual adjustment to account for inflation. This adjustment will be based on data from the Engineering News Record Construction Cost Index.



APPENDIX A:

Appendix Table A-1: Development Impact Fee
Capital Improvement Plan List

Appendix Table A-2: Public Safety Fee Calculation

Appendix Table A-1
Development Impact Fee Capital Improvement Plan (CIP) List
Foster City Development Impact Fee Study; EPS #211040

Improvement Item	Number of Units	Total Cost (Unallocated)	Anticipated Location	Cost Source
Public Safety				
Fire Engines	22 Engines	\$26,690,547	N / A	EPS with Fire Dept. Confirmation
Patrol Vehicles	3 Vehicles	\$192,337	N / A	Personal Communication with Foster City Police Dept.
Traffic Motorcycles	1 Motorcycles	\$37,000	N / A	Personal Communication with Foster City Police Dept.
Police Locker Room Expansion	1,000	\$500,000	Existing Location	EPS with Police Dept. Confirmation
Police Evidence Room Improvements	1	\$100,000	N / A	EPS with Police Dept. Confirmation
Fire Training Facility	1	\$70,000,000	TBD within Foster City	EPS Assumption from similar Bay Area project (City of Hayward Fire Station No. 6 & Training Center)
Fire Mechanic Shop	10,000 Sq. Ft.	\$2,120,000	TBD within Foster City	Light Industrial / Warehouse averaged construction cost per RLB 2020 Construction Cost Report inflated to 2022\$ using Engineering News-Record Construction Cost Index.
Fire Administrative Office	10,000 Sq. Ft.	\$3,960,000	TBD within Foster City	Secondary Office averaged construction cost per RLB 2020 Construction Cost Report (for San Francisco) inflated to 2022\$ using Engineering News-Record Construction Cost Index.
Emergency Operations Center Technology/Equipment	1	\$40,000	TBD within Foster City	Personal Communication with Foster City Police Dept.
Total Public Safety		\$103,639,883		
Transportation				
New Traffic Signals	4	\$3,000,000	TBD depending on new growth areas	Fehr & Peers Communication with Foster City Public Works Dept.
Citywide Traffic Signal Upgrade	1	\$8,000,000	Citywide	Foster City Final Budget (Fiscal Year 2021-2022, page 510); Bicycle, Pedestrian, Intersections Evaluation Study (2018).
101/92 Interchange	1	\$10,000,000	101/92 Interchange	Fehr & Peers Communication with Foster City Public Works Dept.
Hovercraft Feasibility	1	\$200,000	N / A (planning)	Fehr & Peers Communication with Foster City Planning Dept.
Pedestrian/Bicycle Improvements				
Sharrows on Foster City Blvd	1		Foster City Blvd	
Bicycle Facilities on Beach Park Blvd	1		Beack Park Blvd	
Bicycle Facilities on Edgewater Blvd	1		Edgewater Blvd	
Bicycle Facilities on Gull Ave	1		Gull Ave	
Bicycle Facilities on Swordfish St	1		Swordfish St	
Curb Extensions / Bulbouts	1		Various Citywide	
New Roundabouts	1		Various Citywide	
Reduce Curb Radii	1		Various Citywide	
High Visibility Crosswalks	1		Various Citywide	
Signalize Crossing at Foster City Blvd / Polynesia Dr	1		Foster City Blvd / Polynesia Dr	
Total Pedestrian/Bicycle Improvements	10	\$1,000,000		Fehr & Peers
Total Transportation		\$22,200,000		
Parks and Recreation				
Site Prep (e.g., demolition, remediation, grading)	14.34 Acres	\$6,452,972		EPS with Parks Dept. Confirmation
Construction	14.34 Acres	\$10,754,954		EPS with Parks Dept. Confirmation
Recreation Facilities ¹	8,998 Sq. Ft.	\$8,226,583		Based on \$685/SF Community Center cost from 2014 Antioch Development Impact Fee Study, inflated to 2022\$ (rounded) per Engineering News-Record Construction Cost Index.
Total Parks and Recreation		\$25,434,509		

[1] The Recreation Facility square footage displayed here is derived on a per-service population basis. The square footage represents the amount needed to maintain the existing service standard based on the existing square footage of recreation facilities and the projected increase in service population by 2040. The total cost of \$8.23 million shown therefore represents the cost fully attributable to new development and thus included in the fee program.

**Appendix Table A-2
Public Safety Fee Calculation Detail
Foster City Development Impact Fee Study; EPS #211040**

Description	Cost per Unit ¹	Unit Count	Total Cost (Unallocated)	Foster City Share of Cost ²	Foster City Total Cost	Allocation to New Dev.	Cost Allocated to Fee Program
Vehicles and Transportation-Related Equipment							
Fire Engines to serve New Growth	\$1,200,000	1 ³	\$1,278,782	20%	\$255,756	100.0%	\$255,756
Fire Engines to serve City by 2040 (Replacement)	\$1,200,000	21 ⁴	\$25,411,765	20%	\$5,082,353	10.7%	\$541,602
Patrol Vehicles	\$75,000	3 ⁵	\$192,337	100%	\$192,337	100.0%	\$192,337
Traffic Motorcycles	\$37,000	1	<u>\$37,000</u>	100%	<u>\$37,000</u>	<u>100.0%</u>	<u>\$37,000</u>
Subtotal Vehicles / Transportation Equipment			\$26,919,883		\$5,567,446	18.4%	\$1,026,695
Expansion of Existing Facilities							
Police Locker Room Expansion	\$500,000	1	\$500,000	100%	\$500,000	10.7%	\$53,283
Police Evidence Room Improvements	\$100,000	1	<u>\$100,000</u>	100%	<u>\$100,000</u>	<u>10.7%</u>	<u>\$10,657</u>
Subtotal Expansion of Existing Facilities			\$600,000		\$600,000	10.7%	\$63,939
New Facilities							
Fire Training Facility	\$70,000,000	1	\$70,000,000	20%	\$14,000,000	10.7%	\$1,491,913
Fire Mechanic Shop	\$2,120,000	1	\$2,120,000	20%	\$424,000	10.7%	\$45,184
Fire Administrative Office	\$3,960,000	1	<u>\$3,960,000</u>	20%	<u>\$792,000</u>	<u>10.7%</u>	<u>\$84,400</u>
Subtotal New Facilities			\$76,080,000		\$15,216,000	10.7%	\$1,621,496
Emergency Operations Center Technology/Equipment	\$40,000	1	<u>\$40,000</u>	100%	<u>\$40,000</u>	10.7%	\$4,263
Public Safety Overall			\$103,639,883		\$21,423,446		\$2,716,392

[1] Costs from **Appendix Table A-1**. All building cost items assume no land acquisition costs.

[2] Only 20% of all fire-related items can be attributed to Foster City based on multi-jurisdictional shares for SMCDFD funding.

[3] There are currently 10 fire engines to serve the existing population. With a projected increase in service population of 10.7% by 2040, an additional 1.07 fire engines will be required by 2040 (10 * 0.107) to maintain existing service level.

[4] There are currently 10 fire engines, each with an average life cycle of 8.5 years (7 - 10 year replacement schedule). There are 18 years between now and the year 2040, which means each existing engine will need to be replaced 2.1 times (18 years / 8.5 life cycle years = 2.1). Multiplying 10 engines by 2.1 required replacements between now and 2040 results in the rounded value of 21 fire engines shown above.

[5] There are currently 43 total officers, equating to a service standard of 1.01 officers per 1,000 service population (43 officers / (42,740 service population / 1,000)). There is a projected service population increase of 5,098 by 2040, resulting in 5.13 additional officers needed by 2040 to serve new growth (1.006 officers per 1,000 service population * 5.098 thousands of new service population). There are 0.5 vehicles needed per officer, resulting in 2.56 new new vehicles needed by 2040. Value shown is rounded.