

PUBLIC HEARING TO CONSIDER CAPITAL FACILITY FEE (CFF) STUDY UPDATE AND THE FEES RECOMMENDED THEREIN

CITY COUNCIL REGULAR MEETING
OCTOBER 14, 2024 | ITEM: 5.3



INFORMATION ON CFF PROGRAM



- ❑ The fees included in the fee study are established to mitigate the impacts of new development.
- ❑ CFFs are collected from developers to fund their fair share of capital facilities and do not affect existing residents or businesses.
- ❑ CFF revenues cannot be used to fund operations or maintenance costs.
- ❑ Fees are updated for inflation annually based on a construction cost index to keep pace with rising construction costs.

CFF STUDY UPDATE RESULTS



- ❑ Out of 10 CFFs that were updated, 7 fees decreased and 3 fees increased resulting in a net change of approximately:
 - ❑ Industrial: -0.15%
 - ❑ Commercial: -9.75%
 - ❑ Residential: +19%

- ❑ The increase in residential fee rates is primarily due to the transportation related CFFs due to the following factors:
 - ❑ Elimination of approximately 3000 residential lots in CLSP Phase 2, reduced the number of lots to which the fees are distributed
 - ❑ Industrial and Commercial uses generate fewer trips than residential uses

CFFS INCLUDED IN UPDATE



- North Lathrop Transportation Impact Fee (Update)
- Culture And Leisure CFF – Facilities Component (Update)
- CLSP In-lieu Community Parks Dedication CFF (Update)
- CLSP Neighborhood Park CFF (Update)
- CLSP Entitlements Fee For CLSP Phases 1 And 2 (Update)
- CLSP Prior Developer Account Open Items Fee (Update)
- CLSP Entitlements Fee For CLSP Phase 2 (New)
- CLSP Storm Drainage System Improvements – Watershed 4 CFF (Update)
- West/Central Lathrop Regional Transportation CFF (Update)
- CLSP Water Tank #1 CFF (Update)
- Municipal Service Facilities CFF (Update)
- CLSP Sewer/Recycled Water System CFF (Update)
- Culture And Leisure CFF – Park Component (Fee Conversion)
- CLSP Community Park CFF (Fee Conversion)
- WLSP Regional Transportation Impact Fee (New Category And Fee Conversion)
- Offsite Roadway Improvements CFF (New Category And Fee Conversion)

NORTH LATHROP TRANSPORTATION IMPACT FEE



- Fee updated to account for funding expected from the SJCOG Regional Transportation Impact Fee (RTIF) and to reflect new industrial land uses anticipated in the Central Lathrop Specific Plan (CLSP) Phase 2 area.
- Includes the costs of improvements to the I-5/Roth Road interchange.

*City of Lathrop 2024 Capital Facilities Fees Study Update
North Lathrop Transportation Impact Fee
Fee Comparison - Proposed vs. Current Fees*

Current Cost (Per Trip)	Proposed Cost (Per Trip)	Percent Change
\$1,952	\$1,299	-33.5%

Sources: City of Lathrop; Goodwin Consulting Group, Inc.

CULTURE AND LEISURE CFF – FACILITIES COMPONENT



- CFF updated to revise the facility list and to reflect the new population anticipated from the 2022 General Plan Update.
- Includes the New Community Center.

*City of Lathrop 2024 Capital Facilities Fees Study Update
Culture and Leisure CFF - Facilities Component
Fee Comparison - Proposed vs. Current Fees*

Residential	Current Fee (per Unit)	Proposed Fee (per Unit) ¹	Percent Change
Single Family	\$4,208	\$2,709	-35.6%
Multi-Family	\$3,004	\$2,117	-29.5%

¹ Shows the proposed fee based on an average-sized unit for comparison to existing fees.

CLSP IN-LIEU COMMUNITY PARKS DEDICATION CFF



- CFF updated to reflect the reduced number of residential units expected within CLSP following the CLSP Phase 2 Amendments
- Reimbursement to Developer for dedication of park land to the City.

*City of Lathrop 2024 Capital Facilities Fees Study Update
CLSP In-Lieu Community Parks Dedication CFF
Fee Comparison - Proposed vs. Current Fees*

Residential	Current Fee (per Unit)	Proposed Fee (per Unit) ¹	Percent Change
Single Family	\$2,915	\$2,916	0.0%
Multi-Family	\$2,083	\$2,278	9.4%

¹ Shows the proposed fee based on an average-sized unit for comparison to existing fees.

CLSP NEIGHBORHOOD PARK CFF



- CFF updated to use lower actual park costs from the four neighborhood parks in CLSP Phase I and to reflect a higher number of residential units currently expected at buildout of Phase I.
- Reimbursement to Developer for construction of the neighborhood parks in CLSP.

*City of Lathrop 2024 Capital Facilities Fees Study Update
CLSP Neighborhood Park CFF
Fee Comparison - Proposed vs. Current Fees*

Residential	Current Fee (per Unit)	Proposed Fee (per Unit) ¹	Percent Change
Single Family	\$4,781	\$3,246	-32.1%
Multi-Family	\$3,415	\$2,536	-25.7%

¹ Shows the proposed fee based on an average-sized unit for comparison to existing fees.

CLSP ENTITLEMENTS FEE FOR CLSP PHASES 1 AND 2 & PRIOR DEVELOPER ACCOUNT OPEN ITEMS FEE



- Fees updated to account for more developable acreage anticipated in CLSP following the CLSP Phase 2 amendments.

*City of Lathrop 2024 Capital Facilities Fees Study Update
CLSP Entitlement Fees
Fee Comparison - Proposed vs. Current Fees*

CFF	Current Fee (per Acre)	Proposed Fee (per Acre)	Percent Change
Entitlements CLSP Phases 1 and 2	\$3,867	\$3,731	-3.5%
Prior Developer Account Open Items	\$217	\$209	-3.5%

CLSP ENTITLEMENTS FEE FOR CLSP PHASE 2



- New fee created to reimburse the CLSP Phase 2 developer for their costs to amend the entitlements for Phase 2.
- The new proposed fee of \$741 per net acre will be charged to new development in CLSP Phase 2 only.

CLSP STORM DRAINAGE SYSTEM IMPROVEMENTS – WATERSHED 4 CFF



- CFF updated to add property to the Watershed 4 service area.

*City of Lathrop 2024 Capital Facilities Fees Study Update
CLSP Storm Drainage System Improvements - Watershed 4 CFF
Storm Drainage WS4 Fee Comparison - Proposed vs. Current Fees*

Land Use	Current Fee (per Acre)	Proposed Fee (per Acre)	Percent Change
Net Acreage ¹	\$49,073	\$40,361	-17.8%

¹ For comparison to the existing CFF, shows the proposed fee calculated as an average fee per net acre. See Table 10-6 for the actual proposed fee amounts.

WEST/CENTRAL LATHROP REGIONAL TRANSPORTATION CFF



- CFF updated to reflect new industrial land uses anticipated in the Central Lathrop Specific Plan (CLSP) Phase 2 area, to add new transportation facilities, and to update the funding anticipated from the SJCOG RTIF and the West Lathrop Specific Plan RTIF.
- The majority of the increase is due to reduced outside funding from SJCOG and WLSP RTIFs

Comparison of Proposed West/Central Lathrop Transportation CFFs Mossdale Village¹

Land Use	Proposed CFF ¹	Current CFF	Percent Increase
<u>Residential</u>			
Single Family	\$9,123 per Unit	\$4,325 per Unit	110.9%
Multi-Family	\$6,902 per Unit	\$2,667 per Unit	158.8%
<u>Non-Residential</u>			
Service/Office Commercial	\$6,564 per 1,000 sf	\$6,204 per 1,000 sf	5.8%
Retail Commercial	\$6,748 per 1,000 sf	\$6,851 per 1,000 sf	-1.5%

Comparison of Proposed West/Central Lathrop Transportation CFFs For River Islands

Land Use	Proposed CFF	Current CFF	Percent Increase
<u>Residential</u>			
Single Family	\$9,123 per Unit	\$4,972 per Unit	83.5%
Multi-Family	\$6,902 per Unit	\$3,052 per Unit	126.2%
<u>Non-Residential</u>			
Service/Office Commercial	\$6,564 per 1,000 sf	\$4,562 per 1,000 sf	43.9%
Retail Commercial	\$6,748 per 1,000 sf	\$8,263 per 1,000 sf	-18.3%

Comparison of Proposed West/Central Lathrop Transportation CFFs For CLSP

Land Use	Proposed CFF	Current CFF	Percent Increase
<u>Residential</u>			
Single Family	\$9,123 per Unit	\$4,539 per Unit	101.0%
Multi-Family	\$6,902 per Unit	\$2,787 per Unit	147.7%
<u>Non-Residential</u>			
Service/Office Commercial	\$6,564 per 1,000 sf	\$4,225 per 1,000 sf	55.4%
Retail Commercial	\$6,748 per 1,000 sf	\$5,784 per 1,000 sf	16.7%

CLSP WATER TANK #1 CFF



- CFF updated to add property to the Water Tank #1 service area and to create a fee category for industrial development in CLSP Phase 2

*City of Lathrop 2024 Capital Facilities Fees Study Update
CLSP Water Tank #1 CFF
Water Tank # 1 Fee Comparison - Proposed vs. Current Fees*

Land Use	Current Fee	Proposed Fee	Percent Change
	per Unit	per Unit	
Single Family	\$2,515	\$1,719	-31.7%
Multi-Family	\$1,551	\$1,282	-17.3%
	per Acre	per Acre	
Commercial	\$7,605	\$4,692	-38.3%
Industrial	\$7,605	\$5,052	-33.6%

MUNICIPAL SERVICE FACILITIES CFF



- CFF updated to adjust the costs of facilities included and to reflect the new population anticipated from the 2022 General Plan Update.
- Includes Police Station, Animal Center, City Hall, Corporation Yard, Fleet Maintenance Building, Performing Arts Center and wireless network facilities

*City of Lathrop 2024 Capital Facilities Fees Study Update
Municipal Service Facilities CFF
Fee Comparison - Proposed vs. Current Fees*

Land Use	Current Fee	Proposed Fee ¹	Percent Change
	per Unit	per Unit	
Single-Family	\$4,714	\$4,992	5.9%
Multi-Family	\$3,367	\$3,900	15.8%
	per 1,000 SF	per 1,000 SF	
Commercial	\$3,072	\$2,916	-5.1%
Other	\$1,859	\$1,750	-5.9%

¹ For residential land uses, assumes the proposed fee for an average-sized unit for comparison purposes.

CLSP SEWER/RECYCLED WATER SYSTEM CFF



- CFF updated to adjust the costs of the Sewer/Recycled Water System in CLSP and to adjust for the new anticipated land uses following the CLSP Phase 2 Amendments.
- Includes the costs of sewer mains, force mains, and pump stations in CLSP.

*City of Lathrop 2024 Capital Facilities Fees Study Update
CLSP Sewer/Recycled Water System CFF
Fee Comparison - Proposed vs. Current Fees*

Land Use	Current Fee	Proposed Fee	Percent Change
	per Unit	per Unit	
Single-Family	\$3,215	\$5,590	73.9%
Multi-Family	\$2,733	\$4,658	70.4%
	per 1,000 SF	per 1,000 SF	
Commercial	\$726	\$1,331	83.3%

OTHER CFFS (CONVERSIONS AND NEW CATEGORIES)



- Fee Conversions

- Wherever required by law, (AB 602), the proposed fees for residential development are based on unit square footage. Other fees currently charged by the City that are not proposed to be updated at this time are still charged per unit.
- To make the City’s fees more consistent, the fees below were converted using average unit size assumptions of 2,570 square feet for single family units and 975 square feet for multi-family units. The averages were developed based on constructed units within newly developing areas of the City.
- Converted fees per square foot:

Land Use	Culture and Leisure CFF – Park Component	CLSP Community Park CFF	WLSP Regional Transportation Impact Fee	Offsite Roadway Improvements CFF
Single Family	\$2.672 / SF	\$1.852 / SF	\$0.166 / SF	\$0.071 / SF
Multi-Family	\$5.032 / SF	\$3.488 / SF	\$0.512 / SF	\$0.116 / SF

OTHER CFFS (CONVERSIONS AND NEW CATEGORIES)



- New Categories

- The amendments to CLSP Phase 2 added a new industrial zoning to that area that was previously not anticipated in many of the existing fees.
- For the following transportation fees, a new Industrial/Warehousing category was calculated.

Land Use	WLSP Regional Transportation Impact Fee	Offsite Roadway Improvements CFF
Industrial/Warehousing	\$322 / 1,000 SF	\$42 / 1,000 SF

RECOMMENDATION



- ❑ CONDUCT A PUBLIC HEARING
- ❑ CONSIDER ALL INFORMATION AND PUBLIC TESTIMONY
- ❑ CONSIDER ADOPTING A RESOLUTION AT THE NEXT MEETING APPROVING THE CITY OF LATHROP CAPITAL FACILITIES FEE STUDY UPDATE AND THE RECOMMENDED FEES
- ❑ QUESTIONS