



*Development Impact Fee  
Annual and Five-Year Report  
for  
Period Ending  
June 30, 2020*

*March 2, 2021*

# Development Impact Fee Annual & Five- Year Report

## Table of Contents

Overview and Legal Requirements for Development Impact Fee Reporting .....	3
Parkland Fee .....	5
Park Facilities Fee.....	8
Traffic Impact Fee.....	12
Fire Facilities Fee.....	18
Capital Facilities Fee.....	21
Comprehensive List Development Impact Fees effective July 1, 2019 .....	24

## Overview and Legal Requirements for Development Impact Fee Reporting

This report is intended to fulfill the annual and five-year reporting requirements set forth in the Mitigation Fee Act (Government Code Section 66000 et seq.) with respect to the City of Fremont's Development Impact Fees.

The City has five Development Impact Fees:

- Parkland Fee
- Park Facilities Fee
- Traffic Facilities Fee
- Fire Facilities Fee
- Capital Facilities Fee

The City has established separate funds for each of these five fees. When a developer pays a development impact fee, the payment is credited to the appropriate fund. Interest earned on the money in a fund is credited to that fund. Each fund is available only for the purpose for which its associated development impact fee was charged, and expenditures cannot be made from a fund for any other purpose.

For each development impact fee fund, the following information is provided in this Report:

### **A. Annual Reporting Information (Required by Gov't Code Sec. 66006)**

(This information is provided for the fiscal year beginning 7/1/19 and ending 6/30/20)

1. A brief description of the type of fee in the fund.
2. The rate of the fee.
3. The beginning and ending balance in the fund for the fiscal year.
4. The amount of fees collected, and interest earned during the fiscal year.
5. An identification of each public improvement on which fees were expended during the fiscal year 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. If both (i) sufficient funds have been collected to complete financing on an incomplete public improvement that was identified at the time the fee was imposed and (ii) the public improvement remains incomplete, an identification of an approximate date by which the construction of the public improvement will commence.
7. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or funds will receive on the loan.

### **B. Five-Year Finding Information (Pursuant to Gov't Code Sec. 66001(d))**

(This information is provided with respect to the balance of the fund remaining unexpended, whether committed or uncommitted)

1. The purpose to which the fee will be put.
2. A description of the reasonable relationship between the fee and the purpose for which it is charged.

3. An identification of all sources and amounts of funding anticipated to complete financing in incomplete improvements identified at the time the fee was imposed.
4. The approximate dates on which such identified funding is expected to be deposited into the appropriate fund

Note that, during Fiscal Year 2019/2020, no refunds pursuant to Government Code Section 66001(e) or allocations pursuant to Government Code Section 66001(f) were made in connection with any of the DIF accounts.

All projections regarding future use of City funds for public improvements are made with reference to the most recent Capital Improvement Program of the City adopted by the City Council on June 11, 2019, as amended and updated from time to time.

All fees are administered pursuant to Chapter 18.290 of the Fremont Municipal Code.

## Parkland Fee

### A). Annual Information

1. Brief Description of the Fee: The parkland fee is levied on all new residential development to pay for new development's share of the cost of acquiring land for parks. The City acquires land to maintain a minimum standard of 5 acres per 1,000 residents.

For further information on the fee calculation methodology, please refer to the *Parkland and Park Facilities Fee Technical Report, April 17, 2015* and the *Comprehensive Development Impact Fee Background Report, April 17, 2014*, prepared by *Willdan Financial Services*, report available: <https://www.fremont.gov/3483/Development-and-Affordable-Housing-Fees>.

2. Fee Rate: The rate of the fee, per dwelling unit, based on the number of bedrooms in the dwelling unit, is set forth below:

<i>Land Use</i>	<i>Parkland</i>
0 bedrooms (studios)	\$4,800
1 bedroom	\$7,201
2 bedrooms	\$10,081
3 bedrooms	\$12,480
4 bedrooms	\$15,360
>4 per add'l bedroom	\$2,880

3. Fund Balance: The balance of the parkland fee fund as of the following dates was:

Beginning Balance -July 1, 2019	<u>\$28,672,830</u>
Ending Balance -June 30, 2020	<u>\$45,325,830</u>

4. Fees Collected and Interest Earned: The total of the fees collected, and interest earned on the fund during the period from July 1, 2019 through June 30, 2020 was:

Fees Collected:	<u>\$15,311,891</u>
Interest Earned:	<u>\$ 1,360,595</u>

5. Identification of Funded Improvements: No park land was purchased in fiscal year 2019/2020. Expenditures in the amount of \$7,313 were made for real estate appraisals and title reports on properties considered for acquisition and \$12,173 was expended as the Park Land Fee contribution for the administrative costs associated with the Impact Fee program.

6. Outstanding Projects (as of June 30, 2020): Sufficient funds have not been collected to complete financing on an incomplete public improvement that was identified at the time the fee was imposed and which remains incomplete at this time. The City continually seeks to identify available parcels of land that can be purchased for a prudent price, are available for purchase, and will meet the City's parkland needs.
7. Interfund Activities: There were no interfund loans or transfers during the period from July 1, 2019 through June 30, 2020.

For more information about the parkland program, reference is made to:

- (i) Parkland and Park Facilities Fee Technical Report, April 17, 2015
- (ii) Comprehensive Development Impact Fee Background Report, April 17, 2014

## **B). Five Year Information**

The parkland fee account has approximately \$45,325,830 in funds that remain unexpended. With respect to that portion of the account remaining unexpended, the following information is provided every five years, as required by Government Code Section 66001(d):

1. Fee Purpose: The parkland fee is collected from residential development for the purpose of providing adequate land for park facilities to serve new development within the city. The City collects fees on subdivided and non-subdivided land to maintain a minimum threshold of 5 acres park land per 1,000 people through the purchase of land.
2. Reasonable Relationship Between the Fee and Fee Purpose: As of June 30, 2020, there were \$45,325,830 of fee proceeds in the parkland fee fund, account number 542. The need for parkland to maintain the City's existing parkland acreage standard (and parkland needs) for serving new development has not been fully filled. The money is needed to purchase new parkland, and the City continually seeks to identify available parcels of land that can be purchased for a prudent price, are available for purchase, and will meet the City's parkland needs. To support the park system as described in the City's General Plan, a neighborhood park should be between 2.5 and 10 acres in size, and a citywide park should be between 5 and 20 acres in size. Trail parks can run many miles and include even greater acres than a citywide park. With land costs in Fremont averaging around \$3 million per acre, the City must accumulate funds over many years to purchase adequately sized properties at market rates. The fee has been designed so that each new residential development pays for only the cost of increasing the citywide supply of parkland to meet the needs of that development. Fee proceeds are not used to fund costs attributable to existing facilities.
3. Sources and Amounts of Anticipated Funding: The City purchases parkland as opportunities arise. As parkland impact fees are collected, the City searches for sites. When a suitable site is identified, it is purchased expeditiously. The existing fund balance is anticipated to be sufficient to fund approximately

15 acres of parkland, which may purchase one or two parks. The additional funding required will be collected as new development occurs.

4. Timing-- When Anticipated Funding Expected to be Deposited: The City collects funds from new development as it occurs. It is not possible to predict in the immediate short term how many development projects will occur and the timing of such projects. Reference is made to the development projected to occur over the long-term horizon, which is described and discussed in the following reports:

- Parkland and Park Facilities Fee Technical Report, April 17, 2015
- Comprehensive Development Impact Fee Background Report April 17, 2014

## Park Facilities Fee

### A). Annual Information

1. Brief Description of the Fee: The fee is levied to fund construction of park facilities that are needed to serve new residential development.

For further information on the fee calculation methodology, see *Parkland and Park Facilities Fee Technical Report, April 17, 2015* and the *Comprehensive Development Impact Fee Background Report, April 17, 2014*, prepared by *Willdan Financial Services*, report available: <https://www.fremont.gov/3483/Development-and-Affordable-Housing-Fees>.

2. Fee Rate: The rate of the fee effective 7/1/2019, per dwelling unit, based on the number of bedrooms in the dwelling unit, is set forth below:

<i>Land Use</i>	<i>Park Facilities</i>
0 bedrooms (studios) (per dwelling unit)	\$5,393
1 bedroom (per dwelling unit)	\$8,088
2 bedrooms (per dwelling unit)	\$11,323
3 bedrooms (per dwelling unit)	\$14,020
4 bedrooms (per dwelling unit)	\$17,254
>4 per add'l bedroom	\$3,235

3. Fund Balance: The balance of the park facilities fee funds as of the following dates was:

Beginning Balance -July 1, 2019 \$39,449,249

Ending Balance -June 30, 2020 \$53,723,905

4. Fees Collected and Interest Earned: The total of the fees collected, and interest earned on the fund during the period from July 1, 2019 through June 30, 2020 was:

Fees Collected: \$17,240,585

Interest Earned: \$ 1,646,795



5. Identification of Funded Improvements: Fee proceeds were expended on 21 public improvement projects during the period from July 1,2019 through June 30,2020. These projects, the cost per project, and the percentage of costs paid by fees are included in the chart below:

Name of Project	A	B	C	D
	Amount of Impact Fee expended in FY 19/20	Amount of Fee Proceeds in Project	Total Cost of Project	% of Project Funded from fee D = B/C
Park Planning	358,169	2,145,000	3,489,528	61%
Centerville Community Park Improvements	6,445	7,048,469	8,098,588	87%
Dusterberry Park Development	972,468	7,130,000	7,130,000	100%
Central Park North Restroom Bldg.	126,591	1,297,223	1,297,223	100%
Northgate Community Park Sidewalk Rowland Drive	777	1,002,535	1,002,535	100%
Warm Springs Park Restroom Replacement	36,063	464,548	1,382,692	34%
Civic Park in Downtown	641,080	3,000,000	3,000,000	100%
Cal Nursery Implementation	599,663	13,596,652	13,614,563	100%
Pacific Commons Sports Park	380	3,500,000	12,668,970	28%
Central Park Trail/Loop Parking Lot	8,840	4,774,300	4,799,300	99%
Ballfield Backstop & Fencing	27,278	342,777	1,074,595	32%
Central Park Large Picnic Area	556,101	5,920,900	8,089,570	73%
Irrigation Upgrades Historic Parks	204	200,000	698,919	29%
Buena Vista Park Well Upgrade	7,526	270,000	270,000	100%
Park Signs	918,880	1,529,000	1,529,000	100%
Central Park Skate Park Picnic Area	25,445	331,000	331,000	100%
Well Replacement at California Nursery	4,868	152,160	210,160	72%
Citywide Parks & Recreation Master Plan	293,897	1,495,000	1,495,000	100%
Central Park Path FCC to Lions*	512	300,000	300,000	100%
Central Park Mammoth Picnic Area Upgrades*	217	500,000	500,000	100%
Development Impact Fee Review	27,320	1,127,329	3,387,407	33%
Total 19/20 Expenditures	\$4,612,724			

\*Appropriation 7/1/20.

6. *Outstanding Projects (as of June 30, 2020)*: Sufficient funds have been collected to complete financing on 16 outstanding projects. These projects and the anticipated construction/commencement dates are listed below:

Project Name	Anticipated Construction/Commencement Date
Dusterberry Neighborhood Park (New 4.25-acre park)	Spring 2021
Centerville Community Park (Expand existing park by 10 acres)	Winter 2023
California Nursery Implementation	Already Commenced
Security in Parks (Bollards and New Fencing)	Already Commenced
Palm Avenue Park (New 12-acre park)	Fall 2024
Central Park Trail/Loop Parking Lot	Fall 2023
Central Park Boat Dock & Babbling Brook Bridge Analysis	Fall 2021
Skate Park Picnic Area	Spring 2022
New Parks and Recreation Master Plan	Fall 2021
All-inclusive Exercise Equipment at Central Park	Summer 2023
Cricket Field Shade	Spring 2023
Park Planning	Already Commenced
CIP preparation	Already Commenced
Central Park Path at Lions Picnic Area	Summer 2022
Mammoth Picnic Area Upgrade	Summer 2022
Central Park East Meadow Trail	Summer 2023

7. *Interfund Activities*: There were no interfund loans or transfers during the period from July 1, 2019 through June 30, 2020.

**B). Five Year Information**

The park facilities impact fee account has approximately \$53,723,905 in funds that remain unexpended. With respect to that portion of the account remaining unexpended, the following information is provided every five, as required by Government Code Section 66001(d):

1. *Fee Purpose*: The purpose of the park facilities impact fee is to fund the park facilities needed to service new development.
2. *Relationship Between the Fee and Fee Purpose*: As of June 30, 2020, there was \$53,723,905 of fee proceeds in the park facilities funds, account numbers 533 and 540. The purpose of the unexpended park facilities impact fee amount remains to support citywide projects that are necessary to accommodate citywide park impacts due to new development. Of the \$53.7 million in fund balance a total of approximately \$45 million represents appropriations to current active

projects in the design or construction phase or projects that require further funding. The balance of \$5.5 million is scheduled for appropriation in the FY 2021/22 - 2025/26 Capital Improvement Program (CIP) for PWC 8813 Palm Avenue Community Park and remaining funds to be programmed in the upcoming CIP.

The park facilities impact fee account balance continues to be required to fund new development's share of park facilities and improvements to accommodate demands on the citywide park system. Anticipated development cumulatively will generate a substantial increase over existing levels of park usership. This increase in use will result in a burden to the existing park system. The City's use of the fee balance to fund projects as identified in the Parkland and Park Facilities Fees Technical Report and as programmed in the FY 2019/20 - 2023/24 CIP demonstrates that a reasonable relationship exists between the Park Facilities Fee and purpose for which they were collected.

3. Sources and Amounts of Anticipated Funding: The park facilities fee paid by new development contributes the majority of the funding required to complete the projects. The funds needed to complete the planned park facilities and acquisition of equipment will be obtained over time from the park facilities fees paid by new development. Whenever possible, grant opportunities are explored, such as the State Proposition 68 Park Bond.
4. Timing - When Anticipated Funding Expected to be Deposited: One of the appropriations, Pacific Commons Sports Park (totaling approximately \$3.4 million), is seeking additional funding from future park facilities impact fee funds or grants. Initial phasing of this project could occur by 2025. The project has been allocated a combination of endowments and Park Facilities Fees in the amount of \$12,668,970 and needs an additional \$38 Million of funding to complete. There are sufficient funds in the project to begin initial project phasing, which is scheduled for 2024. Funds for future phasing will come from future park facilities impact fees, grants and potential public-private partnerships within 5 to 10 years.

The City collects funds from new development as it occurs. It is not possible to predict in the immediate short term how many development projects will occur and the timing of such projects. Reference is made to the Parkland and Park Facilities Fees Technical Report for projections of development projected to occur over the long-term horizon:

- Parkland and Park Facilities Fee Technical Report, April 17, 2015
- Comprehensive Development Impact Fee Background Report April 17, 2014

## Traffic Impact Fee

### A). Annual Information

1. Brief description of the fee: The traffic impact fee is assessed on new development for its proportionate share of the costs of traffic improvements attributable to increased trips generated by new development through 2035 on the citywide transportation system.

For further information on the fee calculation methodology, please refer to the *Traffic Impact Fee Technical Report, April 17, 2015* and the *Comprehensive Development Impact Fee Background Report, April 17, 2014*, prepared by Willdan Financial Service, report available: <https://www.fremont.gov/3483/Development-and-Affordable-Housing-Fees>.

2. Fee Rate – The rate of the fee is set forth below:

KSF: Thousand square feet. Effective 7/1/2019

<b>Land Use</b>	<b>Traffic</b>
0 bedrooms (studios) (per dwelling unit)	\$2,224
1 bedroom (per dwelling unit)	\$2,224
2 bedrooms (per dwelling unit)	\$2,484
3 bedrooms (per dwelling unit)	\$2,484
4 or more bedrooms (per dwelling unit)	\$3,782
Office (KSF)	\$5,524
Retail/Service (KSF)	\$7,564
Warehouse (KSF)	\$1,669
Light Industrial (KSF)	\$4,004
Manufacturing (KSF)	\$2,780
Research & Development (KSF)	\$3,966
Business Park (KSF)	\$4,672
Convalescent Home/Nursing Home (KSF)	\$3,744
Assisted Living/Congregate Care Facility (KSF)	\$742
Hospital (KSF)	\$4,261
Religious Facility (KSF)	\$3,486
Schools, all (K-12) (KSF)	\$7,860
School, Vocation/Trade/Collegian (KSF)	\$9,788
Hotel/Motel (Room)	\$2,262

3. Fund Balance: The balance of the traffic impact fee fund as of the following dates was:

Beginning Balance -July 1, 2019 \$15,813,740  
 Ending Balance - June 30, 2020 \$18,972,188

4. Fees Collected and Interest Earned: The total of the fees collected, and interest earned on the fund during the period from July 1, 2019 through June 30, 2020 was:

Fees Collected: \$6,548,590

Interest Earned: \$ 596,868

5. Identification of Funded Improvements: Fee proceeds were expended on 14 public improvement projects and 10 programs and activities during the period from July 1, 2019 through June 30, 2020, as noted in the charts below. These projects, the cost per project, and the percentage of cost paid by fees are included in the chart below:

Name of Project	A	B	C	D
	Amount of Impact Fee expended in FY 19/20	Amount of Fee Proceeds in Project	Total Cost of Project	% of Project Funded from fee D = B/C
Niles Bl Bridge Replacement (PWC8460)	2,176	2,176	14,783,362	.01%
Fremont Bl South Improvement (PWC8661)	109,445	3,865,873	4,235,746	91%
State St Improvement: Mowry to Beacon (PWC8677)	6,009	1,456,146	1,456,146	100%
Capitol Av Improvement: State to Paseo (PWC8867)	238	5,243,854	7,272,789	72%
BART Wy Improvement (PWC8868)	59,071	662,754	4,515,767	15%
I-880/Innovation Bridge and Trail (PWC8907)	135,894	400,000	5,995,035	7%
Blacow/Gatewood Traffic Signal (PWC8915)	238,586	800,000	1,427,360	56%
Grimmer/Seneca Park Traffic Signal (PWC8916)	308,181	550,000	785,002	70%
Fremont Bl Corridor Signal Modernization (PWC8922)	30,434	1,210,000	3,131,000	39%

Fremont Bl Improvement: Mowry, Stevenson (PWC8927)	547,689	1,955,000	3,551,450	55%
Mission/Sullivan Traffic Signal (PWC8930)	24,680	950,000	950,000	100%
Grimmer Bl Improvement: Fremont to Paseo (PWC8932)	5,811	2,700,000	2,800,000	96%
Centerville Complete Streets (PWC8946)	130,694	300,000	3,810,000	8%
Walnut Av Protected Bikeway (PWC8959)	482,197	1,239,986	7,624,709	16%
<b>Total 19/20 Project Expenditures</b>	<b>\$2,081,105</b>			

Planning or Program Activities-fees expended in fiscal year 2019/20 are provided below:

Name of Program or Planning Activity	Amount of Impact Fee expended in FY 19/20	Notes
Traffic Signal; Major Improvements (PWC7953)	917,953	Enhanced traffic signal equipment; new traffic signals <i>Niles/ Rock, Mission / Curtner, Grimmer/Lopes, Walnut Ave</i> <i>Existing Traffic Signal Modification Install new flashing yellow phasing, Fremont Blvd / Warm Springs</i> <i>VMT reducing projects Central/Joseph and City Center District)</i>
Traffic Signals: Minor Upgrades (PWC8931)	89,376	<ol style="list-style-type: none"> <li>1) Matching funds for the Fremont Boulevard Safe/Smart Corridor Project.</li> <li>2) Install of Bike Detection Indicator Lights on Walnut Boulevard to facilitate active transportation in the City Center District.</li> <li>3) Install new Video Detection Systems and blue-tooth travel time devices along Mission Boulevard to improve traffic monitoring and management.</li> <li>4) Installation of wireless signal communication radios for S. Grimmer Blvd./Old Warm Springs Blvd., S. Grimmer/Warm Springs Blvd., Mowry Ave./State St., and Kato Rd./Warren Ave. to allow signal monitoring and coordination along the various corridors.</li> <li>5) Implementation of Lead Pedestrian Interval signal timing at Paseo Padre Parkway/Capitol Ave., Fremont Blvd./Capitol Ave. to promote active transportation in City Center District (VMT reduction activity).</li> </ol>
Traffic Signal Planning (PWC8458)	3,403	Planning level analysis to determine new signal installation locations.
Traffic Signal Synchronization (PWC8619)	4,682	Matching funds for grant <ol style="list-style-type: none"> <li>1. Newly Acquired Caltrans Signals Retiming Project</li> <li>2. Citywide Retiming Project</li> </ol>

Traffic Safety Planning (PWC8963)	7,306	Matching funds for grant
Bikeway Improvements (PWC8874)	352,898	1) Staff civil design costs for Niles/Rancho Safe and Complete Streets project; 2) Staff design and construction costs for the I-880 Green Bike Lanes Project and Year 2/Year 3 Bikeway Striping Project; 3) Striping and flexible bollards installation for the Walnut Avenue Bikeway Improvements project.
Warm Springs Misc Infrastructure (PWC8880)	348,266	Supplemental funding for construction of Warm Springs BART West Access Bridge project
Measure BB Misc Projects (PWC8933)	151,389	City technical support for design of new Irvington BART Station
Citywide Bikeway/Trail Study (PWC8997)	14,674	Matching funds for grant
Development Impact Fee Update (PWC8315)	15,960	Impact Fee Program – Administration
<b>Total 19/20 Project Expenditures</b>	<b>\$1,905,907</b>	

6. *Outstanding Projects (as of June 30, 2020)*: Sufficient funds have been collected to complete financing on 8 outstanding projects. These projects and the anticipated construction commencement dates are listed below:

<b>Project Name</b>	<b>Anticipated Construction Start Date</b>
Osgood Rd /Washington Bl Improvement (PWC8156-B)	July 2021
Fremont Bl Corridor Signal Modernization (PWC8922)	October 2021
State St Improvement: Mowry to Beacon (PWC8677)	2022
Mission/Sullivan Traffic Signal (PWC8930)	2022
Grimmer Bl Improvement: Fremont to Paseo (PWC8932)	2022
Centerville Complete Streets (PWC8946)	2022
Traffic Signal: Major Improvements (PWC7953) 1) Fremont Boulevard/Lake View Boulevard 2) Fremont Boulevard/Bayview Drive 3) Fremont Boulevard/Walnut Avenue 4) Stevenson Boulevard/Paseo Padre Parkway 5) Mowry Avenue/Farwell Drive 6) Fremont Boulevard/Darwin Drive	2022, 2023
Kato Rd Improvement (PWC8493) <i>(funded primarily by Federal grant revenues not available until 2025)</i>	2025

Sufficient funds have not been collected to complete financing on the I-880/Innovation Bridge which remains incomplete at this time. The City continually seeks to identify grant funds available to support this project.

7. Interfund Activities: There were no interfund loans or transfers during the period from July 1, 2019 through June 30, 2020.

## **B). Five Year Information**

The Traffic Impact Fee Account has approximately \$18,972,188 in funds that remain unexpended and for which the following information is provided.

1. Fee Purpose: The Traffic Impact Fee is collected from residential and nonresidential development for the purpose of providing adequate transportation improvements to serve new development within the City. The City uses traffic impact fee revenues for the purpose of funding projects that improve citywide circulation systems, and which are necessary to accommodate the traffic volumes generated by new development.
2. Relationship Between the Fee and Fee Purpose: As of June 30, 2020, there was \$18,972,188 of fee proceeds in the traffic impact fees fund, account number 531. The need for traffic impact fees to construct the City's traffic improvements for serving new development has not been fully filled. The money is needed to support ongoing citywide traffic improvement projects.

The Traffic Impact Fee account balance continues to be required to fund new development's share of traffic, facilities, and improvements to accommodate demands on the City's infrastructure. Anticipated development cumulatively will generate a substantial increase over existing levels of traffic. This increase in traffic will result in traffic volumes, which exceed the capacity of the existing citywide circulation system. The City's use of the fee balance to fund projects as identified in the Traffic Impact Fees Technical Study to be programmed in the upcoming Capital Improvement Program, demonstrates that a reasonable relationship exists between the Traffic Impact Fee and purpose for which they were collected.

3. Sources and Amounts of Anticipated Funding: It is important to note that the Traffic Impact Fee paid by new development contributes only a portion of the funding required to complete projects. Staff proactively seeks grant opportunities to offset the expense of traffic mitigation projects. Of the \$18.9 million in fund balance a total of \$16 million represents appropriations to current active projects in the design or construction phase or projects that require further funding. The remaining \$2.9 million will be programmed in the upcoming FY 2021/22 - 2025/26 Capital Improvement Program.
4. Timing— When Anticipated Funding Expected to be Deposited: The City collects funds from new development as it occurs. It is not possible to predict in the immediate short term how many development projects will occur and the timing of such projects. Reference is made to the Technical Report for projections of development to occur over the long-term horizon.



- Traffic Impact Fee Technical Report, April 27, 2015
- Comprehensive Development Impact Fee Background Report April 17, 2014.

## Fire Facilities Fee

### A). Annual Information

1. Brief Description of the Fee: The fire facilities fee is assessed on new residential, commercial, and industrial development to pay for its proportionate share of land and construction costs for fire stations and the acquisition cost of fire apparatus and equipment that will be needed to provide adequate fire protection and emergency services for new development.

For further information on the fee calculation methodology, see *Fire Facilities Impact Fee Technical Report, April 17, 2015* and the *Comprehensive Development Impact Fee Background Report, April 17, 2014* prepared by *Willdan Financial Services*, report available: <https://www.fremont.gov/3483/Development-and-Affordable-Housing-Fees>.

2. Fee Rate: The rate of the fee is set forth below:

KSF: Thousand square feet. Effective 7/1/2019

<i>Land Use</i>	<i>Fire Facilities</i>
0 bedrooms (studios) (per dwelling unit)	\$158
1 bedroom (per dwelling unit)	\$237
2 bedrooms (per dwelling unit)	\$332
3 bedrooms (per dwelling unit)	\$410
4 bedrooms (per dwelling unit)	\$505
>4 per add'l bedroom	\$95
Office (KSF)	\$340
Retail/Service (KSF)	\$202
Warehouse (KSF)	\$146
Light Industrial (KSF)	\$114
Manufacturing (KSF)	\$207
Research & Development (KSF)	\$263
Business Park (KSF)	See Note
Convalescent Home/Nursing Home (KSF)	\$114
Assisted Living/Congregate Care Facility (KSF)	\$114
Hospital (KSF)	\$114
Religious Facility (KSF)	\$293
Schools, all (K-12) (KSF)	\$293
School, Vocation/Trade/Collegian (KSF)	\$293
Hotel/Motel (Room)	\$65

Note: For uses paying the Traffic fee as a Business Park, the most applicable Fire Facilities fees would also apply (e.g., office, manufacturing).

3. Fund Balance: The balance of the fire facilities fee fund as of the following date was:

Beginning Balance - July 1, 2019 \$2,207,317  
 Ending Balance - June 30, 2020 \$3,106,578

4. Fees Collected and Interest Earned: The total of the fees collected, and interest earned on the fund during the period from July 1, 2019 through June 30, 2020 was:

Fees Collected: \$808,350  
 Interest Earned: \$ 91,669

5. Identification of Funded Improvements: During fiscal year 2019/20, fire facilities fees were expended in an amount of \$757 to support the administrative costs associated with the Impact Fee program.

6. Outstanding Projects (as of 6/30/2020): Sufficient funds have been collected to complete payment for the following fire facilities project that was identified at the time the fee was imposed and which remains incomplete at this time.

Project Name	Anticipated Construction/Commencement Date
Acquisition of Apparatus and Equipment for new (14th) Engine Company	Summer 2022

7. Interfund Activities: There were no interfund loans or transfers during the period from July 1, 2019 through June 30, 2020.

**B). Five Year Information**

The fire facilities impact fee fund has approximately \$3,106,578 in funds that remain unexpended. With respect to that portion of the fund remaining unexpended, the following information is provided every five years, as required by Government Code Section 66001(d):

1. Fee Purpose: The purpose of the fire facilities impact fee is to fund the fire facilities needed to service new development.
2. Relationship Between the Fee and Fee Purpose: A balance of \$3,106,578 remained unexpended in the fire facilities fee fund (fund 544) on June 30, 2020. The purpose of the fee remains to fund fire facilities that serve new development.

To best accommodate future growth, as recommended by the Standards of Coverage Assessment by Citygate Associates, LLC, dated March 23, 2020, the City plans to add a new fourteenth engine company. The cost of acquiring the additional fire engine and the equipment needed to activate the new engine company is estimated at \$1.3 million.

Additionally, the City anticipates that fire facilities fees will be used to pay down new

development's unpaid share of debt-financed fire facilities. As of June 30, 2020, \$812,258 of fire facilities impact fees have been used for this purpose, and \$9.7 million of unpaid principal and interest remain outstanding.

Fire Department staff project an additional new fire truck company will be needed in the future to maintain the current level of service and will require expansion of the existing Fire Station 5. The cost of the expansion is estimated at \$4.5 million, and the cost of the new fire truck and equipment needed to activate the new truck company is estimated at \$1.8 million.

The City's planned use of the current fee balance as discussed above, along with the need to accumulate funds for an additional truck company and fire station expansion, demonstrate that a reasonable relationship exists between the fire facilities fee and the purpose for which it is collected.

3. Sources and Amounts of Anticipated Funding: The fire facilities fee paid by new development constitutes the primary source of funding for acquisition of apparatus and equipment and new construction related to expansion of the City's fire protection system. As discussed above, the existing fund balance of \$3.1 million will be sufficient to pay financing costs of existing facilities and to activate a new engine company. Funds needed to complete acquisition and construction of the planned fire facilities for a new truck company will be obtained over time from the fire facilities fees paid by new development but could also be supplemented from the General Fund if necessary.
4. Timing - When Anticipated Funding Expected to be Deposited: The City collects funds from new development as it occurs. It is not possible to predict in the immediate short term how many development projects will occur and the timing of such projects. Reference is made to the following reports for projections of development projected to occur over the long-term horizon:
  - Fire Facilities Fee Technical Report, April 17, 2015
  - Comprehensive Development Impact Fee Background Report April 17, 2014
  - Standards of Coverage Assessment, March 23, 2020

## Capital Facilities Fee

### A). Annual Information

1. Brief Description of the Fee: The purpose of the capital facilities impact fee is to fund the capital facilities needed to serve new development, including city administration, police, animal shelter, and library facilities.

For information on the fee calculation methodology and a list of planned facilities see Table 3 of the *Capital Facilities Fee Technical Report, April 17, 2015*, also background information is provided in the *Comprehensive Development Impact Fee Background Report, April 17, 2014*, both reports prepared by *Willdan Financial Services*, report available:

<https://www.fremont.gov/3483/Development-and-Affordable-Housing-Fees>.

2. Fee Rate: The rate of the fee is set forth below:

KSF: Thousand square feet. Effective 7/1/2019

<i>Land Use</i>	<i>Capital Facilities</i>
0 bedrooms (studios) (per dwelling unit)	\$1,170
1 bedroom (per dwelling unit)	\$1,756
2 bedrooms (per dwelling unit)	\$2,458
3 bedrooms (per dwelling unit)	\$3,042
4 bedrooms (per dwelling unit)	\$3,745
>4 per add'l bedroom	\$702
Office (KSF)	\$1,083
Retail/Service (KSF)	\$645
Warehouse (KSF)	\$464
Light Industrial (KSF)	\$362
Manufacturing (KSF)	\$660
Research & Development (KSF)	\$837
Business Park (KSF)	See Note
Convalescent Home/Nursing Home (KSF)	\$362
Assisted Living/Congregate Care Facility (KSF)	\$362
Hospital (KSF)	\$362
Religious Facility (KSF)	\$934
Schools, all (K-12) (KSF)	\$934
School, Vocation/Trade/Collegian (KSF)	\$934
Hotel/Motel (Room)	\$206

Note: For uses paying the Traffic fee as a Business Park, the most applicable capital facilities fees would also apply (e.g., office, manufacturing).

3. Fund Balance: The balance of the capital facilities fee fund as of the following date was:

Beginning Balance - July 1, 2019 \$6,036,274  
Ending Balance - June 30, 2020 \$9,808,671

4. Fees Collected and Interest Earned: The total of the fees collected, and interest earned on the fund during the period from July 1, 2019 through June 30, 2020 was:

Fees Collected: \$4,484,523  
Interest Earned: \$ 291,661

5. Identification of Funded Improvements: During fiscal year 2019/20, capital facilities fees were expended in an amount of \$3,787 to support the administrative costs associated with the Impact Fee program.
6. Outstanding Projects (as of 6/30/2020): Sufficient funds have not been collected to complete financing on an incomplete public improvement that was identified at the time the fee was imposed and which remains incomplete at this time.
7. Interfund Activities: During the period from July 1, 2019 through June 30, 2020, there were no interfund loans, but \$1 million was transferred to the general fund to pay a portion of the debt service on the City's 2017B Lease Revenue Bonds and 2019 Lease Revenue Bonds.

These debt issues funded the following facilities, which were designed to accommodate future development: city hall, police administration center, police detention facility, maintenance center, development services center, main library, family resource center, animal shelter, and senior center expansion.

The amount of debt service funded by the interfund transfer did not exceed the proportion of project cost (principal and interest) that is allocable to new/future development.

## **B). Five Year Reporting Requirements**

The capital facilities impact fee fund has approximately \$9,808,671 in funds that remain unexpended. With respect to that portion of the fund remaining unexpended, the following information is provided every five years, as required by Government Code Section 66001(d):

1. Fee Purpose: The purpose of the capital facilities impact fee is to fund the capital facilities needed to service new development.
2. Relationship Between the Fee and Fee Purpose: A balance of \$9,808,671 remained unexpended in the capital facilities fee fund (fund 535) on June 30, 2020. The purpose of the fee remains to fund capital facilities that serve new development.

Over the last four years the City has been accumulating capital facilities fees to pay for the acquisition of the new Age Well Center in Warm Springs. The Age Well Center, which will provide services to seniors, is under construction by the developer of an adjacent residential project and is expected to be completed and accepted by the City in spring 2021. Capital facilities impact fees will be used to pay approximately \$12.2 million of the total \$15.2 million acquisition cost.

Additionally, the City anticipates that capital facilities fees will continue to be used to pay down new development's unpaid share of debt-financed capital facilities. As of June 30, 2020, \$19,095,000 of capital facilities impact fees have been used for this purpose, and \$11.7 million of unpaid principal and interest remain outstanding.

Staff have identified several capital projects which the City will need to undertake in future years to maintain the current level of service assuming continuing development activity. These include expanding the police administration building, the City's fiber communications infrastructure, and the main library, as well as construction of a new branch library in Warm Springs and a new community center in North Fremont. The combined estimated cost of these projects is over \$100 million.

The City's planned use of the current fee balance as discussed above, along with the need to accumulate funds for future capital projects, demonstrate that a reasonable relationship exists between the capital facilities fee and the purpose for which it is collected.

3. Sources and Amounts of Anticipated Funding: The capital facilities fee paid by new development constitutes an important source of funding for expanding the City's existing facilities and constructing new facilities. As discussed above, the existing fund balance of \$9.8 million, combined with capital facilities fees paid in future years, will be sufficient to pay the financing costs of existing facilities and to acquire the Age Well Center in Warm Springs. Funds needed to complete acquisition or construction of the additional planned capital facilities described above will be obtained over time from the capital facilities fees paid by new development but may also be supplemented from the General Fund or financed.
4. Timing - When Anticipated Funding Expected to be Deposited: The City collects funds from new development as it occurs. It is not possible to predict in the immediate short term how many development projects will occur and the timing of such projects. Reference is made to the following reports for projections of development projected to occur over the long-term horizon:
  - Capital Facilities Fee Technical Report, April 17, 2015
  - Comprehensive Development Impact Fee Background Report April 17, 2014

Master Fee Schedule, Development Impact Fees. This chart is provided to present the comprehensive listing of fees established for all fee categories, effective 7/1/2019

KSF: Thousand square feet

<i>Land Use</i>	<i>Capital Facilities</i>	<i>Fire Facilities</i>	<i>Traffic</i>	<i>Parkland</i>	<i>Park Facilities</i>
0 bedrooms (studios)	\$1,092	\$158	\$2,224	\$4,800	\$5,393
1 bedroom	\$1,639	\$237	\$2,224	\$7,201	\$8,088
2 bedrooms	\$2,295	\$332	\$2,484	\$10,081	\$11,323
3 bedrooms	\$2,840	\$410	42,484	\$12,480	\$14,020
4 bedrooms	\$3,497	\$505	\$3,782	\$15,360	\$17,254
>4 per bedroom	\$656	\$95	See Note 4	\$2,880	\$3,235
Office (KSF)	\$1,012	\$340	\$5,524	---	---
Retail/Service (KSF)	\$602	\$202	\$7,564	---	---
Warehouse (KSF)	\$433	\$146	\$1,669	---	---
Light Industrial (KSF)	\$338	\$114	\$4,004	---	---
Manufacturing (KSF)	\$616	\$207	\$2,780	---	---
Research & Development (KSF)	\$782	\$263	\$3,966	---	---
Business Park (KSF)	See Note 5	See Note 5	\$4,672	---	---
Convalescent Home/Nursing Home (KSF)	\$338	\$114	\$3,744	---	---
Assisted Living/Congregate Care Facility (KSF)	\$338	\$114	\$742	---	---
Hospital (KSF)	\$338	\$114	\$4,261	---	---
Religious Facility (KSF)	\$872	\$293	\$3,486	---	---
Schools, all (K-12) (KSF)	\$872	\$293	\$7,860	---	---
School, Vocation/Trade/Collegian (KSF)	\$872	\$293	\$9,788	---	---
Hotel/Motel (Room)	\$192	\$65	\$2,262	---	---

Notes:

1. Definitions application to land use categories from the Comprehensive Development Impact Fee Update Background Technical Report shall be used in applying the fees above.
2. Residential uses pay all five fees listed above.
3. Non-residential uses pay three fees, being: Capital Facilities; Fire Facilities; and Traffic fees.
4. Under the Traffic fee, residential units with more than four bedrooms pay the fee applicable to a 4-bedroom unit.
5. For uses paying the Traffic fee as a Business Park, the most applicable Capital Facilities and Fire Facilities fees would also apply (e.g., office, manufacturing).