

COUNTY OF SAN MATEO

Inter-Departmental Correspondence

Date: February 13, 2001

Board Meeting Date: February 27, 2001

TO: Honorable Board of Supervisors

FROM: Neil R. Cullen, Director of Public Works

SUBJECT: County-Wide Mitigation Fees for County Public Road Reconstruction

RECOMMENDATION

Adopt resolutions:

- a) Accepting the report on the status of the County-Wide Mitigation Fees and finding that fees held over five years are necessary for the reconstruction of County Roads and Drainage Facilities in the area of benefit where they were collected; and
- b) Authorizing an increase in the fees as provided for in the Ordinance establishing the fees.

Previous Board Action

Adopted Ordinances authorizing the collection of Countywide Mitigation Fees for County Public Road and Drainage Facility Reconstruction.

Key Facts

1. The enabling legislation and the ordinance establishing the fees requires that a report be prepared each year on the status of the fees.
2. The enabling legislation also requires that findings be made on fees held over five years that have not been expended.
3. We are recommending that findings be made to retain fees held over five years as costs for qualified projects that have been completed or are under construction have not yet been expensed against the fund.

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4. The Ordinance Code allows for adjustments of the mitigation fees based on the change in the Construction Cost Index as published by the *Engineering News Record*.

Discussion

Status of Funds

The attached summary indicates the amount of funds that have been collected together with interest from inception of the fees in January, 1991 through December 31, 2000 (Exhibit "A").

Funds collected in the Mid-Peninsula Area (Burlingame Hills/Devonshire/San Mateo Highlands) amounting to \$115,401, in the South Bayside Area (Harbor Industrial, North Fair Oaks, Menlo Oaks) amounting to \$692, in the Emerald Lakes Hills Area (Palomar Park, Emerald Lake Hills, Oak Knoll) amounting to \$201,483 and in the Rural Area (Pescadero, San Gregorio, etc.) amounting to \$148,025 are over five years old and have not yet been used to finance roadway or drainage facility improvement projects.

The "A" Street reconstruction project (North County), the Devonshire Canyon street resurfacing project (Mid-Peninsula), the Canyon Road reconstruction project (Emerald Lake Area), and the Pescadero Creek Road resurfacing project are or will be completed this fiscal year with the expenditures being charged to the appropriate areas of benefit.

We believe that it is appropriate to retain the balance of these funds as there is a need to reconstruct road and drainage facilities in these areas and the expenditure of the funds has been delayed for valid reasons. Therefore, we are recommending that your Board determine that these funds will be retained and that they be used for reconstruction projects in the given area.

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Adjustment of Fees

The fees as established use the residential fee as the base with commercial and industrial fees related as multiples of the residential, with the exception of the Commercial – Self-Storage fee, which was established in 1999. The ordinance provides for adjusting the mitigation fee based on changes in the *Engineering News Record* Construction Cost Index, which has increased over thirty-three percent (33%) since inception of the fees (with the exception of the Commercial – Self-Storage fee, which has increased over eight percent (8%) since inception of this fee). We are recommending that the residential fee be increased from \$1.25 to \$1.30 per square foot of assessable space with the commercial and industrial fees adjusted proportionately to reflect the change in the Construction Cost Index (with the exception of the Commercial – Self-Storage fee, which will be increased from \$0.80 to \$0.85). The following is a summary of the recommended adjusted fees (per square foot of improved area):

	Initial Fee	Existing Fee	Total Change Since 1991	Initial Fee + Increase	Proposed Fee
Residential	\$1.00	\$1.25	+33.9%	\$1.339	\$1.30
Industrial	\$1.00	\$1.25	+33.9%	\$1.339	\$1.30
Commercial- Self Storage	\$0.80	\$0.80	+ 8.8%*	\$0.870	\$0.85
Commercial- Lodging	\$1.00	\$1.25	+33.9%	\$1.339	\$1.30
Commercial- Retail	\$2.00	\$2.50	+33.9%	\$2.678	\$2.60
Commercial- Office	\$2.00	\$2.50	+33.9%	\$2.678	\$2.60

* fee established - February 1999

Honorable Board of Supervisors

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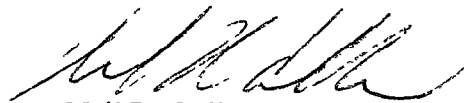
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Fiscal Impact

There is no impact on the General Fund.

The projects described above and future projects may be financed in part through the use of Road Funds and Mitigation Fees. These projects will be budgeted for during the normal budget process.

Forms of resolutions have been approved by County Counsel.



Neil R. Cullen

Director of Public Works

NRC:TS:sdd

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File No.: F-358(10A)

Attachments: Exhibit "A" - County-Wide Mitigation Fee Account Activity 1991-2000
Exhibit "B" - Description of Areas of Benefit

cc: Milt Mares, County Counsel

**SAN MATEO COUNTY - DEPARTMENT OF PUBLIC WORKS
MITIGATION FEES - LTD (ROADWAY IMPROVEMENT FUND 00114)
AS OF DECEMBER 31, 2000**

PERIOD ENDING	TRANS TYPE	NORTH COUNTY	MID- PENINSULA	SOUTH BAYSIDE	EMERALD LAKE	SOUTH COUNTY	MID-COAST URBAN	RURAL	TOTALS
Jun-91	collections	3,850.00	11,371.00	6,641.00	3,578.00	17,610.00	36,202.00	16,786.00	96,038.00
	interest	34.18	130.83	185.41	233.08	260.86	394.87	224.93	1,464.16
	expenditures fund balance	3,884.18	11,501.83	6,826.41	3,811.08	17,870.86	36,596.87	17,010.93	97,502.16
Jun-92	collections	8,071.00	37,713.00	41,450.00	49,564.00	60,029.00	78,328.50	37,600.50	312,756.00
	interest	414.84	1,587.98	2,250.41	2,829.02	3,166.21	4,792.64	2,730.08	17,771.18
	expenditures fund balance	12,370.02	50,802.81	50,526.82	56,204.10	81,066.07	119,718.01	57,341.51	428,029.34
Jun-93	collections	9,769.00	22,449.00	49,624.00	60,625.00	66,511.00	78,688.00	68,853.00	356,519.00
	interest	1,025.79	3,926.64	5,564.63	6,995.38	7,829.15	11,850.84	6,750.71	43,943.14
	expenditures fund balance	23,164.81	77,178.45	105,715.45	123,824.48	155,406.22	210,256.85	132,945.22	828,491.48
Jun-94	collections	3,822.00	26,125.00	40,681.00	60,212.58	50,566.00	101,519.00	44,655.00	327,580.58
	interest	1,058.52	4,051.94	5,742.20	7,218.61	8,078.98	12,229.00	6,966.13	45,345.38
	expenditures fund balance	28,045.33	107,355.39	152,138.65	(185,460.83)	(46,949.00)	(95,712.95)	(171,877.22)	(500,000.00)
Jun-95	collections	6,939.57	8,844.74	13,894.92	115,338.99	61,277.95	104,661.76	39,928.65	350,886.58
	interest	1,255.96	4,171.59	730.48	7,072.84	5,534.90	11,767.98	5,218.61	35,752.36
	expenditures fund balance	36,240.86	120,371.72	(145,686.00)	75,880.83	(74,205.00)	(5,155.05)	93,747.22	(55,418.00)
Jun-96	collections	5,743.04	19,694.07	94,861.95	83,975.73	73,233.66	147,044.84	51,998.16	476,551.45
	interest	1,988.57	6,634.23	5,491.51	13,644.15	11,033.41	23,048.42	9,642.68	71,482.97

**SAN MATEO COUNTY - DEPARTMENT OF PUBLIC WORKS
MITIGATION FEES - LTD (ROADWAY IMPROVEMENT FUND 00114)
AS OF DECEMBER 31, 2000**

PERIOD ENDING	TRANS TYPE	NORTH COUNTY	MID-PENINSULA	SOUTH BAYSIDE	EMERALD LAKE	SOUTH COUNTY	MID-COAST URBAN	RURAL	TOTALS
	expenditures								0.00
	fund balance	43,972.47	146,700.02	121,431.51	301,707.38	243,977.12	509,659.85	213,224.45	1,580,672.80
Jun-97	collections	15,393.60	14,770.71	110,008.25	111,550.45	89,246.50	136,921.41	48,201.26	526,092.18
	interest	3,168.68	8,950.06	10,282.57	21,058.27	11,899.22	33,967.60	13,350.35	102,676.75
	expenditures	(491.81)	(1,340.31)	(1,901.09)	(3,415.78)	(180,636.59)	(5,352.34)	(7,491.24)	(200,629.16)
	fund balance	62,042.94	169,080.48	239,821.24	430,900.32	164,486.25	675,196.52	267,284.82	2,008,812.57
Jun-98	collections	4,958.41	57,653.61	214,687.85	123,917.50	59,026.48	207,540.76	87,238.62	755,023.23
	interest	3,747.97	11,779.71	19,358.33	30,086.22	11,865.16	47,092.98	18,108.12	142,038.49
	expenditures	(2,254.48)	(1,350.78)	(2,683.66)	(4,966.73)	(1,333.02)	(5,265.92)	(2,110.33)	(19,964.92)
	fund balance	68,494.84	237,163.02	471,183.76	579,937.31	234,044.87	924,564.34	370,521.23	2,885,909.37
Jun-99	collections	6,227.40	83,432.66	104,390.76	110,343.75	88,678.63	225,715.66	76,874.99	695,663.85
	interest	3,095.10	16,590.89	29,198.96	37,097.88	16,528.41	60,393.24	19,506.07	182,410.55
	expenditures	(21,026.29)	(2,392.52)	(5,978.86)	(5,986.97)	(2,407.17)	(8,667.56)	(88,670.71)	(135,130.08)
	fund balance	56,791.05	334,794.05	598,794.62	721,391.97	336,844.74	1,202,005.68	378,231.58	3,628,853.69
Jun-00	collections	12,122.65	70,905.04	54,025.43	107,486.79	94,011.22	226,281.26	63,596.74	628,429.13
	interest	4,571.89	26,238.66	30,425.56	42,483.39	19,918.53	72,157.34	27,790.72	223,586.09
	expenditures	(1,384.39)	(1,246.03)	(12,171.31)	(2,513.66)	(322,630.96)	(576,352.30)	93,878.38	(822,420.27)
	fund balance	72,101.20	430,691.72	671,074.30	868,848.49	128,143.53	924,091.98	563,497.42	3,658,448.64
Dec-00	collections	1,768.75	18,384.23	22,540.00	47,848.86	46,270.32	162,973.39	22,380.99	322,166.54
	interest	1,037.80	6,327.37	9,604.63	12,603.76	2,154.11	14,141.13	8,193.28	54,062.08
	expenditures	(44,960.00)	0.00	0.00	0.00	0.00	0.00	0.00	(44,960.00)
	fund balance	29,947.75	455,403.32	703,218.93	929,301.11	176,567.96	1,101,206.50	594,071.69	3,989,717.26

Exhibit "B"

**County-Wide Mitigation Fees
AREAS OF BENEFIT**

Name	Served by Arterials/Highways/Freeways	Major Unincorporated Areas	Minor Unincorporated Areas
North County	I-280	Broadmoor Village Colma Country Club Park	Olympic Club California Golf & Country Club San Francisco Airport Area Guadalupe Canyon Parkway
Mid-Peninsula	I-280/Highway 92	Burlingame Hills San Mateo Highlands Devonshire	
South Bayside	Highway 101/Middlefield Road	Harbor Industrial North Fair Oaks Menlo Oaks	Mobile Home Parks (Haven Road) Ideal Cement
Emerald Lake	Edgewood Road./Alameda de las Pulgas	Palomar Park Emerald Lake Hills Oak Knoll	Kensington Square Whipple Terrace Edgewood Road
South County	I-280/Alameda de las Pulgas	Sequoia Tract West Menlo Park Ladera Los Trancos	Stanford Lands Weekend Acres
Mid-Coast Urban	Highway 1	Montara Moss Beach El Granada Princeton	
Rural	Skyline Boulevard/Highway 1	Skyline Area La Honda San Gregorio Pescadero All other rural areas	

Resolution No. _____

Board of Supervisors, County of San Mateo, State of California

* * * * *

**Resolution Accepting the Report on County-Wide Mitigation Fees and
Finding that Fees Held Over Five Years are Necessary for the
Reconstruction of County Roads in the Area of Benefit Where They were Collected**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, County-Wide Mitigation Fees were established by Ordinance No. 3277 in December 1990, and amended by Ordinance No. 3458 in December 1992, Ordinance No. 3697 in January 1996, Ordinance No. 3819 in February 1998 and Ordinance No. 3988 in August 2000; and

WHEREAS, the fees have been collected and used to finance roadway reconstruction projects in six of the seven areas of benefit established by the Ordinance; and

WHEREAS, this Board will consider future roadway and drainage facility reconstruction projects to be wholly or partially financed by mitigation fees; and

WHEREAS, the Director of Public Works has presented this Board with a report on the status of fee collections and uses; and

WHEREAS, said report indicates that funds in four of the seven areas have been retained for a period greater than five years; and

WHEREAS, projects have been programmed for reconstruction in all the areas but have been delayed for valid reasons:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. The Report on the Status of the County-Wide Impact Mitigation Fees for Public Road and Drainage Facility Reconstruction as detailed in Exhibit "A" is accepted by this Board of Supervisors; and

2. This Board finds that fees held over five years are necessary for the reconstruction of County Roads in the area of benefit where they were collected, and that said fees shall be retained in the fund until expended.

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**SAN MATEO COUNTY - DEPARTMENT OF PUBLIC WORKS
MITIGATION FEES - LTD (ROADWAY IMPROVEMENT FUND 00114)
AS OF DECEMBER 31, 2000**

PERIOD ENDING	TRANS TYPE	NORTH COUNTY	MID-PENINSULA	SOUTH BAYSIDE	EMERALD LAKE	SOUTH COUNTY	MID-COAST URBAN	RURAL	TOTALS
Jun-91	collections	3,850.00	11,371.00	6,641.00	3,578.00	17,610.00	36,202.00	16,786.00	96,038.00
	interest	34.18	130.83	185.41	233.08	260.86	394.87	224.93	1,464.16
	expenditures								0.00
	fund balance	3,884.18	11,501.83	6,826.41	3,811.08	17,870.86	36,596.87	17,010.93	97,502.16
Jun-92	collections	8,071.00	37,713.00	41,450.00	49,564.00	60,029.00	78,328.50	37,600.50	312,756.00
	interest	414.84	1,587.98	2,250.41	2,829.02	3,166.21	4,792.64	2,730.08	17,771.18
	expenditures								0.00
	fund balance	12,370.02	50,802.81	50,526.82	56,204.10	81,066.07	119,718.01	57,341.51	428,029.34
Jun-93	collections	9,769.00	22,449.00	49,624.00	60,625.00	66,511.00	78,688.00	68,853.00	356,519.00
	interest	1,025.79	3,926.64	5,564.63	6,995.38	7,829.15	11,850.84	6,750.71	43,943.14
	expenditures								0.00
	fund balance	23,164.81	77,178.45	105,715.45	123,824.48	155,406.22	210,256.85	132,945.22	828,491.48
Jun-94	collections	3,822.00	26,125.00	40,681.00	60,212.58	50,566.00	101,519.00	44,655.00	327,580.58
	interest	1,058.52	4,051.94	5,742.20	7,218.61	8,078.98	12,229.00	6,966.13	45,345.38
	expenditures				(185,460.83)	(46,949.00)	(95,712.95)	(171,877.22)	(500,000.00)
	fund balance	28,045.33	107,355.39	152,138.65	5,794.84	167,102.20	228,291.90	12,689.13	701,417.44
Jun-95	collections	6,939.57	8,844.74	13,894.92	115,338.99	61,277.95	104,661.76	39,928.65	350,886.58
	interest	1,255.96	4,171.59	730.48	7,072.84	5,534.90	11,767.98	5,218.61	35,752.36
	expenditures			(145,686.00)	75,880.83	(74,205.00)	(5,155.05)	93,747.22	(55,418.00)
	fund balance	36,240.86	120,371.72	21,078.05	204,087.50	159,710.05	339,566.59	151,583.61	1,032,638.38
Jun-96	collections	5,743.04	19,694.07	94,861.95	83,975.73	73,233.66	147,044.84	51,998.16	476,551.45
	interest	1,988.57	6,634.23	5,491.51	13,644.15	11,033.41	23,048.42	9,642.68	71,482.97

**SAN MATEO COUNTY - DEPARTMENT OF PUBLIC WORKS
MITIGATION FEES - LTD (ROADWAY IMPROVEMENT FUND 00114)
AS OF DECEMBER 31, 2000**

PERIOD ENDING	TRANS TYPE	NORTH COUNTY	MID- PENINSULA	SOUTH BAYSIDE	EMERALD LAKE	SOUTH COUNTY	MID-COAST URBAN	RURAL	TOTALS
	expenditures								0.00
	fund balance	43,972.47	146,700.02	121,431.51	301,707.38	243,977.12	509,659.85	213,224.45	1,580,672.80
Jun-97	collections	15,393.60	14,770.71	110,008.25	111,550.45	89,246.50	136,921.41	48,201.26	526,092.18
	interest	3,168.68	8,950.06	10,282.57	21,058.27	11,899.22	33,967.60	13,350.35	102,676.75
	expenditures	(491.81)	(1,340.31)	(1,901.09)	(3,415.78)	(180,636.59)	(5,352.34)	(7,491.24)	(200,629.16)
	fund balance	62,042.94	169,080.48	239,821.24	430,900.32	164,486.25	675,196.52	267,284.82	2,008,812.57
Jun-98	collections	4,958.41	57,653.61	214,687.85	123,917.50	59,026.48	207,540.76	87,238.62	755,023.23
	interest	3,747.97	11,779.71	19,358.33	30,086.22	11,865.16	47,092.98	18,108.12	142,038.49
	expenditures	(2,254.48)	(1,350.78)	(2,683.66)	(4,966.73)	(1,333.02)	(5,265.92)	(2,110.33)	(19,964.92)
	fund balance	68,494.84	237,163.02	471,183.76	579,937.31	234,044.87	924,564.34	370,521.23	2,885,909.37
Jun-99	collections	6,227.40	83,432.66	104,390.76	110,343.75	88,678.63	225,715.66	76,874.99	695,663.85
	interest	3,095.10	16,590.89	29,198.96	37,097.88	16,528.41	60,393.24	19,506.07	182,410.55
	expenditures	(21,026.29)	(2,392.52)	(5,978.86)	(5,986.97)	(2,407.17)	(8,667.56)	(88,670.71)	(135,130.08)
	fund balance	56,791.05	334,794.05	598,794.62	721,391.97	336,844.74	1,202,005.68	378,231.58	3,628,853.69
Jun-00	collections	12,122.65	70,905.04	54,025.43	107,486.79	94,011.22	226,281.26	63,596.74	628,429.13
	interest	4,571.89	26,238.66	30,425.56	42,483.39	19,918.53	72,157.34	27,790.72	223,586.09
	expenditures	(1,384.39)	(1,246.03)	(12,171.31)	(2,513.66)	(322,630.96)	(576,352.30)	93,878.38	(822,420.27)
	fund balance	72,101.20	430,691.72	671,074.30	868,848.49	128,143.53	924,091.98	563,497.42	3,658,448.64
Dec-00	collections	1,768.75	18,384.23	22,540.00	47,848.86	46,270.32	162,973.39	22,380.99	322,166.54
	interest	1,037.80	6,327.37	9,604.63	12,603.76	2,154.11	14,141.13	8,193.28	54,062.08
	expenditures	(44,960.00)	0.00	0.00	0.00	0.00	0.00	0.00	(44,960.00)
	fund balance	29,947.75	455,403.32	703,218.93	929,301.11	176,567.96	1,101,206.50	594,071.69	3,989,717.26

Resolution No. _____

Board of Supervisors, County of San Mateo, State of California

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**Resolution Authorizing Adjustment of County-Wide Mitigation Fees for County Public
Road and Drainage Facility Reconstruction**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of
California, that

WHEREAS, County-Wide Mitigation Fees are collected from applicants for building
permits; and

WHEREAS, the fees collected are used for the reconstruction of public roads and
drainage facilities impacted by development; and

WHEREAS, Ordinance No. 3988 provides that mitigation fees be periodically adjusted
in accordance with the Construction Cost Index published by the *Engineering News Record*; and

WHEREAS, the Construction Cost Index as published by the *Engineering News Record* has shown an increase in the cost of public improvement construction equivalent to thirty-three and nine tenths percent (33.9%) between January 1991 and January 2001; and

WHEREAS, this Board has determined that an increase in the rates as provided in Ordinance 3988 is necessary in order to have rates that reflect the increased costs of construction:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED as follows:

1. The rates used to established the County-Wide Mitigation Fees collected from applicants for building permits shall be as follow:

Residential	\$1.30 per square foot
Industrial	\$1.30 per square foot
Commercial – Self-Storage	\$.85 per square foot
Commercial – Lodging	\$1.30 per square foot
Commercial – Retail	\$2.60 per square foot
Commercial – Office	\$2.60 per square foot

2. The rates shall be effective March 1, 2001.
