

2015-2016

CITY OF CHICO

DEVELOPMENT IMPACT FEE REPORT



**Prepared by the City of Chico
Public Works Department
and
Finance Office**

November 22, 2016

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Development Impact Fees

The City of Chico has established development impact fees for the purposes listed below:

- Transportation Facility Fees
 - Street Facility Improvement Fee
 - Street Maintenance Equipment Fee
 - Bikeway Improvement Fee

- Park Facility Fees
 - Basic Park Facility Fee
 - Bidwell Park Land Acquisition Fee
 - Linear Parks / Greenways Fee

- Building and Equipment Fees
 - Administrative Building Fee
 - Fire Protection Building and Equipment Fee
 - Police Protection Building and Equipment Fee

- Sewer Fees
 - Water Pollution Control Plant Capacity Rates
 - Trunkline Capacity Rates
 - Lift Station Fees

- Storm Drainage Facility Fees

California Government Code Requirements

Pursuant to the provisions of California Government Code Section 66006(b), the City of Chico, within 180 days after the last day of each fiscal year, shall make available to the public the following information:

1. A brief description of the type of fee in the account or fund.
2. The amount of the fee.
3. The beginning and ending balance of the account or fund.
4. The amount of fees collected and the interest earned.
5. Identification of each public improvement on which fees were expended and the amount of expenditures on each public improvement, including the total percentage of the cost of the improvement funded with the fees.
6. Identification of an approximate date by which construction of the public improvement will commence if sufficient funds have been collected to allow financing of the project.
7. Description of any interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned funds will be expended. 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 fund will receive on the loan.
8. The amount of refunds made pursuant to Section 66001(e), if any.

Street Facility Improvement Fee (Fund 308)

A. Description and Purpose

Pursuant to Section 3.85.290 of the Chico Municipal Code, “street facility improvement” means any collector street, arterial street, or other major street or highway; any bridge, storm drain, sidewalk, curb, gutter, street light, traffic signal, street sign or other facility necessary or appurtenant to a collector street, arterial street, or other major street or highway; and any real property acquired for the purpose of constructing and installing such improvements or other facilities necessary and appurtenant thereto.

The purpose of the Street Facility Improvement Fee is to provide funding for the construction of those improvements to the City’s street system which are required to provide a community traffic circulation system to accommodate a population projected to be 134,000 by the City of Chico General Plan. The new residential, commercial and industrial development which is projected to occur to build-out will generate significant additional traffic and the need to improve and expand the City’s street facilities system. Fees are used to fund the needed improvements.

B. Amount of Fee

The City’s Street Facility Improvement Fees, as adopted by resolution of the City Council, are contained in Fee Schedule No. 50.010, which is available on the City’s website.

C. <u>Beginning Balance, July 1, 2015</u>	\$	1,684,799
Street Facility Improvement Fees Collected		2,380,364
Street Facility Improvement Fees Refunded		(362,601)
Interest Earned/(Expense)		7,187
Interfund Transfers Out (Transfer for Geographical Information Systems)		(5,886)
Current Year Expenditures (See Detail in Expenditure Summary - D.)		(588,585)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	<u>3,115,278</u>

Street Facility Improvement Fee (Fund 308)

D. Expenditure Summary

		Street Facility Fees Expended in FY 2015-16	
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	
12056	EATON ROAD EXTENSION	100%	\$ 8,478
12066	COHASSET ROAD WIDENING	56%	23,931
13023	SHR 99/EATON RD INTERCHANGE	100%	11,077
15010	SHR32 WIDENING	52%	398,970
16038	BRUCE ROAD RECONSTRUCTION	100%	49,420
28921	ANNUAL NEXUS UPDATE	32%	46,709
50067	ESPLANADE RECONSTRUCTION	63%	50,000
	TOTAL		\$ 588,585

Street Maintenance Equipment Fee (Fund 335)

A. Description and Purpose

Pursuant to Section 3.85.295 of the Chico Municipal Code, “street maintenance equipment fee” means all of the vehicles and equipment used by the City in maintaining the City’s street system, including all buildings and real property constructed or acquired for the purpose of storing or servicing such vehicles and equipment.

The Street Maintenance Equipment Fee has two purposes: (1) to provide funding for the acquisition of the street maintenance facilities and equipment necessary to maintain existing street maintenance service levels as future growth and development occurs; and (2) to provide funding for the improvement of existing street maintenance buildings/facilities and/or the construction of such new facilities required to provide for the maintenance and storage of such equipment.

B. Amount of Fee

The City’s Street Maintenance Equipment Fee, as adopted by resolution of the City Council, is contained in Fee Schedule No. 50.010, which is available on the City’s website.

<u>Beginning Balance, July 1, 2015</u>	\$	1,544,003
Street Maintenance Equipment Fees Collected		67,429
Street Maintenance Fees Refunded		0
Fees Collected from other Government Agencies		0
Interest Earned/(Expense)		4,336
Interfund Transfers Out (Transfer for Geographical Information Systems)		(32)
Current Year Expenditures (See Detail in Expenditure Summary - D.)		(3,184)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	<u>1,612,552</u>

D. Expenditure Summary

<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
28921	ANNUAL NEXUS UPDATE	2%	\$ 3,184

Note: As noted in the June 30, 2016 City of Chico financial statements, this Fund loaned \$831,412 to the Administrative Building Impact Fee Fund for cash flow purposes as the City’s audited financial statements do not allow reporting a negative cash balance. The entire balance in this Fund is available as needed.

Bikeway Improvement Fee (Fund 305)

A. Description and Purpose

Pursuant to Section 3.85.220 of the Chico Municipal Code, “bikeway improvement” means any Class 1 bikeway as defined in Section 1001.1 of the Highway Design Manual, 1990 Edition, published by the California Department of Transportation and any real property acquired for the purpose of constructing such bikeways.

The purpose of the Bikeway Improvement Fee is to provide funding for the construction of additional Class I bicycle paths. These paths are required to augment the City’s current bikeways system to accommodate the needs of projected new growth in the community.

B. Amount of Fee

The City’s Bikeway Improvement Fee, as adopted by resolution of the City Council, is contained in Fee Schedule No. 50.010, which is available on the City’s website.

<u>Beginning Balance, July 1, 2015</u>	\$	227,234
Bikeway Improvement Fees Collected		256,264
Bikeway Improvement Fees Refunded		0
Fees Collected from other Government Agencies		0
Interest Earned/(Expense)		934
Interfund Transfers Out (Transfer for Geographical Information Systems)		(338)
Current Year Expenditures (See Detail in Expenditure Summary - D.)		(33,835)
<u>Ending Balance, June 30, 2016</u>	\$	450,259

D. Expenditure Summary

		Bikeway Improvement Fees Expended in FY 2015-16	
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
12058	BICYCLE PATH - LCC TO 20TH ST PK	47%	\$ 14,225
28921	ANNUAL NEXUS UPDATE	3%	4,669
50160	GENERAL PLAN IMPLEMENTATION	3%	5,322
50166	SR99 CORRIDOR BIKEWAY FACILITY	25%	9,619
	TOTAL		\$ 33,835

Basic Park Facility Fee (Funds 330, 333, 341-348)

A. Description and Purpose

As set forth in the Chico Municipal Code (CMC), Basic Park Facility Fees are comprised of three components. The first component is the Community Park Facilities Fee, defined in CMC Section 3.85.230 as any park facilities other than Bidwell Park which are intended to serve the recreational needs of all of the residents of the city. CMC Section 3.85.237 defines the second component, Linear Park and Greenway Facilities, as those narrow public open spaces maintained in a natural or landscaped state. Linear park and greenway facilities located along the banks of a creek may include all adjacent riparian habitat. The third and final component, Neighborhood Park Facilities, are defined in CMC Section 3.85.260 as those park facilities which are intended to serve the recreational needs of only a portion of the residents and other inhabitants of the city.

The purpose of this fee is to provide funding for the acquisition and improvement of those park facility projects required to augment the City's current park system and to accommodate the needs of projected new growth and development in the community.

B. Amount of Fee

The City's Basic Park Facility Fee, as adopted by resolution of the City Council, is contained in Fee Schedule No. 50.030, which is available on the City's website.

C. <u>Beginning Balance, July 1, 2015</u>	\$ 5,618,938
Basic Park Facility Fees Collected	1,236,376
Basic Park Facility Fees Refunded	0
Fees Collected from other Government Agencies	0
Interest Earned/(Expense)	20,408
Interfund Transfers Out (Transfer for Geographical Information Systems)	(312)
Current Year Expenditures (See Detail in Expenditure Summary - D.)	<u>(31,119)</u>
<u>Ending Balance, June 30, 2016</u>	<u><u>\$ 6,844,291</u></u>

Basic Park Facility Fee (Funds 330, 333, 341-348)

D. Expenditure Summary

		Basic Park Facility Fees Expended in FY 2015-16	
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
19005	BIDWELL PARK MASTER PLAN	19%	\$ 45
28921	ANNUAL NEXUS UPDATE	100%	28,946
50160	GENERAL PLAN IMPLEMENTATION	1%	2,128
TOTAL			\$ 31,119

Notes: As noted in the June, 30 2016 City of Chico financial statements, the Community Park Impact Fee Fund loaned \$1,309,186 to the Bidwell Park Land Acquisition Impact Fee Fund for cash flow purposes as the City's audited financial statements do not allow reporting a negative cash balance. The entire balance in this Fund is available as needed.

As noted in the June, 30 2016 City of Chico financial statements, the Zone I Neighborhood Parks Impact Fee Capital Projects Fund loaned \$58,777 to the Community Maintenance Districts Special Revenue Fund for cash flow purposes as the City's audited financial statements do not allow reporting a negative cash balance. The entire balance in this Fund is available as needed.

As noted in the June, 30 2016 City of Chico financial statements, the Zone J Neighborhood Parks Impact Fee Fund borrowed \$159,985 from the Police Protection Building and Equipment Impact Fee Fund for cash flow purposes as the City's audited financial statements do not allow reporting a negative cash balance. Future revenue collected in this Fund will continue to be used to eliminate this deficit.

Bidwell Park Land Acquisition Fee (Fund 332)

A. Description and Purpose

Pursuant to Section 3.85.215 of the Chico Municipal Code, Bidwell Park is described as the predominantly natural park conveyed to the city by Annie E. K. Bidwell pursuant to that certain deed dated July 10, 1905, together with any additions made thereto.

The purpose of the Bidwell Park Land Acquisition Fee is to provide funding for the acquisition and development of an additional 1,554.86 acres of park lands adjacent to Bidwell Park to protect it from the potential of private development and to mitigate the adverse environmental impact of projected growth pressure upon the park during the approximate 20-year planning period.

B. Amount of Fee

The City's Bidwell Park Land Acquisition Fee, as adopted by resolution of the City Council, is contained in Fee Schedule No. 50.030, which is available on the City's website.

<u>Beginning Balance, July 1, 2015</u>	\$	(1,398,420)
Bidwell Park Land Acquisition Fees Collected		89,598
Bidwell Park Land Acquisition Fees Refunded		0
Fees Collected from other Government Agencies		0
Interest Earned/(Expense)		0
Interfund Transfers Out (Transfer for Geographical Information Systems)		(4)
Current Year Expenditures		(360)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	(1,309,186)

D. Expenditure Summary

			<u>Bidwell Park Land Acquisition Fees Expended in FY 2015-16</u>
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	
28921	ANNUAL NEXUS UPDATE	100%	\$ 360
	TOTAL		\$ 360

Note: As noted in the June 30, 2016 City of Chico Financial statements, this fund borrowed \$1,309,186 from the Community Park Impact Fund as the City's audited financial statements do not allow reporting a negative cash balance. Future revenue collected in this Fund will continue to be used to eliminate this deficit.

Administrative Building Fee (Fund 336)

A. Description and Purpose

Pursuant to Section 3.85.210 of the Chico Municipal Code, “administrative building” means any office building, including real property required for such office building, which is used in the administration and/or provision of governmental services by the City except for fire protection buildings and police protection buildings.

B. Amount of Fee

The City’s Administrative Building Fee, as adopted by resolution of the City Council, is contained in Fee Schedule No. 50.040, which is available on the City's website.

<u>Beginning Balance, July 1, 2015</u>	\$	(932,808)
Administrative Building Fees Collected		104,197
Administrative Building Fees Refunded		0
Fees Collected from other Government Agencies		0
Interest Earned/(Expense)		(2,428)
Interfund Transfers Out (Transfer for Geographical Information Systems)		(4)
Current Year Expenditures		(369)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	<u>(831,412)</u>

D. Expenditure Summary

		Administrative Building Fees Expended in FY 2015-16	
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
28921	ANNUAL NEXUS UPDATE	100%	\$ 369
	TOTAL		\$ 369

Note: As noted in the June 30, 2016 City of Chico financial statements, this Fund borrowed \$831,412 from the Street Maintenance Impact Fee Fund as the City's audited financial statements do not allow reporting a negative cash balance. Future revenue collected in this Fund will continue to be used to eliminate this deficit.

Fire Protection Building and Equipment Fee (Fund 337)

A. Description and Purpose

Pursuant to Section 3.85.250 of the Chico Municipal Code, "fire protection building and equipment" means any building or structure, including real property required for such building or structure, and/or any vehicle, apparatus or equipment which is used by the City Fire Department in the provision of fire prevention services, fire protection services and responses to hazardous material spills or other incidents.

B. Amount of Fee

The City's Fire Protection Building and Equipment Fee, as adopted by resolution of the City Council, is contained in Fee Schedule No. 50.040, which is available on the City's website.

<u>Beginning Balance, July 1, 2015</u>	\$	(1,220,614)
Fire Protection Building and Equipment Fees Collected		359,003
Fire Protection Building and Equipment Fees Refunded		0
Fees Collected from other Government Agencies		0
Interest Earned/(Expense)		(2,900)
Interfund Transfers Out (Transfer for Geographical Information Systems)		(78)
Current Year Expenditures (See Detail in Expenditure Summary - D.)		(7,757)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	<u>(872,346)</u>

D. Expenditure Summary

		Fire Protection Building and Equipment Fees Expended in FY 2015-16	
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
28921	ANNUAL NEXUS UPDATE	100%	\$ 5,629
50160	GENERAL PLAN IMPLEMENT	1%	2,128
	TOTAL		\$ 7,757

Note: As noted in the June 30, 2016 City of Chico financial statements, this fund borrowed \$872,346 from the Police Protection Building and Equipment Impact Fee Fund as the City's audited financial statements do not allow reporting a negative cash balance. Future revenue collected in this Fund will continue to be used to eliminate this deficit.

Police Protection Building and Equipment Fee (Fund 338)

A. Description and Purpose

Pursuant to Section 3.85.270 of the Chico Municipal Code, “police protection building and equipment” means any building or structure, including real property required for such building or structure, and/or any vehicle, apparatus or equipment which is used by the City Police Department in providing police protection services.

B. Amount of Fee

The City’s Police Protection Building and Equipment Fee, as adopted by resolution of the City Council, is contained in Fee Schedule No. 50.040, which is available on the City’s website.

C. <u>Beginning Balance, July 1, 2015</u>	\$	2,005,740
Police Protection Building and Equipment Fees Collected		626,554
Police Protection Building and Equipment Fees Refunded		0
Fees Collected from other Government Agencies		0
Interest Earned/(Expense)		6,410
Interfund Transfers Out (Transfer for Geographical Information Systems)		(94)
Current Year Expenditures (See Detail in Expenditure Summary - D.)		<u>(9,426)</u>
<u>Ending Balance, June 30, 2016</u>	\$	<u><u>2,629,184</u></u>

D. Expenditure Summary

		<u>Police Protection Building and Equipment Fees Expended in FY 2015-16</u>	
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
28921	ANNUAL NEXUS UPDATE	100%	\$ 7,298
50160	GENERAL PLAN IMPLEMENT	1%	2,128
	TOTAL		<u><u>\$ 9,426</u></u>

Note: As noted in the June 30, 2016 City of Chico financial statements, this Fund loaned \$872,346 to the Fire Protection Building and Equipment Impact Fee Fund and \$159,985 to the Zone J Neighborhood Parks Impact Fee Fund for cash flow purposes as the City’s audited financial statements do not allow reporting a negative cash balance. The entire balance in this Fund is available as needed.

Water Pollution Control Plant Capacity Rates (Fund 321)

A. Description and Purpose

Pursuant to Section 15.36.010 of the Chico Municipal Code, "water pollution control plant" means that part of the sewer system used in the treatment and/or reclamation of wastewater discharged to the sewer system, including all land and all buildings or portions of buildings used in the operation and maintenance of the treatment works.

B. Amount of Fee

The City's Water Pollution Control Plant Capacity Rates, as adopted by resolution of the City Council, are contained in Fee Schedule No. 50.050, which is available on the City's website.

C. <u>Beginning Balance, July 1, 2015</u>	\$	(4,156,399)
Water Pollution Control Plant Capacity Fees Collected		1,569,868
Interest Earned/(Expense)		(11,171)
Interfund Transfers Out (Transfer for Geographical Information Systems)		(245)
Interfund Transfers In		3,777,671
Current Year Expenditures (See Detail in Expenditure Summary - D.)		(4,335,081)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	<u>(3,155,357)</u>

D. Expenditure Summary

Water Pollution Control Plant Capacity Rates
Expended in FY 2015-16

<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
14012	WPCP EXPANSION TO 12 MGD	33%	\$ 2,902
28921	ANNUAL NEXUS UPDATE	100%	21,621
N/A	DEBT SERVICE	100%	4,310,558
TOTAL			\$ 4,335,081

Note: Ending fund balance reflected above does not include long term debt of \$36,355,585 that is reflected on the June 30, 2016 City of Chico financial statements and corresponds to fixed assets reported in Fund 850 (sewer). Annual debt service payments are subsidized from Sewer Fund 850 transfers.

Trunkline Capacity Rates (Fund 320)

A. Description and Purpose

Pursuant to Section 15.36.010 of the Chico Municipal Code, "trunkline" means any sewer constructed in a street, a sewer easement, a public utility easement, or a public service easement which has a diameter equal to or greater than 15 inches.

B. Amount of Fee

The City's Trunkline Capacity Rates, as adopted by resolution of the City Council, are contained in Fee Schedule No. 50.050, which is available on the City's website.

C. <u>Beginning Balance, July 1, 2015</u>	\$	2,933,196
Trunkline Capacity Fees Collected		1,069,358
Interest Earned/(Expense)		9,132
Interfund Transfers Out (Transfer for Geographical Information Systems)		(274)
Current Year Expenditures (See Detail in Expenditure Summary - D.)		(140,425)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	<u>3,870,987</u>

D. Expenditure Summary

<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
12065	PUBLIC SEWERS	100%	\$ 9,535
14012	WPCP EXPANSION TO 12 MGD	32%	2,794
17009	RIVER ROAD TRUNK LINE	10%	4,019
28921	ANNUAL NEXUS UPDATE	100%	11,038
N/A	DEBT SERVICE	100%	113,039
	TOTAL		\$ 140,425

Note: Ending fund balance reflected above does not include long term debt of \$1,235,826 that is reflected on the June 30, 2016 City of Chico financial statements and corresponds to fixed assets reported in Fund 850 (sewer).

Sewer Lift Station Fees (Fund 323)

A.	<u>Description and Purpose</u>		
	Pursuant to Section 15.36.062 of the Chico Municipal Code, "sewer lift station" means any permanent sewage pumping facility that collects sewage from a designated service area located in a lower elevation than the surrounding sewer collection system, and pumps the sewage uphill to the City's existing gravity sewer collection system.		
B.	<u>Amount of Fee</u>		
	The City's Sewer Lift Station Fees, as adopted by resolution of the City Council, are contained in Fee Schedule No. 50.060, which is available on the City's website.		
C.	<u>Beginning Balance, July 1, 2015</u>	\$	(93,517)
	Sewer Lift Station Fees Collected (7580+4039 prior yr adj)		11,618
	Sewer Lift Station Fees Refunded		(23,976)
	Fees Collected from other Government Agencies		0
	Interest Earned/(Expense)		(291)
	Interfund Transfers Out (Transfer for Geographical Information Systems)		(3)
	Current Year Expenditures		<u>(306)</u>
	<u>Ending Balance, June 30, 2016</u>	\$	<u><u>(106,476)</u></u>

Sewer Lift Station Fees
Expended in FY 2015-16

<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
28921	ANNUAL NEXUS UPDATE	100%	\$ <u>306</u>
	TOTAL		\$ <u><u>306</u></u>

Storm Drainage Facility Fee (Fund 309)

A. Description and Purpose

Pursuant to Section 15.04.010 of the Chico Municipal Code, "storm drainage" means all rainwater or other water which is not required to be conveyed to the City's sanitary sewer system, or a private sewage disposal system that shall be conveyed to the City's storm drainage system or drainage channel.

B. Amount of Fee

The City's Storm Drainage Facility Fees, as adopted by resolution of the City Council, are contained in Fee Schedule No. 50.020, which is available on the City's website.

<u>Beginning Balance, July 1, 2015</u>	\$	625,758
Storm Drainage Facility Fees Collected		64,443
Storm Drainage Facility Fees Refunded		0
Fees Collected from other Government Agencies		0
Interest Earned/(Expense)		1,810
Interfund Transfers Out (Transfer for Geographical Information Systems)		(262)
Current Year Expenditures (See Detail in Expenditure Summary - D.)		(26,219)
<u>Ending Balance, June 30, 2016</u>	<u>\$</u>	665,530

D. Expenditure Summary

		Storm Drainage Facility Fees Expended in FY 2015-16	
<u>Project No.</u>	<u>Description</u>	<u>Percentage Funded from Fees</u>	<u>Amount</u>
28921	ANNUAL NEXUS UPDATE	100%	\$ 15,263
50160	GENERAL PLAN IMPLEMENT	3%	5,322
50280	SUB-BASIN BD DRAINAGE DITCH	100%	5,634
TOTAL			\$ 26,219