

City of Milpitas

Annual Report of Development Fees and Expenditures for the
Fiscal Year ended June 30, 2017

Exhibit 1 - Traffic Impact Fee

In order to implement the goals and objectives of the City of Milpitas' General Plan and to mitigate the impacts caused by new development in the City of Milpitas, certain public facilities must be or had to be constructed. The City Council has determined that development impact fees are needed in order to finance these public improvements and to pay for the development's fair share of the construction costs of these improvements. In establishing the development impact fee described below, the City Council finds the fee to be consistent with its General Plan and, pursuant to Government Code Section 65913.2 (Municipal Code, VIII-4-1.01). The amount of the fee as of June 30, 2017 was as follows:

| Area Covered | Type of Dwelling | Amount |
|---|---|--|
| Mid-Town | | \$128 per PM peak trip |
| S. Main Street | | \$317 per average daily trip |
| Citywide except TASP to widen Montague Expressway | | \$1,024 per PM peak trip |
| Citywide except TASP to widen Calaveras Boulevard | Residential 5 or more units | \$266 per dwelling unit |
| | Retail Development of 1,000 or more square feet | \$803 per thousand square feet |
| | Office Development of 1,000 or more square feet | \$685 per thousand square feet |
| | Other Uses | A focused nexus study will be required |

Exhibit 1- continued
Traffic Impact Fee Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year 2016-2017

Revenues:

| | |
|----------------|----------------|
| Traffic Fees | \$207,550 |
| Interest | <u>11,179</u> |
| Total Revenues | <u>218,729</u> |

Expenditures:

| | |
|--|--------------------|
| Total Expenditures | 0 |
| Excess (deficiency) of revenues over (under) expenditures | 218,729 |
| Fund Balance, beginning of year | <u>1,478,504*</u> |
| Fund Balance, end of year | <u>\$1,697,233</u> |

Note*: Beginning fund balance has been restated and increased in the amount of \$142,249 to reflect the closed and used funds of CIP 4278 – Milpitas Boulevard Plan Line Study in the prior year.

No construction commencement date has been identified due to insufficient funds collected.

There were no interfund transfer, loan, or refunds made from the fund.

Exhibit 2- Transit Area Specific Plan (TASP) Impact Fee

The purpose of the Transit Area Specific Plan Impact fee is to fund the planning and development of an approximately 437-acre area in the southern portion of the City near the Great Mall shopping center.

| Type of Dwelling | Amount |
|-------------------------|-------------------------|
| Residential | \$32,781 per unit |
| Retail | \$22.80 per square foot |
| Office | \$36.60 per square foot |

Exhibit 2- Continued
 Transit Area Specific Plan (TASP) Impact Fee Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balances for
 Fiscal Year 2016-2017

Revenues:

| | |
|--|-----------------------|
| TASP Impact Fees | \$ 21,731,745 |
| Transfer in from Transit Area CIP 2005 | 150,000 |
| Interest | <u>214,897</u> |
| Total Revenues | <u>22,096,642</u> |

Expenditures:

| | |
|--|-----------------------|
| 1. CP 2002 - 2nd SCVWD Water Reservoir | 200,000 |
| 2. CP 2004 - S. Milpitas Boulevard Extension | 5,100,000 |
| 3. CP 2006 - Transit Area Specific Plan Update | 375,000 |
| 4. CP 2007 - Berryessa Creek Trail | 150,000 |
| 5. CP 2008 - Montague Ped. Overcrossing at Piper Dr. | 1,600,000 |
| 6. CP 2009 - SCVWD 2nd Water Supply Turnout | 100,000 |
| 7. CP 4281 - TASP Underground Utility District | 40,000 |
| 8. CP 5102 - McCandless Park | 400,000 |
| 9. CP 7125 - BART Project - Water Improvements | 1,200,000 |
| 10. Parks and Community Facilities | 1,868,321 |
| 11. Planning and Other Preparation Cost | 4,195 |
| 12. Interest on Interfund Loans | <u>47,452</u> |
| Total Expenditures | <u>11,084,968</u> |

| | |
|--|---------------------|
| Excess (deficiency) of revenues over (under) expenditures | 11,011,674 |
| Fund Balance, beginning of year* | <u>16,736,121</u> |
| Fund Balance, end of year | <u>\$27,747,795</u> |

Note*: Beginning fund balance has been restated and decreased in the amount of \$15,359 to reflect the correction of FY16 Expenditure Reclaimed Water – Milpitas Blvd.

No construction commencement date has been identified due to insufficient funds collected.

There were no interfund transfer, loan, or refunds made from the fund.

| CIP/ Item Number | Project Description | % of the project funded with development fees |
|------------------------|--|---|
| 2002 | This project will provide potable water reservoir (6.6 million gallons) and pump station to serve the SCVWD water service area, as recommended in the Milpitas 2009 Water Master Plan Update. This facility is necessary to serve the Midtown and Transit Area Specific Plan and other future development. The scope includes land purchase, design and construction of a reservoir, pump station, and related improvements. The new water facility will require acquisition of approximately 3 acres in the Transit Area at an estimated cost of \$6.7 million. Design and Construction will be programmed in the future at a cost estimate of \$15 Million. Total cost estimate is \$21.7 Million. | 100% |
| 2004 | This project provides for the acquisition of land, design, construction, and administration for extension of S. Milpitas Boulevard including utilities from Montague Expressway to the edge of BART Station frontage. The City entered in to an agreement on August 3, 2010 with the Valley Transportation Agency (VTA) to construct the project for the City in conjunction with the BART project. The BART project will also be responsible for the construction of the remaining portion of the road from the BART Station to Capital Avenue. | 100% |
| 2006 | The Transit Area Specific Plan was approved in 2008. There have been a number of minor amendments to the Plan focused on individual properties, but no comprehensive evaluation of the plan and the effectiveness of its implementation. Approximately 50% of the housing planned for the area has been permitted or constructed. Approximately 25% of the retail and none of the office has been developed. A review of processes and rules for development, as well as remaining land uses should be undertaken. | 100% |
| 2007 | This project provides for the design and construction of Reach 4, 5 and 6A of the Berryessa Creek Trail from Calaveras Blvd to San Jose City limits South of Montague Expressway. This project is identified and described further in the "Berryessa Creek Trail and Coyote Creek Trail Feasibility Report". The scope of work includes trail and accessibility improvements, intersection modifications and trail amenities. The project will be coordinated with the US Army Corp of Engineers/ SCVWD creek flood improvements project. It is also identified in the VTP 2040 Plan, as it provides a direct pedestrian/bicycle connection from the Town Center to the future BART station. | 50% |
| 2008 | This project provides for the construction of a pedestrian overcrossing (POC) over Montague Expressway at Piper Drive. The pedestrian overcrossing is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement that provides safe and convenient pedestrian circulation between the Milpitas BART station, Great Mall and surrounding residential developments. | 14% |
| 2009 | This is a joint project with SCVWD to install a second water supply turnout to Milpitas as described in the Milpitas 2009 Water Master Plan. | 100% |
| 4281 | This project provides for the creation of a new utility underground | 100% |

| | | |
|------|--|------|
| | district that covers the City's Transit Area Specific Plan redevelopment area. The purpose of the district is to allow for the undergrounding of existing overhead electric, PG&E, Cable TV, and Phone lines. The new district would be administered by the City, with engineering design and construction to be completed by PG&E using the City's Rule 20A funds. | |
| 5102 | This project provides for a new public park adjacent a new MUSD elementary school located on McCandless drive in the Transit Area. The park will provide approximately 4 acres of City public park space, which will include play fields, athletic courts, parking, picnic area, play structure, and restrooms. | 100% |
| 7125 | The BART project will cause the relocation of existing utilities along the BART corridor at its own expense. In addition, there are other related water system improvements which have been identified by the City, to be completed as part of the BART utility relocation effort. The City is required to cost share for these enhancements. Water projects include: the upsize of existing water crossing at Montague and Capitol, installation of 2 new water crossings south of Montague, and possible upsizing of pipelines in the area of Piper Drive. This work also includes water system upgrades and new recycled water pipelines to be completed as part of the adjacent Montague Widening Project. | 40% |
| 10 | Construction of Parks and Community Facilities related to the following residential projects: 1) Traverse located at Trade Zone Blvd., 2) Citation Homes- Amalfi located at Piper Dr. and Montague Expressway, and 3) Pulte Homes- Milpitas Station located at S. Milpitas Blvd and Montague Expressway. | 100% |
| 11 | Planning and other preparation costs of the Transit Area Specific Plan. | 100% |
| 12 | Interest on interfund loans advanced from Sewer and TOT funds. | 100% |

Exhibit 3 – Storm Drain Fee

The purpose of the storm drain fee is to fund facilities necessary to provide storm drain services, and revenues derived from the fee imposed by the City shall be used solely for that purpose. Prior to connection or discharge to any storm drain facility from a new development project, developers shall pay City a fee for connection/discharge to the City's storm drain system (Municipal Code XI-16). The developers may also be assessed with mitigation fee due to the impact to the storm drain system. The amount of the fee as of June 30, 2017 was as follows:

| Type of Dwelling | Parcel Size | Per Parcel Fee |
|---|---|--|
| Connection Fees | | |
| Single-family medium density | Equal or smaller than 8,710 square feet | \$1,100 |
| Single-family low density | Between 8,711 and 43,560 square feet | \$1,916 |
| Single-family | Between 1 acre and 4 acres | \$3,594 |
| Single-family | Between 4 acre and 9 acres | \$4,792 |
| Single-family | Greater than 9 acres | \$6,469 |
| Multiple-family | | \$16,771 per acre |
| Commercial, industrial, institutional, or mixed use sites | | \$21,562 per acre |
| Schools with athletic fields | | \$7,187 per acre |
| Parks | | \$4,792 per park |
| Offsite Storm Mitigation Fee | | Various depending on the agreed-upon impact assessment |

Exhibit 3- continued
Storm Drain Development Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year 2016-2017

Revenues:

| | |
|-----------------------|------------------|
| Connection Fees | \$1,725,040 |
| Interest | <u>34,545</u> |
| Total Revenues | 1,759,585 |

Expenditures:

| | |
|--|-----------------------|
| CIP 3700 - Storm Drain System Deficiency | 335,000 |
| CIP 3713 - Trash Removal Devices | 350,000 |
| Transfer out from closed CIP | <u>14,838</u> |
| Total Expenditures | <u>699,838</u> |

| | |
|--|----------------------------|
| Excess (deficiency) of revenues over (under) expenditures | 1,059,747 |
| Fund Balance, beginning of year | <u>1,003,501</u> |
| Fund Balance, end of year | <u>\$ 2,063,248</u> |

Note:

No construction commencement date has been identified due to insufficient funds collected.

There were no interfund transfer, loan, or refunds made from the fund.

| CIP Number | Project Description | % of the project funded with development fees |
|------------|--|---|
| 3700 | Prior work included storm drain system repairs at various locations and wetland riparian mitigation and maintenance work at Wrigley-Ford and Ford Creeks. The remaining work is required by Regional Water Quality Control Board and Army Corps of Engineer permits to inspect, repair, maintain, and submit reports on the Creek sites until February 2023. | 100% |
| 3713 | This project evaluates locations for trash removal devices within the City's storm water collection system. Proposed work includes design and installation of two devices. | 100% |