



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Public Works



Date:	April 5, 2012
Board Meeting Date:	April 24, 2012
Special Notice / Hearing:	None
Vote Required:	Majority

To: Honorable Board of Supervisors
From: James C. Porter, Director of Public Works
Subject: County-Wide Mitigation Fees for County Public Road Reconstruction and Adjustment of Fees for Fiscal Year 2012-13

RECOMMENDATION:

Adopt Resolutions:

- A)** Accepting the report on county-wide mitigation fees for the period of January 1, 2011 to December 31, 2011; and
B) Determining that for Calendar Year 2012, the rates for the fees for new development authorized by Chapter 2.53 of the San Mateo County Ordinance Code shall be computed on the base rates specified in Section 2.53.030, as adjusted in 2011.

BACKGROUND:

Your Board instituted mitigation fees in 1991 as a means of having developers of property contribute funds to construct and reconstruct County roads that are impacted by their developments. The enabling legislation - Government Code Sections 66484, et seq. - requires that funds be used in the same areas (zones) where the funds are collected. The Ordinance adopted by your Board which established mitigation fees, also established the various zones in the County, and

1. requires that a report on the status of the mitigation fees by zone be prepared each year; and
2. allows for adjustments in the mitigation fees based on the change on the Construction Cost Index as published by the Engineering News Record.

DISCUSSION:

The fees as established use the residential fee as the base. Commercial and industrial fees are calculated as multiples of the residential fee, based on the type of use of the property 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 seventy percent (70%) since inception of the fees. In 2011 the Construction Cost Index increased by 0.9%, and therefore we are recommending that the base residential fee be adjusted to \$1.70 per square foot of assessable space, and that the Commercial – Self-Storage fee also increase to \$1.35 per square foot of assessable space. The following is a summary of the recommended fees:

	Initial Fee	Total Change 1991-2010	2011 Fee	Proposed 2012 Fee	Percent Increase
Residential	\$1.00	+68.0%	\$1.68	\$1.70	0.9%
Industrial	\$1.00	+68.0%	\$1.68	\$1.70	0.9%
Commercial – Self Storage*	\$0.80	+68.0%	\$1.34	\$1.35	0.9%
Commercial – Lodging	\$1.00	+68.0%	\$1.68	\$1.70	0.9%
Commercial – Retail	\$2.00	+68.0%	\$3.36	\$3.39	0.9%
Commercial – Office	\$2.00	+68.0%	\$3.36	\$3.39	0.9%

*fee established – February 1999

The amount of funds that have been collected together with interest from inception of the fees in January 1991 through December 31, 2011, and the seven areas of benefit are included in attachments A and B respectively.

County Counsel has reviewed and approved the Resolutions as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of a Livable Community by collecting mitigation fees to aid in funding the reconstruction of roads and drainage facilities that are a benefit to residents and the general public.

FISCAL IMPACT:

Specific projects to be financed with Mitigation Fees will be recommended for budgeting through the normal budget process.

There is no impact to the General Fund.