



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: February 24, 2017
Board Meeting Date: March 28, 2017
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works

Subject: Countywide Mitigation Fees for County Public Road Reconstruction and Adjustment of Fees for Calendar Year 2017

RECOMMENDATION:

Adopt a resolutions accepting:

- A) The report on county-wide mitigation fees for the period of January 1, 2016 to December 31, 2016; and
- B) Determining that for calendar year 2017, 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 2016.

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 in 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 the percentage change in the Engineering News Record Construction Cost Index as of January 1st for the preceding twelve (12) months. Fees have been increased by eighty-seven percent (87%) since inception of the fees in 1991. For 2017, the Construction Cost Index increased by 4.1%, and therefore we are recommending that the base residential fee be adjusted to \$1.91 per square foot of assessable space, and that the Commercial – Self-Storage fee also increase to \$1.51 per square foot of assessable space. The following is a summary of the recommended fees:

	Initial Fee	2016 Fee	Proposed 2017 Fee	Percentage Increase 2016-2017
Residential	\$1.00	\$1.91	\$1.99	4.1%
Industrial	\$1.00	\$1.91	\$1.99	4.1%
Commercial-Self-Storage*	\$0.80	\$1.51	\$1.57	4.1%
Commercial-Lodging	\$1.00	\$1.91	\$1.99	4.1%
Commercial-Rental	\$2.00	\$3.79	\$3.95	4.1%
Commercial-Office	\$2.00	\$3.79	\$3.95	4.1%

*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, 2016, 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:

The County anticipates receiving approximately \$470,000 in mitigation fees in 2017.

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.

Attachments: Attachment “A” - Countywide Mitigation Fee Account Activity 2006-2016
Attachment “B” - Description of Areas of Benefit

**SAN MATEO COUNTY - DEPARTMENT OF PUBLIC WORKS
MITIGATION FEES - LTD (ROADWAY IMPROVEMENT FUND 00114)
AS OF DECEMBER 31, 2016**

PERIOD	TRANS	NORTH	MID-	SOUTH	EMERALD	SOUTH	MID-COAST		
ENDING	TYPE	COUNTY	PENINSULA	BAYSIDE	LAKE	COUNTY	URBAN	RURAL	TOTALS
Dec-05	Fund Balance	261,355.56	156,914.87	558,407.10	304,535.26	639,113.55	1,904,294.36	396,422.21	4,221,042.91
Dec-06	Collections	14,256.35	40,272.51	192,333.03	122,027.05	72,663.06	129,078.21	43,613.00	614,243.21
	Interest	9,555.61	6,250.17	20,891.92	11,974.96	23,837.63	69,155.49	13,782.57	155,448.35
	Expenditures	(46,089.92)	(30,744.84)	(229,551.80)	(121,464.92)	(102,751.10)	(349,134.09)	(151,622.12)	(1,031,358.79)
	Net Actual	(22,277.96)	15,777.84	(16,326.85)	12,537.09	(6,250.41)	(150,900.39)	(94,226.55)	(261,667.23)
	Fund Balance	239,077.60	172,692.71	542,080.25	317,072.35	632,863.14	1,753,393.97	302,195.66	3,959,375.68
Dec-07	Collections	4,900.05	35,025.83	77,626.55	73,029.66	111,476.73	143,980.30	57,226.65	503,265.77
	Interest	11,373.07	8,492.09	12,299.55	16,101.53	32,075.97	82,878.30	14,926.18	178,146.69
	Expenditures	(273.58)	(201.48)	(535,844.20)	(389.42)	(781.01)	(126,549.50)	(366.96)	(664,406.15)
	Fund Balance	255,077.14	216,009.15	96,162.15	405,814.12	775,634.83	1,853,703.07	373,981.53	3,976,381.99
Dec-08	Collections	6,322.68	19,681.65	17,756.76	62,614.45	140,032.81	88,460.36	18,403.03	353,271.74
	Interest	(4,488.65)	(4,318.72)	(312.81)	(8,687.01)	(14,257.91)	(4,383.64)	(6,858.64)	(43,307.38)
	Expenditures	(892.68)	(790.24)	(50,193.68)	(1,562.69)	(103,961.55)	(835,422.05)	(1,319.23)	(994,142.12)
	Net Actual	941.35	14,572.69	(32,749.73)	52,364.75	21,813.35	(751,345.33)	10,225.16	(684,177.76)
	Fund Balance	256,018.49	230,581.84	63,412.42	458,178.87	797,448.18	1,102,357.74	384,206.69	3,292,204.23
Dec-09	Collections	13,852.71	24,039.40	37,107.35	53,998.00	56,933.80	59,023.02	14,780.92	259,735.20
	Interest	4,873.69	4,467.01	1,407.58	8,966.91	14,721.68	15,076.27	7,279.77	56,792.91
	Expenditures	(622.90)	(575.15)	(208.23)	(1,176.58)	(73,043.76)	(1,021,128.82)	(4,314.51)	(1,101,069.95)
	Net Actual	18,103.50	27,931.26	38,306.70	61,788.33	(1,388.28)	(947,029.53)	17,746.18	(784,541.84)
	Fund Balance	274,121.99	258,513.10	101,719.12	519,967.20	796,059.90	155,328.21	401,952.87	2,507,662.39
Dec-10	Collections	13,888.07	33,556.71	32,200.32	42,966.42	110,074.54	44,257.85	26,553.01	303,496.92
	Interest	2,969.33	2,908.70	1,226.36	5,807.71	8,784.68	1,176.35	4,398.39	27,271.52
	Expenditures	(290.53)	(288.61)	(116.45)	(569.50)	(37,793.65)	(145,678.10)	(429.02)	(185,165.86)
	Net Actual	16,566.87	36,176.80	33,310.23	48,204.63	81,065.57	(100,243.90)	30,522.38	145,602.58
	Fund Balance	290,688.86	294,689.90	135,029.35	568,171.83	877,125.47	55,084.31	432,475.25	2,653,264.97
Dec-11	Collections	2,504.17	17,922.14	71,681.40	24,030.93	97,495.54	32,978.68	21,199.28	267,812.14
	Interest	3,219.03	3,345.67	1,690.48	6,367.91	10,001.76	637.36	4,814.76	30,076.97
	Expenditures	(2,129.23)	(828.84)	(497.50)	(1,562.10)	(2,552.16)	(9,306.66)	(1,198.22)	(18,074.71)
	Net Actual	3,593.97	20,438.97	72,874.38	28,836.74	104,945.14	24,309.38	24,815.82	279,814.40
	Fund Balance	294,282.83	315,128.87	207,903.73	597,008.57	982,070.61	79,393.69	457,291.07	2,933,079.37

**SAN MATEO COUNTY - DEPARTMENT OF PUBLIC WORKS
MITIGATION FEES - LTD (ROADWAY IMPROVEMENT FUND 00114)
AS OF DECEMBER 31, 2016**

PERIOD	TRANS	NORTH	MID-	SOUTH	EMERALD	SOUTH	MID-COAST		
ENDING	TYPE	COUNTY	PENINSULA	BAYSIDE	LAKE	COUNTY	URBAN	RURAL	TOTALS
Dec-12	Collections	10,100.68	11,755.36	36,093.43	60,110.45	94,116.51	22,695.18	8,888.38	243,759.99
	Interest	4,461.91	4,766.90	3,405.01	9,230.43	15,164.55	1,250.31	6,861.31	45,140.42
	Expenditures	(1,542.38)	(1,641.17)	(1,791.36)	(3,133.38)	(5,181.29)	(418.01)	(2,957.89)	(16,665.49)
	Net Actual	13,020.20	14,881.09	37,707.07	66,207.50	104,099.77	23,527.48	12,791.80	272,234.92
	Fund Balance	307,303.03	330,009.96	245,610.80	663,216.07	1,086,170.38	102,921.17	470,082.87	3,205,314.29
Dec-13	Collections	6,503.55	24,130.77	142,573.26	35,894.31	151,270.39	18,303.88	59,156.88	437,833.04
	Interest	7,311.86	8,025.28	7,613.80	16,102.34	27,003.51	2,581.53	11,870.30	80,508.63
	Expenditures	(65.06)	(71.84)	(70.89)	(143.76)	(247.26)	(24.14)	(106.41)	(729.37)
	Net Actual	13,750.35	32,084.21	150,116.17	51,852.89	178,026.64	20,861.27	70,920.77	517,612.30
	Fund Balance	321,053.39	362,094.17	395,726.97	715,068.96	1,264,197.02	123,782.44	541,003.64	3,722,926.58
Dec-14	Collections	4,811.70	72,685.71	156,966.67	83,140.57	109,761.09	48,900.19	15,631.68	491,897.61
	Interest	2,535.64	3,037.70	3,597.46	5,817.87	8,958.98	1,089.49	4,292.53	29,329.67
	Expenditures	(76.29)	(91.72)	(108.70)	(174.49)	(388,938.32)	(32.17)	(129.52)	(389,551.21)
	Net Actual	7,271.05	75,631.69	160,455.43	88,783.95	(270,218.25)	49,957.51	19,794.69	131,676.07
	Fund Balance	328,324.44	437,725.86	556,182.40	803,852.91	993,978.77	173,739.95	560,798.33	3,854,602.65
Dec-15	Collections	95,683.05	43,782.86	141,152.96	38,468.53	105,589.11	79,153.43	4,298.69	508,128.63
	Interest	2,961.20	3,911.79	5,211.36	6,931.51	8,809.94	1,680.42	4,791.23	34,297.45
	Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Net Actual	98,644.25	47,694.65	146,364.32	45,400.04	114,399.05	80,833.85	9,089.92	542,426.08
	Fund Balance	426,968.69	485,420.51	702,546.72	849,252.95	1,108,377.82	254,573.80	569,888.25	4,397,028.73
Dec-16	Collections	10,688.82	53,593.73	92,401.69	43,266.84	149,097.08	89,083.54	32,391.00	470,522.70
	Interest	3,789.40	4,457.15	6,490.20	7,545.63	8,314.90	2,443.06	2,339.92	35,380.27
	Expenditures	0.00	0.00	0.00	0.00	(400,000.00)	0.00	(560,000.00)	(960,000.00)
	Net Actual	14,478.22	58,050.88	98,891.89	50,812.47	(242,588.02)	91,526.60	(525,269.08)	(454,097.03)
	Fund Balance	441,446.91	543,471.40	801,438.61	900,065.41	865,789.80	346,100.40	44,619.18	3,942,931.70

Exhibit “B”

**Countywide 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	