

*The Economics of Land Use*



## Final Report

# Transit Area Development Impact Fee Update

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# 1. BACKGROUND AND PROPOSED FEE

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## Background

The City of Milpitas (City) adopted the Transit Area Specific Plan (TASP) in 2008. The Plan sets forth land use policies which allow for the intensification of development in the 437-acre Transit Area—which is currently home to low-intensity industrial uses—with new multifamily housing, office, hotel, and retail development. To support more residents and workers with appropriately scaled utilities, parks and community facilities, and roadways, the City developed a Basic Infrastructure Program (BIP) of improvements. To help pay for the BIP, the City enacted a Transit Area Development Impact Fee (TADIF).

The TADIF is a development impact fee adopted by the City of Milpitas pursuant to the provisions of Government Code Section 66000 (AB 1600). The fees were adopted by ordinance and the fee levels were set by resolution in 2008 based on *the Milpitas Transit Area Infrastructure Financing Technical Report*, dated August 2008, by Economic & Planning Systems (EPS). In 2012, the City retained EPS to prepare an in-depth review and fee update for the Transit Area. The revised 2012 fee which was adopted in early 2013 was based on the original development targets for dwelling units and nonresidential development envisioned in the TASP. In January 2014, the City adopted an escalated fee level to 2014 dollars, based on the change in the regional Construction Cost Index published by Engineering New Record as authorized in the Council Resolution. However, through the course of 2013, the City has received development proposals and developer amendments to entitled projects that suggest that at buildout of the TASP, the targeted amount of nonresidential building square feet is not likely to be attained and total dwelling units may not reach the TASP target of 7,109 units.

As a part of this Update City staff also conducted a thorough review of the TASP Basic Infrastructure Program to reflect any changes that have occurred and also the possibility that reduced amounts of total development would reduce need for specific infrastructure items. On the basis of this review the Basic Infrastructure Program was reduced by a net amount of approximately \$7.2 million from \$240,938,900 to \$233,788,200. Key changes in infrastructure costs include reductions in required regional traffic mitigations and the addition of new funding sources that reduced the net cost to the TADIF program.

In order to ensure that the TADIF can generate sufficient revenues to fund TASP infrastructure, the City retained EPS to update the fee study to reflect the revised development forecast for the TASP and revised infrastructure costs.

## Purpose

The Milpitas Transit Area Infrastructure Financing Technical Report (2008 Fee Report) recommended that the fee program be reviewed annually and updated every three to five years to incorporate changes in the basic infrastructure program and development activity. This analysis responds to this recommendation in light of the significant changes in TASP development activity in recent months. The analysis includes a review and update of current and potential development in the Transit Area in the near and long term. It also includes a thorough

review and update of infrastructure and land costs. The purpose of this Report (2014 Fee Report) is to recommend an updated fee level for new development in the Transit Area.

## Proposed Fee

**Table 1** reports the proposed fee levels by development type. This proposed fee level incorporates a revised development forecast, updated construction costs and land costs, and shows the change in the fee from the current adopted fee level. As shown, the proposed fees are between 4.7 and 16.0 percent higher than the current fees. The change reflects a mix of factors including cost allocation to fewer dwelling units and building square feet, lower revised infrastructure costs and slightly higher land acquisition costs.

**Table 1 Summary of Updated Fee and Comparison with Current Fee**

TASP Fee	Multi-family		Retail	Office	Hotel
	For-Sale	Rental			
	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per room</i>
<b>2014 Proposed Fee Update</b>	<b>\$32,781</b>	<b>\$32,781</b>	<b>\$22.80</b>	<b>\$36.60</b>	<b>\$0</b>
2014 Current Fee <sup>1</sup>	\$30,521	\$30,521	\$21.77	\$31.56	\$11,313
2012 Fee Update <sup>2</sup>	\$29,012	\$29,012	\$20.70	\$30.00	\$10,754
<u>Change from Current Fee to Updated Fee</u>					
\$ Change	\$2,260	\$2,260	\$1.03	\$5.04	(\$11,313)
% Change	7.4%	7.4%	4.7%	16.0%	-100%

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[1] Escalated from the 2012 fee update based on the change in ENR's construction cost index.

[2] Fees based on the December 2012 fee update were adopted and went into effect in early 2013.

## Annual Review and Fee Indexing

Because of the dynamic nature of the Transit Area, the City will need to monitor development activity, the need for infrastructure improvements, and the adequacy of the fee revenues and other available funding. Annual review of the fee program should occur at which time adjustments in key data and assumptions can be made, consistent with supporting technical analysis. Staff costs associated with this monitoring and updating effort are included in the *TADIF*.

- As required by the fee resolution, **annual reviews** should be conducted as part of the City year-end financial reporting process. Staff should prepare a report documenting fees collected, fees expended (by infrastructure item), and fund balances.
- **Annual indexing** should occur either at the turn of the calendar year or fiscal year. The total design, construction, and contingency costs of each infrastructure item in the *BIP* should be automatically adjusted each fiscal year using the Engineering News Record Construction Cost Index. The right-of-way or land costs of each item should be automatically adjusted

each fiscal year using the fair market value for an acre of land determined as part of the City's park in-lieu fee calculation.

- A **periodic update** of the Technical Report is recommended every three to five years or sooner if conditions change. This update should include a thorough review of the infrastructure costs, development activity, and collection and use of fees to that date. This 2014 Fee Report is the second periodic update to the 2008 original fee.

## 2. TRANSIT AREA DEVELOPMENT PROGRAM

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The *TASP* was approved as a General Plan Amendment by the City of Milpitas on June 3, 2008. The *TASP* covers approximately 437 acres of territory and establishes a transit-oriented land use plan for the Transit Area, including a detailed assessment of infrastructure needed to support and provide municipal services to proposed development. **Figure 1** presents a map of the territory included in the Transit Area.

The *TASP* created a significant amount of new development capacity for residential and commercial development in the area. For example, if all the undeveloped and underdeveloped residential designated areas were constructed at the midrange of permitted densities, approximately 7,900 residential units could be constructed. A number of factors make this level of residential development unlikely, including the current fragmented parcel pattern, existing land uses, and various other constraints. Because of these constraints, a more conservative "development scenario" with a target of 7,109 units was used as the basis of the original 2008 and revised 2012 *TADIF* technical analyses. This development scenario assumed that the development projects that had been officially submitted for processing and/or were in the planning stages would be built as submitted and other development potential would be reached over time.

### Revised TADIF Land Use Program

Since the approval of the 2012 updated fee in early 2013, the City has received revisions to approved project plans from developers seeking to develop fewer units than the number of units entitled for their projects. In addition, new proposals have been coming in at densities closer to minimum allowable densities than anticipated by the Plan. To date, proposed nonresidential development significantly lags *TASP* targets. These recent trends are discussed in detail below for each land use followed by the recommended adjustment to the original *TASP* land use program buildout targets.

#### Residential Development

According to the latest City data monitoring and tracking development projects in the *TASP*, nine projects have been entitled to date covering approximately 52 percent of total *TASP* acreage. While some projects are expected to be developed as approved, some developers are reducing the number of units that they plan to develop. Of the 3,717 units in entitled projects, developers propose to develop only 3,074 units, or 643 less units than their development approvals. Two project applications currently pending propose 723 units, which is 18 percent higher than the number of units that would be developed at minimum densities. EPS's analysis shows that in order to achieve the target of 7,109 units at buildout, residential development would need to develop at average densities that are at least 23 percent higher than minimum densities. Because of these recent trends toward lower densities, there's a significant risk that *TASP* development may fall short of initial *TASP* buildout targets. Development below target levels would result in fee revenue shortfalls for infrastructure development. To minimize this risk, the forecast number of units at buildout has been revised downwards assuming that remaining parcels without proposed development plans are likely to develop close to- or at minimum densities. This revised development outlook translates to a total of 6,520 units at buildout,

Figure 1 Map of Transit Area Specific Plan



a reduction from the 7,109 units on which the current fee is based.

### Retail Development

To date, neighborhood retail development is expected to yield the original TASP target building square feet at buildout. No changes have been made to the TADIF land use program.



## Office Development

The trends towards reduced development are particularly strong for office development where none of the development projects approved plan any significant amount of office development. The City expects that TASP buildout could still yield up to 50 percent at best (approximately 500,000 square feet) of the total 993,843 building square feet assumed in the TASP buildout target. Given that the amount of office space proposed for development to date is negligible, this may still be an aggressive forecast for office development which will need to be reviewed in the near future.

## Hotel Development

City staff indicates that development proposals received for sites that had been identified as potential hotel development sites do not include proposals for hotel development. Consequently, hotel development is no longer anticipated for the TASP and has thus been excluded from the TADIF land use program.

**Table 2** summarizes the revised development assumptions (by land use) that are used in the fee update and compares them with assumptions underpinning the current fee.

**Table 2 Updated Development Program Summary**

Land Use	Updated TASP Development Program			2008 Target Buildout	Decrease
	Phase I <sup>1</sup>	Remaining Phases	Updated Buildout		
Residential Units	3,074	3,446	6,520	7,109	(589)
Retail (sq.ft.)	105,248	181,827	287,075	287,075	0
Office (sq.ft.)	0	496,922	496,922	993,843	(496,922)
Hotel Rooms <sup>2</sup>	0	0	0	175,500	(175,500)

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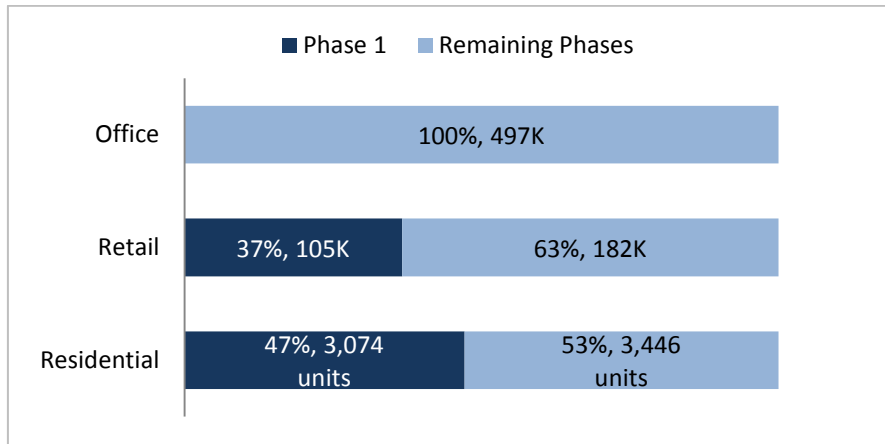
[1] Includes proposed development in entitled projects incorporating subsequent developer revisions as of February 11, 2014.

[2] Hotel development is no longer anticipated for the TASP based on revised development proposals received from developers.

Source: TASP; City of Milpitas; and Economic & Planning Systems.

The development program is further specified by development phases, as defined in the *TASP* and based on information provided by City staff. Phase 1 development includes only approved development proposals within the Transit Area that are expected to reach completion in the near-term. As shown in **Figure 2**, it is estimated that approximately 47 percent or about 3,074 dwelling units are projected to be constructed during Phase 1, while about 37 percent (105,248 square feet) of retail is likely to be developed during this initial phase. All remaining development is expected to occur in later phases.

**Figure 2 Estimated Phasing of Development, by Land Use**



### 3. BASIC INFRASTRUCTURE PROGRAM AND COST ALLOCATION

#### Basic Infrastructure Program

In 2008, a *BIP* was developed to organize and prioritize the basic infrastructure needed to serve the Transit Area. **Appendix A** presents a database listing of the *BIP* and includes references to each item's cost estimate in 2008 and the updated cost estimate in 2014, taking into account inflation and other changes in infrastructure cost items. The *BIP* does not include the "in-tract" improvements normally constructed by developers (e.g., neighborhood streets) as a part of project development.

**Table 3** shows a summary listing of improvement items included in the 2014 Updated *BIP*. Total costs for infrastructure improvements for the Transit Area are estimated to be \$249.6 million; the net costs, after accounting for outside sources of funding, total \$233.8 million. Approximately 42 percent of these net costs or \$98.4 million will be required in Phase 1 of the planned development.

It is important to note that the items listed in the *BIP* are illustrative and are provided for documentation purposes. As planning and development projects move forward, the specific projects are likely to change. The *BIP* substantiates fees for general types of improvements (Roads, Parks/Trails, etc.) rather than specific improvements. Over time the individual improvement line items may be modified, replaced or funded with other sources that become available.

**Table 3 TASP Infrastructure Cost Summary, Phase 1 and Buildout (2014\$)**

Infrastructure Category	Phase 1 Net Costs	TASP Costs at Buildout (2014\$)		
		Total Costs	Other Sources	Net Costs
Roadway/Intersection - Backbone	\$3,100,000	\$32,038,518	\$3,278,939	\$28,759,578
Streetscape Improvements	\$7,262,245	\$18,131,188	-	\$18,131,188
Sewer	\$12,689,323	\$29,915,331	\$12,544,150	\$17,371,181
Water	\$11,137,615	\$34,770,464	-	\$34,770,464
Parks/Plazas/Community Facilities	\$37,204,614	\$97,918,224	-	\$97,918,224
Linear Parks/Trails	\$2,177,064	\$3,739,634	-	\$3,739,634
Specific Plan Preparation & PFP Update <sup>1</sup>	\$1,709,995	\$1,709,995	-	\$1,709,995
<b>Subtotal</b>	<b>\$75,280,857</b>	<b>\$218,223,355</b>	<b>\$15,823,090</b>	<b>\$202,400,265</b>
Regional Traffic Mitigation	\$23,095,194	\$31,387,935	-	\$31,387,935
<b>Total Costs</b>	<b>\$98,376,051</b>	<b>\$249,611,290</b>	<b>\$15,823,090</b>	<b>\$233,788,200</b>

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Note. Costs include land acquisition and infrastructure improvement costs.

[1] PFP = Public Financing Plan and Fee Study Update.

Source: City of Milpitas; and Economic & Planning Systems.

## Cost Allocation Procedures

The cost allocation procedure used in this analysis is consistent with the methodology used in 2008. Here, as in 2008, the costs of *BIP* items have been distributed to particular land uses based on the nexus principles required by AB 1600. **Table 4** summarizes the cost allocation techniques used to allocate infrastructure costs to land use types proposed in the Transit Area. Cost allocations have been made using factors that estimate the relative benefits of various improvements for each development type. Different land uses are assigned relative weights for each of these measures based on their demand for each facility, and the resulting factors are used to distribute costs among the land uses.

**Table 4 Infrastructure Allocation Methodology**

Infrastructure Cost Category	Allocation Factor	Allocation Factor Description
Roadway/Intersection - Backbone	Trips	Trip generation analysis. [1]
Streetscape Improvements	Trips	Trip generation analysis. [1]
Parks/Plazas/Community Facilities	Population	Total residential population.
Linear Parks/Trails	Population	Total residential population.
Sewer	Sewer	Base Water Flow (BWF) per person estimated; multiplied by total population (residents + employees + hotel guests); proportion of total BWF allocated by land use. [2]
Water	Water	Gallons of water per day per acre estimated; total acres of each land use is applied; proportion of total gallons of water used to allocate water costs. [3]
Specific Plan Preparation & PFP Update	Daytime Population	Equal to residential population plus one-half employee population.
Traffic Mitigation	Trips	Trip generation analysis.

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[1] See Appendix C: Kimley-Horn Report which describes four methods to allocate costs to TASP development: LOS/Delay Proportion; Project Traffic over Total Traffic; Project Traffic over 2004-to-2030 Traffic Growth; and Primary Benefit Considerations.

[2] See Sewer Master Plan Update, Section 3.2.1, adopted 2009.

[3] See Water Master Plan Update, Section 3.2.3, Water Use Factors, adopted 2009.

PFP = Public Financing Plan and Fee Study

Source: Sewer Master Plan; Water Mater Plan Update; Transportation Impact Fee Study (June 2008); Appendix C Kimley Horn Report; and Economic & Planning Systems.

**Table 5** reports the results of this cost allocation, identifying the relative proportion of costs allocated to each land use. Total net costs allocated to each land use are divided by proposed development in that land use (see **Table 2**) to estimate fees per unit of development, i.e. per dwelling unit or per building square foot. An administrative charge of 2 percent is added to the estimated fees in Table 5 in order to derive recommended fee levels, as shown in **Table 6**. The administrative charge offsets City staff costs to administer the fees, periodically update the fee, and perform other administrative tasks.

**Table 5 Infrastructure Cost Allocation at Buildout**

Land Use	Allocation Factor:	Roadway [1]		Sewer [2]		Water [3]		Parks/Community Facilities	
		Trips	Costs	BWF/Day	Costs	GPD	Costs	Population [4]	Costs
Residential		78%	\$36,611,862	85%	\$14,835,780	87%	\$30,342,702	100%	\$97,918,224
Retail/Commercial		6%	\$2,659,166	4%	\$740,615	3%	\$1,211,369	0%	\$0
Office		16%	\$7,619,739	10%	\$1,794,786	9%	\$3,216,393	0%	\$0
Hotel Rooms		0%	\$0	0%	\$0	0%	\$0	0%	\$0
<b>Total</b>			<b>\$46,890,766</b>		<b>\$17,371,181</b>		<b>\$34,770,464</b>		<b>\$97,918,224</b>

[1] See Transportation Impact Fee Study - Kimley-Horn report from 2008. Allocation made according to trip rates per unit or per 1,000 sq. ft.

[2] See Sewer Master Plan Update (adopted 2009), Section 3.2.1. Allocation made according to Base Water Flow (BWF) units.

[3] See Water Master Plan Update, (adopted 2009) Section 3.2.3, Water Use Factors. Allocation made according to Gallons of Water per Day (GPD).

[4] Population refers to residential population..

**Table 5 (Continued) Infrastructure Cost Allocation at Buildout,**

Land Use	Linear Parks/Trails		Specific Plan Preparation & PFP*		Regional Traffic Mitigation Fee [1]		Total Costs at Buildout	Estimated Fee per Unit/Sq.Ft.
	Population	Costs	Daytime Pop. [5]	Costs	Trips	Costs		
Residential	100%	\$3,739,634	93%	\$1,586,273	78%	\$24,504,177	\$209,538,652	\$32,138
Retail/Commercial	0%	\$0	2%	\$34,696	6%	\$1,779,913	\$6,425,758	\$22.38
Office	0%	\$0	5%	\$89,027	16%	\$5,103,845	\$17,823,790	\$35.87
Hotel Rooms	0%	\$0	0%	\$0	0%	\$0	\$0	\$0
<b>Total</b>		<b>\$3,739,634</b>		<b>\$1,709,995</b>		<b>\$31,387,935</b>	<b>\$233,788,200</b>	

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[5] Daytime population is calculated as residential population plus one-half employee population.

\* PFP = Public Financing Plan and Fee Study

**Table 6 Proposed Fee Levels**

Land Use	Fee per Unit/ or Sq.Ft. <i>a</i>	Administrative Fee <i>b = a * 2.0%</i>	Total TADIF <i>c = a + b, rounded</i>
Residential	\$32,138	\$643	\$32,781
Retail	\$22.38	\$0.45	\$22.80
Office	\$35.87	\$0.72	\$36.60
Hotel	\$0	\$0	\$0

Source: Economic & Planning Systems

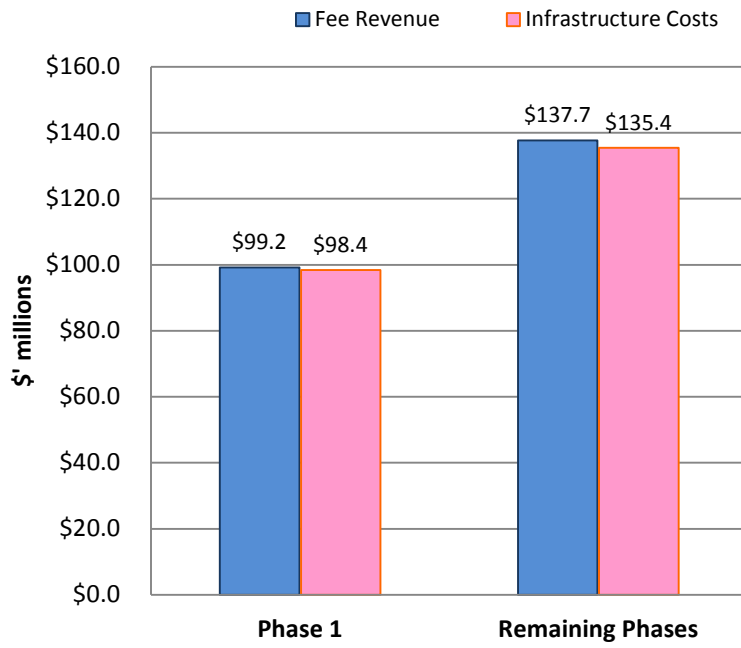
## Fee and Expenditure Timing

The proposed fee levels, when combined with the projected development in the Transit Area, are expected to be sufficient to fund the *BIP* as shown in **Figure 3**. Estimated fee revenues for Phase 1 include fee revenues from 452 units for which building permits have been issued as of February 5, 2014. Of these, 392 units were charged before January 1, 2014 at \$29,012 per unit while 60 units were charged the current fee of \$30,521 per unit. Fees for the remaining 2,622 units already entitled (Phase 1) are estimated at the updated fees shown in **Table 1** of \$32,781 per unit. Estimated fee revenues for development in remaining phases are also estimated based on updated fee amounts in **Table 1**.

While the estimated fees and infrastructure cost amounts are evenly matched for Phase 1 and the remaining phases, actual timing of fee collection and phasing of infrastructure may not match. In the event that fee collection lags construction phasing, several mechanisms may be available to cover any temporary shortfalls:

- Refinement of infrastructure costs
- Deferral of certain costs to later phases
- Developer funding/reimbursement from subsequent fee revenues
- Grants or other sources of funding not currently available

**Figure 3 Projected Fee Revenue and Costs by Phase (millions)**







APPENDIX A  
Detailed TASP Infrastructure Cost  
Database Tables

**Table A-1**  
**Basic Infrastructure Program - Original and Updated Costs and Quantities**  
**Milpitas TASP Fee Program Update; EPS# 121030**

DB No.	Dev. Phase	General Improvement	Improvement Item	Location/ Segment	Units	Quantity		Unit Costs			Conti- ngency	Design, Constr. & Contingency			ROW or Land			Total Costs			Other Revenue Sources			Net TASP Development Share			Notes on Cost Changes	
						2008	Updated	2008\$	2012\$	2014\$		Updated 2008\$	2012\$	2014\$	Updated 2008\$	2012\$	2014\$	Updated 2008\$	2012\$	2014\$	Updated 2008\$	2012\$	2014\$	Updated 2008\$	2012\$	2014\$		
1	1	Roadway/Inters- tion - Backbone	Phase 1 TASP share of regional traffic mitigations (see "Transportation Impact Fee Study," Kimley-Horn)	Throughout plan	--	--	--	--	--	--	--	\$22,207,500	\$24,778,563	\$23,095,194	--	--	--	\$22,207,500	\$24,778,563	\$23,095,194	--	--	\$0	\$22,207,500	\$24,778,563	\$23,095,194	Milpitas Blvd. ext. costs capped at \$17M per contract; Inflation escalation (ENR Index)	
2	2	Roadway/Inters- tion - Backbone	Phase 2 TASP share of regional traffic mitigations (see "Transportation Impact Fee Study," Kimley-Horn)	Throughout plan	--	--	--	--	--	--	--	\$18,785,000	\$20,959,824	\$8,292,741	--	--	--	\$18,785,000	\$20,959,824	\$8,292,741	--	--	--	\$18,785,000	\$20,959,824	\$8,292,741	Cost savings of \$11.7M (in 2008\$) deducted in 2014 update; Inflation escalation (ENR Index)	
3	2	Roadway/Inters- tion - Backbone	Reconfigured roads: Falcon Drive, as described in Transit Area Specific Plan	See Fig 5-18	LF	620	620	\$1,240	\$1,384	\$1,451	20%	\$922,560	\$1,029,369	\$1,079,824	--	--	--	\$922,560	\$1,029,369	\$1,079,824	--	--	\$0	\$922,560	\$1,029,369	\$1,079,824	Inflation escalation (ENR Index)	
4	1	Roadway/Inters- tion - Backbone	Reconfigured roads: Trade Zone Blvd as described in Transit Area Specific Plan	See Fig 5-12	LF	1,610	1,610	\$1,450	\$1,618	\$1,697	20%	\$2,801,400	\$3,125,731	\$3,278,939	--	--	--	\$2,801,400	\$3,125,731	\$3,278,939	--	--	\$3,278,939	\$2,801,400	\$3,125,731	\$0	Inflation escalation (ENR Index); \$0 net cost to TASP - developer to construct	
5	1	Streetscape Improvements	Great Mall Parkway and Capitol Avenue	Great Mall Parkway and Capitol Avenue	--	--	--	--	--	--	--	\$6,204,584	\$6,922,917	\$7,262,245	--	--	--	\$6,204,584	\$6,922,917	\$7,262,245	--	--	--	\$6,204,584	\$6,922,917	\$7,262,245	Inflation escalation (ENR Index)	
6	2	Streetscape Improvements	Post-widening Montague Expressway	Montague Expressway	--	0	0	--	--	--	--	\$9,286,008	\$10,361,091	\$10,868,943	--	--	--	\$9,286,008	\$10,361,091	\$10,868,943	--	--	--	\$9,286,008	\$10,361,091	\$10,868,943	Inflation escalation (ENR Index)	
7	2	Roadway/Inters- tion - Backbone	Pedestrian bridges over Montague Expressway.	at Montague	Bridge	2	2	\$9,000,000	\$10,041,971	\$10,534,181	--	\$18,000,000	\$20,083,941	\$21,068,361	--	--	--	\$18,000,000	\$20,083,941	\$21,068,361	--	--	--	\$18,000,000	\$20,083,941	\$21,068,361	Inflation escalation (ENR Index)	
8	2	Roadway/Inters- tion - Backbone	Pedestrian walkway over future BART trench; at Piper Drive	at Piper	Bridge	1	1	\$1,500,000	\$1,673,662	--	--	\$1,500,000	\$1,673,662	--	--	--	\$1,500,000	\$1,673,662	--	\$1,500,000	\$1,673,662	--	\$0	\$0	\$0	\$0	Project abandoned per City staff (Felix Reliford email 1/21/14 )	
9	2	Roadway/Inters- tion - Backbone	Vehicle bridges over Penitencia Drive, at Penitencia	at Penitencia	Bridge	2	2	\$1,500,000	\$1,673,662	\$1,755,697	--	\$3,000,000	\$3,347,324	\$3,511,394	--	--	--	\$3,000,000	\$3,347,324	\$3,511,394	\$0	\$0	\$0	\$3,000,000	\$3,347,324	\$3,511,394	Inflation escalation (ENR Index)	
10A	1	Roadway/Inters- tion - Backbone	S. Milpitas Blvd. frontage improvements and Utility undergrounding underneath Union Pacific RR	Milpitas Blvd	--	--	--	--	--	--	--	--	--	\$1,350,000	--	--	--	--	--	\$1,350,000	--	--	--	--	\$0	\$1,350,000	\$0	New cost item added Feb 5, 2014 per City staff (Felix Reliford email 2/5/2014)
10B	1	Roadway/Inters- tion - Backbone	Milpitas Blvd Surface Improvements; Undergrounding of the Distribution Lines; RR crossing improvements (r/w, surface, utilities, etc.); Milpitas Blvd 2" Grind and Overlay (RR to Gibraltar)	Milpitas Blvd	--	--	--	--	--	--	--	--	--	\$1,750,000	--	--	--	--	--	\$1,750,000	--	--	--	--	\$0	\$1,750,000	\$0	New cost item added Feb , 2014 per City staff (Felix Reliford email 2/7/2014)
11A	1	Sewer	#11A: Replace 370 LF of 12-inch with 27-inch #11A: Replace 590 LF of 18-inch with 27-inch	Throughout plan	LF	960	960	--	--	--	--	\$1,469,000	\$1,681,714	\$1,764,144	--	--	--	\$1,469,000	\$1,681,714	\$1,764,144	\$367,250	\$420,429	\$441,036	\$1,101,750	\$1,261,285	\$1,323,107	Inflation escalation (ENR Index)	
11B	1	Sewer	Same as above	Throughout plan	LF	360	360	--	--	--	--	--	\$415,048	\$435,392	--	--	--	--	\$415,048	\$435,392	--	--	--	--	\$415,048	\$435,392	--	Inflation escalation (ENR Index)
12	1	Sewer	#11B: Replace 360 LF of 15-inch with 18-inch #11B: Replace 1,820 LF of 10-inch with 18-inch #11B: Replace 450 LF of 10-inch with 15-inch	Throughout plan	LF	360	360	--	--	--	--	\$1,394,000	\$1,595,854	\$1,674,075	--	--	--	\$1,394,000	\$1,595,854	\$1,674,075	\$697,000	\$797,927	\$837,038	\$697,000	\$797,927	\$837,038	Inflation escalation (ENR Index)	
13	1	Sewer	#11C: Replace 885 LF of 10-inch with 12-inch #11C: Replace 30 LF of 8-inch with 15-inch #11C: Replace 325 LF of 8-inch with 12-inch	Throughout plan	LF	885	885	--	--	--	--	\$452,000	\$517,450	\$542,813	--	--	--	\$452,000	\$517,450	\$542,813	\$226,000	\$258,725	\$271,406	\$226,000	\$258,725	\$271,406	Inflation escalation (ENR Index)	
14	1	Sewer	#11D: Replace 2,060 LF of 8-inch with 12-inch	Throughout plan	LF	2,060	2,060	--	--	--	--	\$749,000	\$800,333	\$839,562	--	--	--	\$749,000	\$800,333	\$839,562	\$711,550	\$760,316	\$797,583	\$37,450	\$40,017	\$41,978	Inflation escalation (ENR Index)	
15A	1	Sewer	Additional capacity	Offsite	Gal.	1,000,000	500,000	\$8.00	\$8.93	\$9.36	--	\$4,000,000	\$4,463,098	\$4,681,858	--	--	--	\$4,000,000	\$4,463,098	\$4,681,858	--	--	--	\$4,000,000	\$4,463,098	\$4,681,858	Inflation escalation (ENR Index)	
15B	2	Sewer	Additional capacity	Offsite	Gal.	--	500,000	\$8.00	\$8.93	\$9.36	--	\$4,000,000	\$4,463,098	\$4,681,858	--	--	--	\$4,000,000	\$4,463,098	\$4,681,858	--	--	--	\$4,000,000	\$4,463,098	\$4,681,858	Inflation escalation (ENR Index)	
16	1	Sewer	Main Sewer Pump Station	Offsite	--	--	--	--	--	--	--	\$13,068,000	\$14,580,941	\$15,295,630	--	--	--	\$13,068,000	\$14,580,941	\$15,295,630	\$8,712,000	\$9,720,628	\$10,197,087	\$4,356,000	\$4,860,314	\$5,098,543	Inflation escalation (ENR Index)	
17	1	Water	12" pipe to eliminate dead ends at Pectin Ct	Pipe 227	LF	150	150	--	--	--	--	\$273,000	\$304,606	\$319,537	--	--	--	\$273,000	\$304,606	\$319,537	--	--	--	\$273,000	\$304,606	\$319,537	Inflation escalation (ENR Index)	
18A	1	Water	Land for SC Turnout at Montague	PRV, between Pipes 212, 227	SF	--	13,500	\$55	\$58	\$59	--	--	--	--	\$742,500	\$783,000	\$796,500	\$742,500	\$783,000	\$796,500	--	--	\$796,500	\$742,500	\$783,000	\$0	Developer will donate land at no cost (per City email received 1/22/14)	
18B	2	Water	SC Turnout at Montague	PRV, between Pipes 212, 227	--	1	1	--	--	--	--	\$2,756,000	\$3,075,075	\$3,225,800	--	--	--	\$2,756,000	\$3,075,075	\$3,225,800	--	--	--	\$2,756,000	\$3,075,075	\$3,225,800	Cost moved from Phase 1 to Ph. 2. Inflation escalation (ENR Index).	
19	2	Water	SC Tank & PS; SCVWD Zone	SCVWD Zone	--	1	1	--	--	--	--	\$17,435,000	\$19,453,529	\$20,407,049	--	--	--	\$17,435,000	\$19,453,529	\$20,407,049	--	--	--	\$17,435,000	\$19,453,529	\$20,407,049	Inflation escalation (ENR Index)	
20	1	Water	Land for SC Tank & PS; SCVWD Zone	SCVWD Zone	--	1.75	1.75	\$2,395,800	\$2,526,480	\$2,570,040	--	--	--	\$4,192,650	\$4,421,340	\$4,497,570	\$4,192,650	\$4,421,340	\$4,497,570	--	--	--	\$4,192,650	\$4,421,340	\$4,497,570	Increase in land cost per acre		
21	1	Water	Recycled water: Complete distribution system with 8" pipe to eliminate dead ends	Throughout plan	--	18,000	18,000	\$300	\$335	\$351	--	\$5,400,000	\$6,025,182	\$6,320,508	--	--	--	\$5,400,000	\$6,025,182	\$6,320,508	--	--	--	\$5,400,000	\$6,025,182	\$6,320,508	Inflation escalation (ENR Index)	
22A	1	Parks/Plazas/Community Facilities	Park in subdistrict: McCandless South Parks	Penitencia Creek / McCandless	Ac.	6.94	10.87	\$1,000,000	\$1,115,775	\$1,170,465	--	\$10,870,000	\$12,128,469	\$12,722,949	--	--	--	\$10,870,000	\$12,128,469	\$12,722,949	--	--	--	\$10,870,000	\$12,128,469	\$12,722,949	Increase in acreage; Inflation escalation (ENR Index)	
22B	1	Parks/Plazas/Community Facilities	McCandless Park Streetscape (eastside)	Penitencia Creek / McCandless	--	--	--	--	--	--	--	\$500,000	\$557,887	\$585,232	--	--	--	\$500,000	\$557,887	\$585,232	--	--	--	\$500,000	\$557,887	\$585,232	Inflation escalation (ENR Index)	
23	1	Parks/Plazas/Community Facilities	Land for park in subdistrict: McCandless South Parks	Penitencia Creek / McCandless	Ac.	6.94	10.87	\$2,395,800	\$1,987,121	\$2,084,520	--	--	--	\$26,042,346	\$21,600,000	\$22,658,730	\$26,042,346	\$21,600,000	\$22,658,730	--	--	--	\$26,042,346	\$21,600,000	\$22,658,730	Increase in land cost per acre		

**Table A-1**  
**Basic Infrastructure Program - Original and Updated Costs and Quantities**  
**Milpitas TASP Fee Program Update; EPS# 121030**

DB No.	Dev. Phase	General Improvement	Improvement Item	Location/ Segment	Units	Quantity			Unit Costs			Contingency	Design, Constr. & Contingency			ROW or Land			Total Costs			Other Revenue Sources			Net TASP Development Share			Notes on Cost Changes
						2008	Updated	2008\$	2012\$	2014\$	2008\$		2012\$	2014\$	Updated 2008\$	2012\$	2014\$	Updated 2008\$	2012\$	2014\$	Updated 2008\$	2012\$	2014\$	Updated 2008\$	2012\$	2014\$	Updated 2008\$	
24	1	Parks/Plazas/Community Facilities	Park in subdistrict: McCandless/Centre Point, Southeast area	Penitencia Creek	Ac.	--	--	\$1,000,000	\$1,115,775	\$1,170,465	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Combined with item 22
25	1	Parks/Plazas/Community Facilities	Land for park in subdistrict: McCandless/Centre Point, Southeast area	Penitencia Creek	Ac.	--	--	\$2,395,800	\$1,987,121	\$2,084,520	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Combined with item 23
26	1	Parks/Plazas/Community Facilities	Park in subdistrict: McCandless/Centre Point, North area	McCandless Dr, just south of Great Mall Pkwy	Ac.	0.86	0.60	\$400,000	\$446,310	\$468,186	--	\$240,000	\$267,786	\$280,911	--	--	\$240,000	\$267,786	\$280,911	--	--	--	\$240,000	\$267,786	\$280,911	--	Reduction in acreage; Inflation escalation (ENR Index)	
27	1	Parks/Plazas/Community Facilities	Land for park in subdistrict: McCandless/Centre Point, North area	McCandless Dr, just south of Great Mall Pkwy	Ac.	0.86	0.60	\$2,395,800	\$2,526,480	\$2,570,040	--	--	--	\$1,437,480	\$1,515,888	\$1,542,024	\$1,437,480	\$1,515,888	\$1,542,024	--	--	--	\$1,437,480	\$1,515,888	\$1,542,024	--	Reduction in acreage; Increase in land cost per acre	
28	2	Parks/Plazas/Community Facilities	Park in subdistrict: Trade Zone/Montague, Central area	Sango Court at Tarob Court	Ac.	5.10	5.10	\$500,000	\$557,887	\$585,232	--	\$2,550,000	\$2,845,225	\$2,984,684	--	--	\$2,550,000	\$2,845,225	\$2,984,684	--	--	--	\$2,550,000	\$2,845,225	\$2,984,684	--	Inflation escalation (ENR Index)	
29	2	Parks/Plazas/Community Facilities	Land for park in subdistrict: Trade Zone/Montague, Central area	Sango Court at Tarob Court	Ac.	5.10	5.10	\$2,395,800	\$2,526,480	\$2,570,040	--	--	--	\$12,218,580	\$12,885,048	\$13,107,204	\$12,218,580	\$12,885,048	\$13,107,204	--	--	--	\$12,218,580	\$12,885,048	\$13,107,204	--	Increase in land cost per acre	
30	2	Parks/Plazas/Community Facilities	Park in subdistrict: Trade Zone/Montague, just north of Penitencia	Penitencia Creek at Milpitas Blvd. Extension	Ac.	2.51	2.51	\$400,000	\$446,310	\$468,186	--	\$1,004,000	\$1,120,238	\$1,175,146	--	--	\$1,004,000	\$1,120,238	\$1,175,146	--	--	--	\$1,004,000	\$1,120,238	\$1,175,146	--	Inflation escalation (ENR Index)	
31	2	Parks/Plazas/Community Facilities	Land for park in subdistrict: Trade Zone/Montague, just north of Penitencia	Penitencia Creek at Milpitas Blvd. Extension	Ac.	2.51	2.51	\$2,395,800	\$2,526,480	\$2,570,040	--	--	--	\$6,013,458	\$6,341,465	\$6,450,800	\$6,013,458	\$6,341,465	\$6,450,800	--	--	--	\$6,013,458	\$6,341,465	\$6,450,800	--	Increase in land cost per acre	
32	2	Parks/Plazas/Community Facilities	Park in subdistrict: Piper/Montague, North & South area	North & South green area of Subdistrict	Ac.	3.28	3.00	\$400,000	\$2,000,000	\$2,098,031	--	\$1,200,000	\$6,000,000	\$6,294,092	--	--	\$1,200,000	\$6,000,000	\$6,294,092	--	--	--	\$1,200,000	\$6,000,000	\$6,000,000	--	Inflation escalation (ENR Index)	
33	2	Parks/Plazas/Community Facilities	Land for park in subdistrict: Piper/Montague, North & South area	North green area of Subdistrict	Ac.	3.28	3.00	\$2,395,800	\$2,526,480	\$2,570,040	--	--	--	\$7,187,400	\$7,579,440	\$7,710,120	\$7,187,400	\$7,579,440	\$7,710,120	--	--	--	\$7,187,400	\$7,579,440	\$7,710,120	--	Reduction in acreage; Increase in land cost per acre	
34	2	Parks/Plazas/Community Facilities	Park in subdistrict: Piper/Montague, South area	South green area of Subdistrict	Ac.	--	--	\$400,000	\$446,310	\$468,186	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Site acres rolled up in Item 31 above. Per City, three projects to provide 3 acres.
35	2	Parks/Plazas/Community Facilities	Land for park in subdistrict: Piper/Montague, South area	South green area of Subdistrict	Ac.	--	--	\$2,395,800	\$2,526,480	\$2,570,040	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Site acres rolled up in Item 31 above. Per City, three projects to provide 3 acres.
36	2	Parks/Plazas/Community Facilities	Park in subdistrict: BART station area	BART Station area subdistrict	Ac.	1.66	1.66	\$400,000	\$446,310	\$468,186	--	\$664,000	\$740,874	\$777,188	--	--	\$664,000	\$740,874	\$777,188	--	--	--	\$664,000	\$740,874	\$777,188	--	Inflation escalation (ENR Index)	
37	2	Parks/Plazas/Community Facilities	Land for park in subdistrict: BART station area	BART Station area subdistrict	Ac.	1.66	1.66	\$2,395,800	\$2,526,480	\$2,570,040	--	--	--	\$3,977,028	\$4,193,957	\$4,266,266	\$3,977,028	\$4,193,957	\$4,266,266	--	--	--	\$3,977,028	\$4,193,957	\$4,266,266	--	Increase in land cost per acre	
38	2	Parks/Plazas/Community Facilities	City TASP Signage	Throughout plan	--	--	--	--	--	--	--	--	\$100,000	--	--	--	--	\$100,000	--	--	--	--	--	--	\$100,000	--	Added 2/11/2014 per City staff (Felix Reliford)	
39	2	Linear Parks/Trails	Linear parks/trails in subdistrict: Piper Montague; throughout subdistrict (See Fig. 3-6, TASP)	Throughout subdistrict (See Fig. 3-6, TASP)	Ac.	0.72	0.72	\$300,000	\$334,732	\$351,139	--	\$216,000	\$241,007	\$252,820	--	--	\$216,000	\$241,007	\$252,820	--	--	--	\$216,000	\$241,007	\$252,820	--	Inflation escalation (ENR Index)	
40	2	Linear Parks/Trails	Linear parks/trails in subdistrict: BART station area; throughout subdistrict (See Fig. 3-6, TASP)	Throughout subdistrict (See Fig. 3-6, TASP)	Ac.	1.34	1.34	\$300,000	\$334,732	\$351,139	--	\$402,000	\$448,541	\$470,527	--	--	\$402,000	\$448,541	\$470,527	--	--	--	\$402,000	\$448,541	\$470,527	--	Inflation escalation (ENR Index)	
41	2	Linear Parks/Trails	Linear parks/trails in subdistricts: Montague Corridor and Trade Zone/Montague; throughout subdistrict (See Fig. 3-6, TASP)	Throughout subdistrict (See Fig. 3-6, TASP)	Ac.	2.39	2.39	\$300,000	\$334,732	\$351,139	--	\$717,000	\$800,010	\$839,223	--	--	\$717,000	\$800,010	\$839,223	--	--	--	\$717,000	\$800,010	\$839,223	--	Inflation escalation (ENR Index)	
42	1	Linear Parks/Trails	Linear parks/trails in subdistrict: McCandless/Centre Point; throughout subdistrict (See Fig. 3-6, TASP)	Throughout subdistrict (See Fig. 3-6, TASP)	Ac.	6.20	6.20	\$300,000	\$334,732	\$351,139	--	\$1,860,000	\$2,075,341	\$2,177,064	--	--	\$1,860,000	\$2,075,341	\$2,177,064	--	--	--	\$1,860,000	\$2,075,341	\$2,177,064	--	Inflation escalation (ENR Index)	
43	2	Parks/Plazas/Community Facilities	Community facilities at Park in McCandless/Centre Point Subdistrict, Southeast area; McCandless Dr, just south of Great Mall Parkway	McCandless Dr, just south of Great Mall Parkway	Sq.Ft.	12,000	12,000	\$1,250	\$1,395	\$1,463	--	\$15,000,000	\$16,736,618	\$17,556,968	--	--	\$15,000,000	\$16,736,618	\$17,556,968	--	--	--	\$15,000,000	\$16,736,618	\$17,556,968	--	Cost moved from Phase 1 to Ph. 2. Inflation escalation (ENR Index)	
44	1	Planning	Specific Plan preparation	N/A	0	0.00	0.00	--	\$0	--	--	\$1,331,000	\$1,485,096	\$1,557,888	--	--	\$1,331,000	\$1,485,096	\$1,557,888	--	--	--	\$1,331,000	\$1,485,096	\$1,557,888	--	Inflation escalation (ENR Index)	
45	1	Planning	TASP Fee Program Update	N/A	0	0.00	0.00	--	--	--	--	--	\$145,000	\$152,107	--	--	--	\$145,000	\$152,107	--	--	--	--	\$0	\$145,000	\$152,107	--	Inflation escalation (ENR Index)
<b>TOTAL</b>													<b>\$170,257,052</b>	<b>\$195,250,443</b>	<b>\$189,672,667</b>	<b>\$61,811,442</b>	<b>\$59,320,138</b>	<b>\$61,029,215</b>	<b>\$232,068,494</b>	<b>\$254,570,580</b>	<b>\$250,701,881</b>	<b>\$12,213,800</b>	<b>\$13,631,686</b>	<b>\$16,619,590</b>	<b>\$219,854,694</b>	<b>\$240,938,894</b>	<b>\$233,788,200</b>	

Source: City of Milpitas; ENR Construction Cost Indices; and Economic & Planning Systems.