

City of Milpitas

Annual Report of Development Fees and Expenditures for the Fiscal Year ended June 30, 2019

Traffic Impact Fee

Description:

In order to implement the goals and objectives of the City of Milpitas General Plan and to mitigate the traffic impacts caused by new development in the City of Milpitas, certain roadways such as Montague Expressway and Calaveras Boulevard must be widened.

Fee:

The amount of the fee as of June 30, 2019 was as follows:

Area Covered	Type of Dwelling	Amount
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	\$308.69 per dwelling unit
	Retail Development of 1,000 or more square feet	\$930.02 per thousand square feet
	Office Development of 1,000 or more square feet	\$793.41 per thousand square feet
	Other Uses	A focused nexus study will be required

Traffic Impact Fee Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year 2018-2019

Fees collected and interest earned:

Revenues	
Traffic Fees	\$646,260
Interest	<u>37,759</u>
Total Revenues	<u>684,019</u>

Fees expended on public improvement:

Expenditures:	
1. CP 4292 – McCarthy Blvd./Sandisk Dr. Traffic Signal	<u>750,000</u>
Total Expenditures	<u>750,000</u>

Excess/(deficiency) of revenues over/ (under) expenditures	(65,981)
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Beginning and ending balance:

Fund Balance, beginning of year	<u>2,034,197</u>
Fund Balance, end of year	<u>\$1,968,216</u>

CIP Number and Title	Project Description	% of the project funded with development fees	Construction Commencement Date
CP 4292 – McCarthy Blvd./Sandisk Dr. Traffic Signal	This project provides for the installation of a new traffic signal at McCarthy Blvd/Sandisk Drive to facilitate safe and orderly movement of traffic to address increased vehicular and pedestrian crossing activities at the intersection. The scope includes installation of poles, conduits, boxes, cabinets, intersection safety lighting, communication equipment, signage, detection equipment, and related traffic signal equipment.	100%	2019

Inter-fund transfer or loan made description:

None

Refunds made from surplus fees and amount of any allocations made:

None

Transit Area Specific Plan (TASP) Impact Fee

Fiscal Year ended June 30, 2019

Description:

Based on Resolution No. 8344 Exhibit A Transit Area Development Impact Fee Update Report prepared by Economic & Planning Systems, Inc., dated February 2014, the purpose of the Transit Area Specific Plan Impact fee is to fund the planning and development (as described in the Report) of an approximately 437-acre area in the southern portion of the City near the Great Mall shopping center to support more residents and workers with appropriately scaled utilities, parks, community facilities, and roadways.

Fee:

The amount of the fee per February 2014 Transit Area Development Impact Fee Update:

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

Transit Area Specific Plan (TASP) Impact Fee Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year 2018-2019

Fees collected and interest earned:

Revenues:

TASP Impact Fees	\$ 38,984,248
Return of unused TASP Fees(CP7125)*	480,643
Interest	<u>869,128</u>
 Total Revenues	 <u>40,334,019</u>

Fees expended on public improvement (See table for % of cost funded with fees):

Expenditures:

1. CP 2004 - S. Milpitas Boulevard Extension (DB1)	4,820,749
2. CP 2005 - Lower Penitencia Creek Pedestrian Bridge (DB9)	882,158
3. CP 2006 - Transit Area Specific Plan Update (DB44)	75,000
4. CP 2007 - Berryessa Creek Trail	150,000**
5. CP 2008 - Montague Ped. Overcrossing at Piper Dr. (DB7)	8,000,000
6. CP 4179 - Montague Expressway Widening (DB2)	1,300,000
7. CP 4281 - TASP Underground Utility District (DB10)	100,000
8. CP 5102 - McCandless Park (DB22)	6,425,000
9. CP 7076 - Well Upgrade Project (DB18-20)	2,330,000
10. Sango Court Land Appraisal (DB29)	162,600
11. Utility Undergrounding underneath Union Pacific RR (DB10)	650,000
12. Park Improvements (DB32)	725,764
13. Falcon Drive (DB3)	1,183,687
14. Park Land Purchase (DB33)	504,296
15. Recycled Water Distribution System (DB21)	1,084,031
16. Interest on Inter fund Loan for Sewer system (DB15)	<u>123,049</u>
 Total Expenditures	 <u>28,516,334</u>

Excess (deficiency) of revenues over (under) expenditures	11,817,685
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Beginning and ending balance:

Fund Balance, beginning of year	<u>30,993,582</u>
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Fund Balance, end of year	<u>\$42,811,267</u>
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*Capital Improvement Project 7125 - BART Water Improvements was completed and returned the unused funds back to the TASP fund.

**Capital Improvement Project 2007 was completed and the unused funds were returned to the Park Fund.

CIP/Item Number and Title	Project Description	% of the project funded with development fees	Construction Commencement Date
CP 2004 - S. Milpitas Boulevard Extension (DB1)	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%	2013
CP 2005 - Lower Penitencia Creek Pedestrian Bridge (DB9)	This project provides for the design and construction of a new pedestrian bridge over Lower Penitencia Channel adjacent to the Centre Pointe residential development and will provide connection to the City's McCandless Park site.	53%	2020
CP 2006 - Transit Area Specific Plan Update (DB44)	The Transit Area Specific Plan (TASP) was approved in 2008. There have been minor amendments to TASP focused primarily on individual properties, but no comprehensive evaluation of the plan and the effectiveness of its implementation has been made. Approximately 95% of the housing planned and cleared under CEQA for the area have been entitled or constructed. Approximately 50% of retail uses and none of the office have been developed. An evaluation of development projects proposed, entitled, or constructed; processes and regulations for development; changes to the land use diagram; and remaining development capacity should be undertaken. This project will include an update to the TASP EIR to provide environmental clearance for additional residential development.	100%	2012
CP 2007 - Berryessa Creek Trail, Reach 4, 5, 6A	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%	This project was completed by the Santa Clara Water District and the Army Corp with no funding from the City and was closed in FY19. The original funding was \$150,000 from TASP and \$150,000 from the Park Fund. All the funding was transferred back to TASP and the Park Fund in FY19. **
CP 2008 - Montague Ped. Overcrossing at Piper Dr. (DB7)	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	100%	2016

	that provides safe and convenient pedestrian circulation between the Milpitas BART station, Great Mall and surrounding residential developments.		
CP 4179 - Montague Expwy Widening at Great Mall Pkwy (DB2)	This project provides a fourth through lane in each direction on Montague Expressway at Great Mall Parkway. It also includes adding one westbound lane on Montague Expressway from Pecton Court to UPRR rails.	15%	2016
CP 4281 - TASP Underground Utility District (DB10)	This project provides for the creation of new Underground Utility District (UUD) #7 within the City's Transit Area Specific Plan redevelopment area. The purpose of the district is to allow Pacific Gas & Electric Company (PG&E) to underground existing overhead electric, PG&E, Cable TV, and communication utilities. The new district would be administered by the City with the undergrounding design and construction to be completed by PG&E using the City's Rule 20A funds. The City has approximately \$5.2M in available PG&E Rule 20A funds for use with this project.	100%	2020
CP 5102 - McCandless Park (DB22)	This project provides for a new public park adjacent to a new MUSD elementary school located on McCandless Drive in the Transit Area. The park will provide a four-acre City park and will include play field, athletic courts, picnic area, all-inclusive play areas, and restrooms.	85%	2020
CP 7076 - Well Upgrade Project (DB18-20)	This well upgrade program includes the installation of a new well and pump station at the City's McCandless Park site to serve the Midtown and Transit Area Specific Plan including future development.	49%	1996
10	Sango Court Land Appraisal (DB29)	100%	NA
11	Utility Undergrounding underneath Union Pacific RR (DB10)	100%	2016
12	Construction of Parks and Community Facilities (DB32) related to the following residential projects: 1) Traverse located at Trade Zone Blvd., 2) Citation Homes- Amalfi located at Piper Dr. and Montague Expressway, 3) Pulte Homes- Milpitas Station located at S. Milpitas Blvd and Montague Expressway 4) 620 E. Capital and 5) 750 Capital.	100%	2015
13	Falcon Drive Improvements (DB3)	100%	2016
14	Park Land Purchase (DB33)	100%	2017
15	Recycled Water Distribution System Improvements located in the TASP area	100%	2015
16	Interest on interfund loans advanced for the Sewer System (DB15) from General fund.	100%	2015

Inter-fund transfer or loan made description:

**Upon closing of CP2007, its unspent revenue of \$150,000 was transferred back to Park Fund.

Refunds made from surplus fees and amount of any allocations made:

None

Storm Drain Fee

Fiscal Year ended June 30, 2019

Description:

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-16-16). 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.

Fee:

The amount of the fee as of June 30, 2019 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

Storm Drain Development Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year 2018-2019

Fees collected and interest earned:

Revenues:

Connection Fees	\$1,017,027
Interest	132,291
Return of unused TASP fees from project CP3711 BART Storm Improvements	<u>217,000</u>

Total Revenues 1,366,318

Fees expended on public improvement (See table for % of cost funded with fees):

Expenditures:

CP 3700 - Storm Drain Master Plan Update	45,000
CP 3714 – Flap Gate Replacement	125,000
CP 3716 – City Parking Lot Rehabilitation Program	75,000
CP 3717 – Minor Storm Projects	<u>100,000</u>

Total Expenditures 345,000

Excess (deficiency) of revenues over
(under) expenditures 1,021,318

Beginning and ending balance:

Fund Balance, beginning of year 1,913,220

Fund Balance, end of year \$ 2,934,538

CIP Number	Project Description	% of the project funded with development fees	Construction commencement Date	Status Of Project
CP 3700 - Storm Drain System Rehabilitation	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%	2008	In Process
CP 3714 - Flap Gate Replacement	This project provides assessment and replaces and/or installs check valve assemblies at creek outfalls. The work also includes replacing deteriorated outfall piping.	100%	2017	In Process
CP 3716 - City Parking Lot Rehabilitation Program	This project provides for the rehabilitation of City owned parking lots at City Buildings including City Hall, Public Works, Police Department, Community Center, Barbara Lee Senior Center, fire stations, and utility pump stations.	83%	2018	In Process
CP 3717 - Minor Storm Projects	This project provides for the ongoing analysis and implementation of various minor modifications and improvements to existing storm drain systems.	100%	2019	In Process

CP3718 – Storm Supervisory Control & Data Acquisition	This project provides a real-time data, such as wet well level and pump operational status to utility systems operators.	100%	2020	Anticipated to start next fiscal year
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Inter-fund transfer or loan made description:

None

Refunds made from surplus fees and amount of any allocations made:

None

Five Year Report of City of Milpitas Traffic Impact Fee for the Fiscal Year ended June 30, 2019

Summary:

This Five Year Report provides information and findings on unexpended funds in the Traffic Impact Fee account as of June 30, 2019 pursuant to Government Code section 66001(d).

Fund Information:

The Traffic Impact Fund currently contains One Million Nine Hundred Sixty Eight Dollars (\$ 1,968,216) in unexpended Traffic Impact Fees for the Calaveras Widening Project (“Unexpended Fee”).

Pursuant to Government Code section 66001(d)(1):

(A) **Purpose.** The Unexpended Traffic Impact Fee will be used to fund facilities necessary to provide for the Calaveras Boulevard Widening Project as identified in the Transportation Impact Fee Study Report dated February 2009, and the City’s Capital Improvement Program 2018-2023 Final Report. The Project will widen Calaveras Boulevard from four lanes to six lanes between Town Center Drive and Abel Street within the City limits, with pedestrian and bicycle access in each direction, as well as reconstruction of certain bridge structures.

(B) **Relationship between the fee and the purpose for which it is charged.** There exists a reasonable relationship between the Unexpended Fee described above and the purpose for which it was charged because the improvements will mitigate the increased traffic caused by development and ensure that adverse traffic impacts can be minimized by implementing needed roadway improvements as set forth in the Transportation Impact Fee Study Report Dated February 2009. The Fee is a means of ensuring that new development located outside of the Transit Area Specific Plan (TASP) pay its proportionate share of the costs of the Calaveras Boulevard Widening Project. Specifically, the Fee is assessed based on vehicle trips generated by future (non-TASP) growth in Milpitas during PM peak hours which justify the need for additional street capacity.

(C) **Sources of funding anticipated to complete financing of incomplete improvements.** Based on the Transportation Impact Fee Study Report dated February 2009, the current estimated total cost of the Calaveras Boulevard Widening Project is approximately Eighty Million Dollars (\$80,000,000), of which the City’s minimum local match share (11.47%) is Nine Million One Hundred Seventy Six Thousand Dollars (\$9,176,000). The difference between the Project cost and the City’s local match share is anticipated to come from California State Transportation Improvement Funds. The City’s funding source for the local match share will include the Unexpended Fee of One Million Nine Hundred Sixty Eight Dollars (\$ 1,968,216), TASP funds of \$6.8M, and future traffic impact fees to be collected for this Project from developments outside TASP area.

(D) **Approximate dates on which the funding will be deposited.** The State has the Calaveras Boulevard Widening Project on their list and is anticipated to fund the project in FY2024-25 and Caltrans will administer the project. The City will provide the local match of \$9,176,000 made up of City Funds and Traffic Impact Fees. Traffic Impact Fees are required to be deposited as developers obtain building permits; the dates on which future Fees will be collected is unknown.

Five Year Report of City of Milpitas Transit Area Specific Plan Fee for the Fiscal Year ended June 30, 2019

Summary:

This Five Year Report provides information and findings on unexpended funds in the Transit Area Specific Plan (TASP) Fee account as of June 30, 2019 pursuant to Government Code section 66001(d).

Fund Information:

The TASP Fee Fund currently contains Forty-Two Million Eight Hundred Eleven Thousand Two Hundred Sixty-Seven Dollars (\$ 42,811,267) in unexpended TASP Fees (“Unexpended Fee”).

Pursuant to Government Code section 66001(d)(1):

- (A) **Purpose.** The Unexpended Fee will be used to fund facilities necessary to provide infrastructure, as identified in the Transit Area Development Impact Fee Report, dated February 2014, prepared by Economic and Planning Systems, Inc. and the City’s Capital Improvement Program 2018-2023 Final Report. The Fee funds basic public infrastructure needed to serve the new development in the Transit Area Specific Plan area and to maintain or improve levels of service for public facilities.
- (B) **Relationship between the fee and the purpose for which it is charged.** There exists a reasonable relationship between the Unexpended Fee described above and the purpose for which it was charged because the improvements will mitigate the infrastructure use caused by both the residential and commercial development and ensure that increased TASP area impacts can be minimized by implementing needed TASP infrastructure improvements as set forth in the Transit Area Development Impact Fee Report dated February 2014.
- (C) **Sources of funding anticipated to complete financing of incomplete improvements.** Based on the Transit Area Development Impact Fee Update dated February 2014, the current estimated total cost of infrastructure of \$249,611,290. The anticipated financing will be coming from developers in the TASP area who have been entitled and will pay at time of building permit issuance.
- (D) **Approximate dates on which the funding will be deposited.** The funding will be transferred to the City’s Capital Improvement Program 2020-2026.