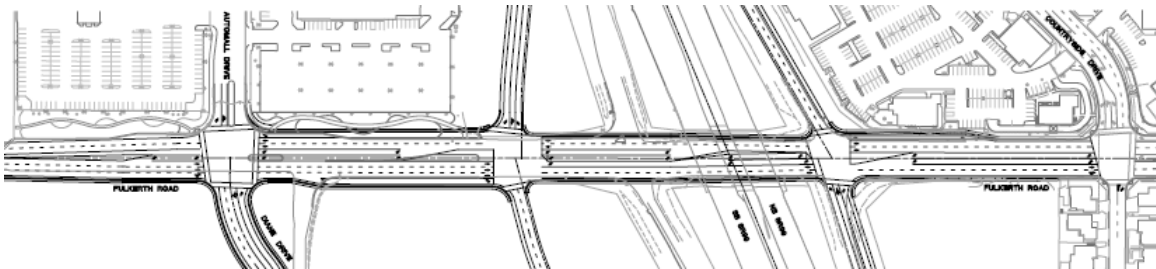




DEVELOPMENT FEES

ANNUAL REPORT

FISCAL YEAR
2015-2016



INTRODUCTION

This Development Fee Annual Report for Fiscal Year 2015-2016 has been prepared as an annual requirement by the State of California in accordance with Section 66006 of the Government Code. Development impact fees are one-time charges on new development collected and used by jurisdictions (e.g., a City or County) to cover the cost of capital facilities and infrastructure that is required to serve new residential, commercial and industrial growth. Impact fees are generally collected upon issuance of a building permit, although the City of Turlock allows the payment of certain fees to be deferred to close of escrow, certificate of occupancy or payment over a set period of time with City Council approval. The development fee programs covered by this report are Capital Facilities Fees (CFF), Turlock Regional Industrial Park (TRIP), Northwest Triangle Specific Plan (NWTSP), North Turlock Master Plan (NTMP) Northeast Turlock Master Plan (NETMP), Sewer Trunk and Master Storm fees. Two additional development fee programs, East Tuolumne Master Plan (ETMP) and Morgan Ranch Master Plan (MRMP) have been adopted by City Council but are not reflected in this report as construction and fee collection has not begun.

Fees are established with the adoption of a fee nexus study which was developed under Assembly Bill 1600 legislation as codified by California Government Code 66000 et. Seq. This code section sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that “a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition.” Specifically, each local agency imposing a fee must perform the following tasks:

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of public facility attributable to development on which the fee is imposed.

State law requires that the City make the following information available to the public for each fund on an annual basis and that the City Council review that information at a public meeting. The law requires the report to include the following information for each individual fund for the fiscal year:

- The beginning and ending balance of the fund; and

- The amount of the fees collected and interest earned; and
- The amount of refunds made; and
- A description of each interfund transfer or loan made by the fund; and
- Identification of each public improvement on which fees were expended and the amount expended on each improvement; and
- Current Fees

Below is the required information for each fund.

FUND 230 – NORTHWEST TRIANGLE SPECIFIC PLAN

The Northwest Triangle Specific Plan is a commercial zoned master plan roughly bounded by Taylor Road to the north, Fulkerth Road to the south, Golden State Boulevard to the east and Tegner Road to the west. Separate funds, as defined below, have been established to account for the impact of new development.

Sewer Fee Fund

The fees collected and deposited into this fund are for sewer system improvements within the NWTSP. Specifically included in this fund are sewer main projects needed to serve the full build out of the specific plan.

Water Fee Fund

The fees collected and deposited into this fund are for water system improvements within the NWTSP. Specifically included in this fund are water main projects needed to serve the full build out of the specific plan.

Administration Fee Fund

The fees collected and deposited into this fund are for the administration of the NWTSP Program to include the preparation of the Annual and Five Year Capital Facilities Fee Reports and periodic fee nexus study updates. Other administrative requirements include the day to day management of NWTSP funded Capital Improvement Program (CIP) projects which includes the preparation of annual CIP budget.

Statement of Revenues, Expenditures and Change in Fund Balance Year End

FY 15/16	Sewer	Water	Admin
Beginning Balance	\$ 204,951.30	\$ 50,982.18	\$ 1,566.98
Revenue	1,028.29	39,875.31	1,227.07
Interest Earned	519.71	0.00	0.00
Loan Proceeds	0.00	0.00	0.00
Grant Proceeds	0.00	0.00	0.00
Transfer In	0.00	0.00	0.00
Expenditures	(0.00)	(0.00)	(0.00)
Refunds	0.00	0.00	0.00
Transfer Out	(0.00)	(0.00)	(0.00)
Ending Balance	\$ 206,499.30	\$ 90,857.49	\$ 2,644.05

Transfer and Loan Descriptions

	Description	Amount
Transfers	N/A	\$0.00
	Total	\$0.00
Loans	N/A	\$0.00
	Total	\$0.00

Expenses by Fund

Fund	Project	Expenditure
Sewer	N/A	\$0.00
	Total	\$0.00
Water	N/A	\$0.00
	Total	\$0.00
Admin	N/A	\$0.00
	Total	\$0.00

FUND 305 – CAPITAL FACILITY FEE

Capital Facilities Fees mitigate the impacts caused by new development on certain public facilities. The CFF is a city-wide program and fees are used for land acquisition, infrastructure construction and improvement of public facilities needed as a result of this new development. Separate funds have been established to account for the impact of new development on the following types of public facilities listed below.

Roadways Fee Fund

The fees collected and deposited into this fund are for roadway capacity improvements to freeways, expressways, arterials and collectors including traffic signals, bike facilities and medians needed to serve the full build out of the General Plan.

Police Fee Fund

The fees collected and deposited into this fund are for the Police facilities expansion including vehicles and equipment needed to serve the full build out of the General Plan.

General Government Fee Fund

The fees collected and deposited into this fund are for the General Government facilities expansion including building expansion and equipment needed to serve the full build out of the General Plan.

Fire Fee Fund

The fees collected and deposited into this fund are for the Fire facilities expansion including vehicles and equipment needed to serve the full build out of the General Plan

Administration Fee Fund

The fees collected and deposited into this fund are for the administration of the CFF Program to include the preparation of the Annual and Five Year Capital Facilities Fee Reports and periodic fee nexus study updates. Other administrative requirements include the day to day management of CFF funded Capital Improvement Program (CIP) projects which includes the preparation of annual CIP budget.

Contingency Reserve Facilities Fee Administration Fund

This fund is a hold over fund from a previous capital facilities fee program and currently has no revenue source. The fund is used to transfer/loan dollars to other CFF accounts to help facilitate expedited construction of the improvements when expedited construction is appropriate. The transfers are loans and repayment is required unless the City Council deems it unnecessary.

Statement of Revenues, Expenditures and Change in Fund Balance Year End

FY 15/16	Roadway	Police	General Government / Admin	Fire	Contingency Reserve
Beginning Balance	\$ 2,419,365.43	\$ (1,309,806.39)	\$ 5,301,530.29	\$ 1,619,084.49	\$ 187,302.52
Revenue	1,440,022.84	53,985.92	162,738.91	32,931.42	0.00
Interest Earned	4,153.58	0.00	9,539.55	2,914.20	337.12
Loan Proceeds	0.00	0.00	0.00	0.00	0.00
Grant Proceeds	0.00	0.00	0.00	0.00	0.00
Transfer In	0.00	432,048.52	15,800.00	0.00	0.00
Expenditures	(114,249.53)	(31,543.15)	(142,711.17)	(0.00)	(0.00)
Refunds	0.00	0.00	0.00	0.00	0.00
Transfer Out	(0.00)	(0.00)	(70,000)	(0.00)	(0.00)
Ending Balance	\$ 3,749,292.32	\$ (855,315.10)	\$ 5,276,897.58	\$ 1,654,930.11	\$ 187,639.64

Transfer and Loan Descriptions

	Description	Amount
Transfers	Engineering Admin	\$50,000.00
	Accounting Admin	\$20,000.00
	Total	\$70,000.00
Loans	N/A	\$0.00
	Total	\$0.00

Expenses by Fund

Fund	Project	Expenditure
Roadways	Reimburse Developer Tuolumne	\$4,589.52
	GSB/Berkeley Ave Intersection	\$44,583.14
	Hwy 99 at Fulkerth Interchange	\$65,076.87
	Total	\$114,249.53
Police	Public Safety Facility	\$31,543.15
	Total	\$31,543.15
General Gov't / Admin	Downtown Parking Study	\$55,854.71
	Carnegie Storm Water Improvement	13,799.18
	Broadway Parking Lot	40,024.28
	Recreation Priority & Feasibility Study	33,033.00
	Total	\$142,711.17
Fire	N/A	\$0.00
	Total	\$0.00
Contingency Reserve	N/A	\$0.00
	Total	\$0.00

FUND 306 – NORTH TURLOCK MASTER PLAN

The North Turlock Master Plan is a residential master planned development roughly bounded by Taylor Road to the north, Christoffersen Parkway to the south, Walnut Road to the east and Tegner Road to the west. Separate funds, as defined below, have been established to account for the impact of new development.

Transportation Fee Fund

The fees collected and deposited into this fund are for transportation system improvements within the NTMP. Specifically included in this fund are street, bike and traffic signal projects needed to serve the full build out of the master plan.

Sewer Fee Fund

The fees collected and deposited into this fund are for sewer system improvements within the NTMP. Specifically included in this fund are sewer line and lift station projects needed to serve the full build out of the master plan.

Storm Fee Fund

The fees collected and deposited into this fund are for storm drain system improvements within the NTMP. Specifically included in this fund are storm line, lift station and storm water storage projects needed to serve the full build out of the master plan.

Administration Fee Fund

The fees collected and deposited into this fund are for the administration of the NTMP Program to include the preparation of the Annual and Five Year Capital Facilities Fee Reports and periodic fee nexus study updates. Other administrative requirements include the day to day management of NTMP funded Capital Improvement Program (CIP) projects which includes the preparation of annual CIP budget.

Statement of Revenues, Expenditures and Change in Fund Balance Year End

FY 15/16	Transportation	Sewer	Storm	Admin
Beginning Balance	\$ 1,112,047.64	\$ 783,892.22	\$ 395,724.29	\$ (10,268.24)
Revenue	43,222.16	14,877.23	19,193.52	2,318.77
Interest Earned	4,489.97	0.00	0.00	0.00
Loan Proceeds	0.00	0.00	0.00	0.00
Grant Proceeds	0.00	0.00	0.00	0.00
Transfer In	0.00	0.00	0.00	0.00
Expenditures	(230,104.86)	(0.00)	(0.00)	(0.00)
Refunds	0.00	0.00	0.00	0.00
Transfer Out	(0.00)	(0.00)	(0.00)	(0.00)
Ending Balance	\$ 929,654.91	\$798,769.45	\$414,917.81	\$ (7,949.47)

Transfer and Loan Descriptions

	Description	Amount
Transfers	N/A	\$0.00
	Total	\$0.00
Loans	N/A	\$0.00
	Total	\$0.00

Expenses by Fund

Fund	Project	Expenditure
Transportation	N. Tegner at Taylor Intersection	\$227,143.86
	Walnut at Taylor Traffic Signal Survey	\$2,961.00
	Total	\$230,104.86
Sewer	N/A	\$0.00
	Total	\$0.00
Storm	N/A	\$0.00
	Total	\$0.00
Admin	N/A	\$0.00
	Total	\$0.00

FUND 307 – NORTHEAST TURLOCK MASTER PLAN

The Northeast Turlock Master Plan is a residential master planned development roughly bounded by Taylor Road to the north, Monte Vista Avenue to the south, the city limit line to the east and Olive Avenue to the west. Separate funds, as defined below, have been established to account for the impact of new development.

Transportation Fee Fund

The fees collected and deposited into this fund are for transportation system improvements within the NETMP. Specifically included in this fund are street, bike and traffic signal projects needed to serve the full build out of the master plan.

Sewer Fee Fund

The fees collected and deposited into this fund are for sewer system improvements within the NETMP. Specifically included in this fund are sewer line and lift station projects needed to serve the full build out of the master plan.

Storm Fee Fund

The fees collected and deposited into this fund are for storm drain system improvements within the NETMP. Specifically included in this fund are storm line, lift station and storm water storage projects needed to serve the full build out of the master plan.

Water Fee Fund

The fees collected and deposited into this fund are for storm drain system improvements within the NETMP. Specifically included in this fund are water main projects needed to serve the full build out of the master plan.

Administration Fee Fund

The fees collected and deposited into this fund are for the administration of the NETMP Program to include the preparation of the Annual and Five Year Capital Facilities Fee Reports and periodic fee nexus study updates. Other administrative requirements include the day to day management of NETMP funded Capital Improvement Program (CIP) projects which includes the preparation of annual CIP budget.

Statement of Revenues, Expenditures and Change in Fund Balance Year End

FY 15/16	Transportation	Sewer	Storm	Water	Admin
Beginning Balance	\$ 1,305,643.45	\$ 110,310.23	\$ 710,044.30	\$ 339,362.67	\$ 177,589.07
Revenue	343,970.20	23,535.48	179,095.20	58,981.26	18,167.61
Interest Earned	5,474.98	0.00	0.00	0.00	0.00
Loan Proceeds	0.00	0.00	0.00	0.00	0.00
Grant Proceeds	0.00	0.00	0.00	0.00	0.00
Transfer In	0.00	0.00	0.00	0.00	0.00
Expenses	(14,063.95)	(0.00)	(0.00)	(0.00)	(0.00)
Refunds	0.00	0.00	0.00	0.00	0.00
Transfer Out	(0.00)	(0.00)	(0.00)	(0.00)	(50,000.00)
Ending Balance	\$1,641,024.68	\$ 133,845.71	\$ 889,139.50	\$ 398,343.93	\$ 145,756.68

Transfer and Loan Descriptions

	Description	Amount
Transfers	Engineering Admin	\$50,000.00
	Total	\$0.00
Loans	N/A	\$0.00
	Total	\$0.00

Expenses by Fund

Fund	Project	Expenditure
Transportation	Monte Vista Widening	\$14,063.95
	Total	\$14,063.95
Sewer	N/A	\$0.00
	Total	\$0.00
Storm	N/A	\$0.00
	Total	\$0.00
Water	N/A	\$0.00
	Total	\$0.00
Admin	N/A	\$0.00
	Total	\$0.00

FUND 308 – TURLOCK REGIONAL INDUSTRIAL PARK

The Turlock Regional Industrial Park is a commercial and Industrial zoned master plan roughly bounded by Fulkerth Road to the north, Linwood Avenue to the south, Hwy 99 to the east and Washington Road to the west. Separate funds, as defined below, have been established to account for the impact of new development.

Sewer Fee Fund

The fees collected and deposited into this fund are for sewer system improvements within the TRIP. Specifically included in this fund are sewer main projects needed to serve the full build out of the specific plan.

Water Fee Fund

The fees collected and deposited into this fund are for water system improvements within the TRIP. Specifically included in this fund are water main projects needed to serve the full build out of the specific plan.

Administration Fee Fund

The fees collected and deposited into this fund are for the administration of the TRIP Program to include the preparation of the Annual and Five Year Capital Facilities Fee Reports and periodic fee nexus study updates. Other administrative requirements include the day to day management of TRIP funded Capital Improvement Program (CIP) projects which includes the preparation of annual CIP budget.

Statement of Revenues, Expenditures and Change in Fund Balance Year End

FY 15/16	Sewer	Water	Admin
Beginning Balance	\$ 254,172.07	\$ 180,059.46	\$ (241,903.78)
Revenue	7,206.89	21,724.83	1,809.45
Interest Earned	4,692.47	0.00	0.00
Loan Proceeds	0.00	0.00	0.00
Grant Proceeds	0.00	5,000.00	0.00
Transfer In	0.00	0.00	0.00
Expenditures	(0.00)	(0.00)	(0.00)
Refunds	0.00	0.00	0.00
Transfer Out	(0.00)	(0.00)	(0.00)
Ending Balance	\$ 261,378.96	\$ (201,784.29)	\$ (240,094.33)

Transfer and Loan Descriptions

	Description	Amount
Transfers	N/A	\$0.00
	Total	\$0.00
Loans	N/A	\$0.00
	Total	\$0.00

Expenses by Fund

Fund	Project	Expenditure
Sewer	N/A	\$0.00
	Total	\$0.00
Water	N/A	\$0.00
	Total	\$0.00
Admin	N/A	\$0.00
	Total	\$0.00

FUND 411 –STORM DRAINAGE CONSTRUCTION (MASTER STORM)

Storm Drain Construction Fees mitigate the impacts caused by new development on certain public facilities. Storm Drain Construction is a city-wide program and fees are used for land acquisition, infrastructure construction and improvement of public facilities needed as a result of this new development. Separate funds have been established to account for the impact of new development on the following types of public facilities listed below.

Storm Drain Construction Fee Fund

The fees collected and deposited into this fund are for storm drain lines, lift stations and storage improvements necessitated by new development.

Administration Fee Fund

The fees collected and deposited into this fund are for the administration of the Storm Drainage Construction Program to include the preparation of the Annual and Five Year

Capital Facilities Fee Reports and periodic fee nexus study updates. Other administrative requirements include the day to day management of Storm Drainage Construction funded Capital Improvement Program (CIP) projects which includes the preparation of annual CIP budget.

Statement of Revenues, Expenditures and Change in Fund Balance Year End

FY 15/16	Storm	Admin
Beginning Balance	\$ 1,966,877.24	\$0.00
Revenue	209,941.88	0.00
Interest Earned	3,905.89	0.00
Loan Proceeds	0.00	0.00
Grant Proceeds	0.00	0.00
Transfer In	0.00	0.00
Expenditures	(3,080.42)	(0.00)
Refunds	0.00	0.00
Transfer Out	(5,382.17)	(0.00)
Ending Balance	\$ 2,172,262.42	0.00

Transfer and Loan Descriptions

	Description	Amount
Transfers	WISP Storm Transfer	\$5,382.17
	Total	\$0.00
Loans	N/A	\$0.00
	Total	\$0.00

Expenses by Fund

Fund	Project	Expenditure
Storm	Storm Water Master Plan	\$3,080.42
	Total	\$3,080.42
Admin	N/A	\$0.00
	Total	\$0.00

FUND 414 – SEWER TRUNK CONSTRUCTION

Sewer Trunk Fees mitigate the impacts caused by new development on certain public facilities. The Sewer Trunk Fee is a city-wide program and fees are used for land acquisition, infrastructure construction and improvement of public facilities needed as a result of this new development. Separate funds have been established to account for the impact of new development on the following types of public facilities listed below.

Sewer Trunk Fee Fund

The fees collected and deposited into this fund are for sewer line and lift station improvements necessitated by new development.

Administration Fee Fund

The fees collected and deposited into this fund are for the administration of the Sewer Trunk Construction Program to include the preparation of the Annual and Five Year Capital Facilities Fee Reports and periodic fee nexus study updates. Other administrative requirements include the day to day management of Sewer Trunk Construction funded Capital Improvement Program (CIP) projects which includes the preparation of annual CIP budget.

Statement of Revenues, Expenditures and Change in Fund Balance Year End

FY 15/16	Sewer Trunk	Admin
Beginning Balance	\$ 247,272.99	\$0.00
Revenue	33,934.45	0.00
Interest Earned	495.88	0.00
Loan Proceeds	0.00	0.00
Grant Proceeds	0.00	0.00
Transfer In	0.00	0.00
Expenditures	(0.00)	(0.00)
Refunds	0.00	0.00
Transfer Out	(0.00)	(0.00)
Ending Balance	\$ 281,703.32	0.00

Transfer and Loan Descriptions

	Description	Amount
Transfers	N/A	\$0.00
	Total	\$0.00
Loans	N/A	\$0.00
	Total	\$0.00

Expenses by Fund

Fund	Project	Expenditure
Sewer	Bank Charges	\$0.00
	Total	\$0.00
Admin	N/A	\$0.00
	Total	\$0.00

Summary

This is an Annual Report as required by Section 66006 of the Government Code. The City collects these fees on a pay-as-you-go basis for mitigation of impacts associated with new development. This Report reflects the annual reporting requirements as stipulated in the Government Code.

Appendix – Current Fees
