

MEMORANDUM

To: Patrick Meagher, Reclamation District 784

From: Russ Powell

Subject: Inflation-Adjusted Reclamation District 784 Drainage Impact Fees; EPS #192072

Date: May 11, 2023

The Economics of Land Use



Reclamation District No. 784 (RD 784) has a drainage impact fee program in place to fund drainage improvements serving new development in Basins A, B, and C. A discrete fee is computed by EPS for each drainage basin based on the drainage improvements required to serve benefitting development in each individual basin. In addition, discrete fees are computed for drainage sub-basins in Basin A (Basin A-1) and Basin C (Basin C-2).

A discrete fee has been collected previously for sub-basin C-1. The Board of Trustees adopted Resolution No. 2022-06-05 on June 7, 2022, which acknowledges that all funds necessary to construct the required improvements within Basin C-1 have been collected. As such, the resolution further stipulates that RD 784 will no longer collect the discrete fee for Basin C-1.

The drainage impact fee program also includes an Advance Funding Charge applicable to Basin C development that provides funding for regional improvements benefitting Basin C. After consulting with the District's staff, engineer, and attorney, the Board found that the Drainage Basin C Advanced Funding Impact Fee could be reduced without jeopardizing future drainage improvements or reimbursements to developers that paid into the Drainage Basin C Advanced Funding Impact Fee Program. According to Resolution No. 2019-07-05, the Drainage Basin C Advanced Funding Impact Fee was therefore reduced to match the fee currently imposed under the current Drainage Basin C Impact Fee, such that no additional funds will be collected pursuant to the Drainage Basin C Advance Funding Impact Fee Program.

The discussion below and attached tables provide the basis for the Drainage Impact Fee program inflation adjustments by drainage basin. This analysis calculates inflated RD 784 drainage fees for the following basins and sub-basins:

*Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

- Drainage Basin A.
- Drainage Basin A-1.
- Drainage Basin B.
- Drainage Basin C (also applies to Drainage Basin C Advance Funding Charge).
- Drainage Basin C-2.

Consistent with the methodology set forth in the 2013 RD 784 Nexus Study addenda and the 2015 Basin C-2 Nexus Study, EPS adjusted the improvement cost estimates using the average of the change in the San Francisco Construction Cost Index (CCI) and the change in the 20-City CCI, as reported in the Engineering News-Record.

The table below summarizes the basis for the improvement cost estimate adjustment from May 2022 to May 2023.

Construction Cost Index Adjustment Factor for 2023 Update			
Construction Cost Index	May 2022	May 2023	Adjustment Factor
20-City Average	13,004	13,288	2.18%
San Francisco	15,327	15,595	1.75%
Average % Increase			1.97%

cci_23

Source: Engineering News Record.

Table 1 through **Table 5** provide the updated fees for each basin, sub-basin, and the Drainage Basin C Advance Funding Charge.

Please contact Russ Powell at (916) 649-8010 with questions or comments regarding this memorandum.

Table 1
Reclamation District 784
Drainage Impact Fee Update
Summary of Drainage Impact Fees - Basin A and A-1 (2023\$)

Basin A

Land Use Category	2022 Cost per Acre	2023 Cost per Acre	Plus RD 784 Administration	Plus Yuba County Administration	Total Fee per Acre
		1.97% [1]	3%	1%	
DRAINAGE BASIN A [2]					
Residential Land Uses					
Low Density Residential	\$7,890	\$8,045	\$241	\$80	\$8,366
Medium Density Residential	\$9,862	\$10,056	\$302	\$101	\$10,459
Medium/High Density Residential	\$11,835	\$12,068	\$362	\$121	\$12,551
High Density Residential	\$12,821	\$13,073	\$392	\$131	\$13,596
Nonresidential Land Uses					
Business Park	\$17,752	\$18,101	\$543	\$181	\$18,825
Commercial	\$17,752	\$18,101	\$543	\$181	\$18,825
Industrial	\$15,780	\$16,090	\$483	\$161	\$16,734
Agricultural Building [3]	\$14,182	\$14,461	\$434	\$145	\$15,040
Public/Other Land Uses					
School	\$10,849	\$11,062	\$332	\$111	\$11,505
Other [4]	\$15,780	\$16,090	\$483	\$161	\$16,734
DRAINAGE BASIN A-1 [2]					
Residential Land Uses					
Low Density Residential	\$14,182	\$14,461	\$434	\$145	\$15,040
Medium Density Residential	\$17,728	\$18,077	\$542	\$181	\$18,800
Medium/High Density Residential	\$21,273	\$21,691	\$651	\$217	\$22,559
High Density Residential	\$23,046	\$23,499	\$705	\$235	\$24,439
Nonresidential Land Uses					
Business Park	\$31,910	\$32,538	\$976	\$325	\$33,839
Commercial	\$31,910	\$32,538	\$976	\$325	\$33,839
Industrial	\$28,364	\$28,922	\$868	\$289	\$30,079
Agricultural Building [3]	\$14,182	\$14,461	\$434	\$145	\$15,040
Public/Other Land Uses					
School	\$19,501	\$19,885	\$597	\$199	\$20,681
Other [4]	\$28,364	\$28,922	\$868	\$289	\$30,079

fee_sum_23

- [1] CCI average adjustment factor of San Francisco and 20-City average for May 2022 to May 2023.
- [2] Basin A fee rates would apply to Sawyer's Landing and Bear River only. Drainage Basin A-1 rates would apply to all other Basin A development. Note that the fees for each basin are mutually exclusive and not additive.
- [3] Agricultural building rate established by the RD 784 Board of Trustees policy, effective June 6, 2018. Agricultural building fee rate applies to infill projects on individual parcels or small development projects of four (4) parcels or fewer and if these structures are located outside of established residential neighborhoods. Nonresidential, agricultural projects anywhere within Basin A will be assessed at the Basin A-1 agricultural rate.
- [4] Excludes parks, which are exempt from the fee.

Table 2
Reclamation District 784
Drainage Impact Fee Update
Summary of Drainage Impact Fees - Basin B (2023\$)

Basin B

Land Use Category	2022 Cost per Acre	2023 Cost per Acre	Plus RD 784 Administration	Plus Yuba County Administration	Total Fee per Acre
		1.97% [1]	3%	1%	
Residential Land Uses					
Low Density Residential	\$11,946	\$12,181	\$365	\$122	\$12,668
Medium Density Residential	\$14,933	\$15,227	\$457	\$152	\$15,836
Medium/High Density Residential	\$17,919	\$18,271	\$548	\$183	\$19,002
High Density Residential	\$19,411	\$19,793	\$594	\$198	\$20,585
Nonresidential Land Uses					
Business Park	\$26,878	\$27,407	\$822	\$274	\$28,503
Commercial	\$26,878	\$27,407	\$822	\$274	\$28,503
Industrial	\$23,891	\$24,361	\$731	\$244	\$25,336
Agricultural Building [2]	\$11,946	\$12,181	\$365	\$122	\$12,668
Public/Other Land Uses					
School	\$16,424	\$16,747	\$502	\$167	\$17,416
Open Space	\$0	\$0	\$0	\$0	\$0
Park	\$0	\$0	\$0	\$0	\$0
Major Roads	\$0	\$0	\$0	\$0	\$0
RD 784	\$0	\$0	\$0	\$0	\$0
Other [3]	\$23,891	\$24,361	\$731	\$244	\$25,336

fee_sum_23

[1] CCI average adjustment factor of San Francisco and 20-City average for May 2022 to May 2023.

[2] Agricultural building rate established by the RD 784 Board of Trustees policy, effective June 6, 2018. Agricultural building fee rate applies to infill projects on individual parcels or small development projects of four (4) parcels or fewer and if these structures are located outside of established residential neighborhoods.

[3] Excludes parks, which are exempt from the fee.

Table 3
Reclamation District 784
Drainage Impact Fee Update
Summary of Drainage Impact Fees - Basin C (2023\$)

Basin C

Land Use Category	2022 Cost per Acre	2023 Cost per Acre	Plus RD 784 Administration	Plus Yuba County Administration	Total Fee per Acre
		1.97% [1]	3%	1%	
	DRAINAGE BASIN C [2]				
Residential Land Uses					
Low Density Residential	\$20,065	\$20,460	\$614	\$205	\$21,279
Medium Density Residential	\$25,082	\$25,575	\$767	\$256	\$26,598
Medium/High Density Residential	\$30,097	\$30,689	\$921	\$307	\$31,917
High Density Residential	\$32,607	\$33,248	\$997	\$332	\$34,577
Commercial					
Business Park	\$45,148	\$46,036	\$1,381	\$460	\$47,877
Commercial	\$45,148	\$46,036	\$1,381	\$460	\$47,877
Industrial	\$40,131	\$40,920	\$1,228	\$409	\$42,557
Agricultural Building [3]	\$20,065	\$20,460	\$614	\$205	\$21,279
Other					
School	\$27,590	\$28,133	\$844	\$281	\$29,258
Other [4]	\$40,131	\$40,920	\$1,228	\$409	\$42,557

fee_sum_23

[1] CCI average adjustment factor of San Francisco and 20-City average for May 2022 to May 2023.

[2] Applies to all Basin C development, including outside sub-basin C-2, as well as Drainage Basin C Advanced Funding Charge.

[3] Agricultural building rate established by the RD 784 Board of Trustees policy, effective June 6, 2018. Agricultural building fee rate applies to infill projects on individual parcels or small development projects of four (4) parcels or fewer and if these structures are located outside of established residential neighborhoods.

[4] Excludes parks, which are exempt from the fee.

Table 4
Reclamation District 784
Drainage Impact Fee Update
Summary of Drainage Impact Fees - Basin C-2 (2023\$)

Basin C-2 Development

Land Use Category	2022 Cost per Acre	2023 Cost per Acre	Plus RD 784 Administration	Plus Yuba County Administration	Total Fee per Acre
		1.97% [1]	3%	1%	
DRAINAGE BASIN C FEE					
Residential Land Uses					
Low Density Residential	\$20,065	\$20,460	\$614	\$205	\$21,279
Medium Density Residential	\$25,082	\$25,575	\$767	\$256	\$26,598
Medium/High Density Residential	\$30,097	\$30,689	\$921	\$307	\$31,917
High Density Residential	\$32,607	\$33,248	\$997	\$332	\$34,577
Commercial					
Business Park	\$45,148	\$46,036	\$1,381	\$460	\$47,877
Commercial	\$45,148	\$46,036	\$1,381	\$460	\$47,877
Industrial	\$40,131	\$40,920	\$1,228	\$409	\$42,557
Agricultural Building [2]	\$20,065	\$20,460	\$614	\$205	\$21,279
Other					
School	\$27,590	\$28,133	\$844	\$281	\$29,258
Other [3]	\$40,131	\$40,920	\$1,228	\$409	\$42,557
DRAINAGE BASIN C-2 SURCHARGE					
Residential Land Uses					
Low Density Residential	\$8,345	\$8,509	\$255	\$85	\$8,849
Medium Density Residential	\$10,431	\$10,636	\$319	\$106	\$11,061
Medium/High Density Residential	\$12,518	\$12,764	\$383	\$128	\$13,275
High Density Residential	\$13,561	\$13,828	\$415	\$138	\$14,381
Commercial					
Business Park	\$18,777	\$19,146	\$574	\$191	\$19,911
Commercial	\$18,777	\$19,146	\$574	\$191	\$19,911
Industrial	\$16,690	\$17,018	\$511	\$170	\$17,699
Agricultural Building [2]	\$8,345	\$8,509	\$255	\$85	\$8,849
Other					
School	\$11,475	\$11,701	\$351	\$117	\$12,169
Other [3]	\$16,690	\$17,018	\$511	\$170	\$17,699

Table 4
Reclamation District 784
Drainage Impact Fee Update
Summary of Drainage Impact Fees - Basin C-2 (2023\$)

Basin C-2 Development

Land Use Category	2022 Cost per Acre	2023 Cost per Acre	Plus RD 784 Administration	Plus Yuba County Administration	Total Fee per Acre
		1.97% [1]	3%	1%	
TOTAL DRAINAGE BASIN C-2 FEE					
Residential Land Uses					
Low Density Residential	\$28,410	\$28,969	\$869	\$290	\$30,128
Medium Density Residential	\$35,513	\$36,211	\$1,086	\$362	\$37,659
Medium/High Density Residential	\$42,615	\$43,453	\$1,304	\$435	\$45,192
High Density Residential	\$46,168	\$47,076	\$1,412	\$470	\$48,958
Commercial					
Business Park	\$63,925	\$65,182	\$1,955	\$651	\$67,788
Commercial	\$63,925	\$65,182	\$1,955	\$651	\$67,788
Industrial	\$56,821	\$57,938	\$1,739	\$579	\$60,256
Agricultural Building [2]	\$28,410	\$28,969	\$869	\$290	\$30,128
Other					
School	\$39,065	\$39,834	\$1,195	\$398	\$41,427
Other [3]	\$56,821	\$57,938	\$1,739	\$579	\$60,256

c2_2023

[1] CCI average adjustment factor of San Francisco and 20-City average for May 2022 to May 2023.

[2] Agricultural building rate established by the RD 784 Board of Trustees policy, effective June 6, 2018. Agricultural building fee rate applies to infill projects on individual parcels or small development projects of four (4) parcels or fewer and if these structures are located outside of established residential neighborhoods.

[3] Excludes parks, which are exempt from the fee.