



# Memorandum

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To: Helen Bean, City of Emeryville  
From: James Edison and Carlos Villarreal, Willdan Financial Services  
Date: March 11, 2014  
**Re: REVISED Development Fee Comparison**

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Willdan Financial Services was retained by the City of Emeryville to conduct an analysis of the overall fees amounts charged to new development in other local Bay Area cities. Specifically, the analysis examines the aggregate impact of plan check fees, permit fees, school developer fees and development impact fees on seven prototype development projects.

While a fee comparison analysis should not be used as a tool to justify maximum fee amounts, it does provide a reference point indicating how the fees charged in a given area compare to those in neighboring or similar communities. In the case of Emeryville, the existing level of service standards combined with high land costs justify extremely high development impact fees under the *Mitigation Fee Act*. Therefore, the City could use this analysis to inform setting a fee at a level below the maximum allowed and focuses on an evaluation of the average fees charged in neighboring jurisdictions and the financial impact of fees on development projects.

## ***Approach and Methodology***

The cities analyzed in this study include:

- ◆ City of Emeryville (population 10,269);
- ◆ City of Berkeley (population 115,716);
- ◆ City of Oakland (population 399,326);
- ◆ City of El Cerrito (population 23,910);
- ◆ City of Albany (population 18,430);
- ◆ City of Alameda (population 75,126);
- ◆ City of Walnut Creek (population 65,684); and,
- ◆ City of Richmond (population 105,562).

The fee data collected for each city is based on the development scenarios shown in **Table 1**. Note that these development scenarios constitute hypothetical rather than actual projects.

The City identified seven prototypical development projects to estimate fees for because these projects represent typical development likely to take place in Emeryville. The prototypical projects vary across land use, building size, and market value. Additionally, the square footages used in the development scenarios do not include any land that surrounds buildings.

Willdan Financial Services primarily estimated fees through the information found in each City's most current Master Fee Schedule. Willdan used each City's municipal code, ordinances, and resolutions to estimate the fees charged to new development. When necessary, Willdan confirmed fee calculation estimates with appropriate City staff. In some cases, fees charged will also vary by geography within a city. In these cases, Willdan Financial Services used fee amounts that represent the most typical type or location of development for a given city.

**Table 1: Project Prototype Assumptions**

	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000	Hotel - 200 Rooms
Dwelling Units	100	100	100	-	-	-	-
Hotel Rooms	-	-	-	-	-	-	200
Project Size (Sq. Ft.) <sup>1</sup>	85,000	100,000	140,000	100,000	150,000	25,000	70,000
Cost per Square Foot <sup>2</sup>	\$ 195	\$ 195	\$ 195	\$ 194	\$ 193	\$264 Rest. \$138 Com.	\$ 234
Construction Valuation	\$ 16,575,000	\$ 19,500,000	\$ 27,300,000	\$ 19,400,000	\$ 28,950,000	\$ 4,080,000	\$ 16,380,000
Type of Construction	V-1hr over I	V-1hr over I	V-1hr over I	I	I	I	I
Number of Stories	4	4	2	6	6	1	4
Grading (Cubic Yards)	188,889	222,222	155,556	333,333	500,000	13,889	155,556

<sup>1</sup>townhome: Hotel square footage based on assumption of 350 square feet per room, including for location.

Sources: rsmeansonline.com; Willdan Financial Services.

### **Fees by Jurisdiction**

The following tables show the full range of fees charged to new development in each of the cities surveyed. Note that the range of fees charged varies by jurisdiction.

**Tables 2 through 9** show the current fees charged to new development for the cities included in the analysis.

**Table 2: Existing Fees to New Development (City of Emeryville)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 sq. ft. Commercial	Hotel - 200 Rooms
<b>Development Impact Fees</b>							
Sewer Connection Fee <sup>1</sup>	\$ 118,500	\$ 118,500	\$ 118,500	\$ 17,775	\$ 26,781	\$ 7,110	\$ 142,200
Traffic Impact Fee <sup>2</sup>	50,300	43,800	43,800	101,000	117,600	89,675	66,800
School District Facilities Development Fee <sup>3</sup>	252,450	297,000	415,800	47,000	70,500	11,750	32,900
Art In Public Places <sup>4</sup>	82,875	97,500	136,500	197,690	296,535	40,800	163,800
Subtotal, Development Impact Fees	\$ 504,125	\$ 556,800	\$ 714,600	\$ 363,465	\$ 511,416	\$ 149,335	\$ 405,700
<b>Plan Review &amp; Inspection Fees</b>							
Plan Review Fee <sup>5</sup>	\$ 86,190	\$ 101,400	\$ 141,960	\$ 102,799	\$ 154,198	\$ 21,216	\$ 85,176
Energy Conservation Review Fee <sup>6</sup>	16,575	19,500	27,300	19,769	29,654	4,080	16,380
Microfiche <sup>7</sup>	1,326	1,560	2,184	1,582	2,372	326	1,310
Fire Department Fees <sup>8</sup>	46,410	54,600	76,440	55,353	83,030	11,424	45,864
Technology Fee <sup>9</sup>	16,575	19,500	27,300	19,769	29,654	4,080	16,380
Building Standards Commission Fee <sup>10</sup>	663	780	1,092	791	1,187	164	656
General Plan Maintenance Fee <sup>11</sup>	82,875	97,500	136,500	98,845	148,268	20,400	81,900
Subtotal, Plan Check, Inspection Fees	\$ 250,614	\$ 294,840	\$ 412,776	\$ 298,908	\$ 448,362	\$ 61,690	\$ 247,666
<b>Permit Fees</b>							
Building Permit Fee <sup>12</sup>	\$ 132,600	\$ 156,000	\$ 218,400	\$ 158,152	\$ 237,228	\$ 32,640	\$ 131,040
Electrical Permit Fee <sup>13</sup>	26,520	31,200	43,680	31,630	47,446	6,528	26,208
Plumbing Permit Fee <sup>14</sup>	23,868	28,080	39,312	28,467	42,701	5,875	23,587
Mechanical Permit Fee <sup>15</sup>	22,542	26,520	37,128	26,886	40,329	5,549	22,277
S.M.I.P. <sup>17</sup>	3,481	4,095	2,730	4,151	6,227	857	3,440
Subtotal, Permit Fees	\$ 209,011	\$ 245,895	\$ 341,250	\$ 249,287	\$ 373,931	\$ 51,449	\$ 206,552
<b>Total Fees</b>	<b>\$ 963,750</b>	<b>\$ 1,097,535</b>	<b>\$ 1,468,626</b>	<b>\$ 911,660</b>	<b>\$ 1,333,708</b>	<b>\$ 262,474</b>	<b>\$ 859,918</b>

<sup>1</sup> Sewer connection fee of \$237 per trap or \$1,185 per dwelling unit.  
<sup>2</sup> Traffic fee of \$503 per apartment, \$438 per condo, \$1,010 per 1,000 sq. ft. of office, \$3,523 per 1,000 sq. ft. of retail, \$3,603 per sq. ft. of restaurant, \$784 per sq. ft. of research center and \$334 per hotel room.  
<sup>3</sup> School fees are calculated based on a cost of \$2.97 per sq. ft. for residential development and \$0.47 per sq. ft. for non-residential development.  
<sup>4</sup> Applicable to commercial projects > \$300,000 valuation. Artwork or in-lieu fee of 1% of value.  
<sup>5</sup> Plan review fee equal to 65% of building permit fee for nonresidential and 50% of building permit fee for residential.  
<sup>6</sup> Energy conservation fee equal to 12.5% of building permit fee.  
<sup>7</sup> Microfiche charge for projects valued over \$ 100,000 equal to 1% of building permit fee.  
<sup>8</sup> Applicable to new construction and T.I. Equal to 35% of building permit fee.  
<sup>9</sup> Technology fee equal to 0.1% of project valuation.  
<sup>10</sup> Fee of \$1.00 per \$ 25,000 valuation  
<sup>11</sup> General plan standards fee equal to 0.5% of valuation.  
<sup>12</sup> Building permit fee equal to 1% of valuation to \$50,000, 0.75% of valuation to \$250,000, 0.50% of valuation over \$250,000. Sprinkler and sprinkler plan check fees included.  
<sup>13</sup> Electrical permit fee equal to 20% of building permit fee.  
<sup>14</sup> Plumbing permit fee equal to 18% of building permit fee.  
<sup>15</sup> Mechanical permit fee equal to 18% of building permit fee.  
<sup>16</sup> Residential <= 3 story = 0.0001 or 0.00021 of the valuation.

Sources: City of Emeryville; Willdan Financial Services.

**Table 3: Fees to New Development (City of Berkeley)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 Commercial sq. ft.	Hotel - 200 Rooms
<b>Development Impact Fees</b>							
Sewer Connection <sup>1</sup>	\$ 132,439	\$ 132,439	\$ 132,439	\$ 12,055	\$ 18,082	\$ 4,822	\$ 96,436
Housing Mitigation Fee <sup>2</sup>	2,800,000	-	2,921,563	400,000	600,000	100,000	280,000
Child Care Mitigation Fee <sup>3</sup>	-	-	-	100,000	150,000	25,000	70,000
Affordable Housing In-Lieu <sup>4</sup>	-	-	-	-	-	-	-
Subtotal, Development Impact Fees	\$ 2,932,439	\$ 132,439	\$ 3,054,002	\$ 512,055	\$ 768,082	\$ 129,822	\$ 446,436
<b>Plan Review &amp; Inspection Fees</b>							
Plan Check <sup>5</sup>	\$ 237,045	\$ 278,872	\$ 390,412	\$ 277,442	\$ 414,007	\$ 58,366	\$ 234,256
Design Review <sup>6</sup>	10,494	10,494	10,494	10,494	10,494	10,494	10,494
Traffic Engineering <sup>7</sup>	126,731	126,821	177,521	126,171	188,246	26,591	106,541
California Senate Bill 1473 Fee (Blgd. Strds.) <sup>5</sup>	663	780	1,092	776	1,158	164	656
Building Permit Filing Fee <sup>5</sup>	22	22	22	22	22	22	22
Zoning Review for Building Project <sup>5</sup>	180	180	180	180	180	180	180
Environmental Health Plan Check Fee <sup>5</sup>	-	-	-	-	-	680	-
Community Planning Fee <sup>5</sup>	18,234	21,452	30,032	21,342	31,847	4,490	18,020
California Title 24 Energy Fee <sup>5</sup>	43,762	51,484	72,076	51,220	76,432	10,775	43,247
California Title 24 Disability Access Fee <sup>5</sup>	43,762	51,484	72,076	51,220	76,432	10,775	43,247
Fire Life and Safety Plan Check Fee <sup>5</sup>	25,528	30,032	42,044	29,878	44,585	6,286	25,228
Sustainable Development Fee <sup>5</sup>	21,881	25,742	36,038	25,610	38,216	5,388	21,624
Subtotal, Plan Check, Inspection Fees	\$ 528,301	\$ 597,363	\$ 831,987	\$ 594,355	\$ 881,619	\$ 134,210	\$ 503,514
<b>Permit Fees</b>							
Building Permit <sup>5</sup>	\$ 364,684	\$ 429,034	\$ 600,634	\$ 426,834	\$ 636,934	\$ 89,794	\$ 360,394
Use Permit <sup>8</sup>	6,683	6,683	6,683	6,683	6,683	6,683	6,683
Building Permit Technology Fee <sup>5</sup>	18,234	21,452	30,032	21,342	31,847	4,490	18,020
California Strong Motion Instrumentation Fee <sup>5</sup>	1,658	1,950	2,730	4,074	6,080	857	3,440
Subtotal, Permit Fees	\$ 391,259	\$ 459,119	\$ 640,079	\$ 458,933	\$ 681,543	\$ 101,824	\$ 388,537
<b>Total Fees</b>	<b>\$ 3,851,999</b>	<b>\$ 1,188,921</b>	<b>\$ 4,526,067</b>	<b>\$ 1,565,343</b>	<b>\$ 2,331,244</b>	<b>\$ 365,855</b>	<b>\$ 1,338,487</b>

<sup>1</sup> Assumes 824 drainage fixture units (DFU) for the 100 unit residential projects, 75 DFU for office, 112 DFU for R&D, 30 DFU for retail mix and 600 DFU for hotel. Fee of \$160.73 per DFU.

<sup>2</sup> Fee for nonresidential based on Housing Mitigation fee of \$4 per square foot. Residential fee of \$28,000 per rental unit.

<sup>3</sup> Fee only charged to nonresidential development at a rate of \$1 per square foot.

<sup>4</sup> Developer is exempt from this fee if appropriate number of affordable units are offered on site (20%). If the developer elects to pay the fee it would be an additional \$2.9 million for the 100 unit owner occupied scenario, and \$5.2 million for the 100 townhome scenario.

<sup>5</sup> Charge estimated based on construction valuation and land use type using the City's online permit fee estimator.

<sup>6</sup> Fee includes staff review, preliminary committee review and final committee review. Includes \$50 records management fee for each stage of review.

<sup>7</sup> Fee based on project valuation.

<sup>8</sup> Assumes Tier 2 use permit. Base fee shown. Includes 15% Community Planning Fee, \$1,025 Public Hearing Fee, \$50 Records Management Fee, and base Traffic Engineering Review fee.

Sources: Land Use Planning Fees (Effective July 16, 2012), City of Berkeley; www.ci.berkeley.ca.us/permitfeeEstimator.aspx; Willdan Financial Services.

**Table 4: Fees to New Development (City of Oakland)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 Commercial sq. ft.	Hotel - 200 Rooms
<b>Development Impact Fees</b>							
School Developer Fee <sup>1</sup>	\$ 272,000	\$ 320,000	\$ 448,000	\$ 51,000	\$ 76,500	\$ 12,750	\$ 35,700
Jobs / Housing <sup>2</sup>	-	-	-	474,000	711,000	118,500	331,800
Fire Services Impact Fee <sup>3</sup>	425,000	500,000	700,000	500,000	750,000	125,000	350,000
Sewer <sup>4</sup>	-	-	-	-	-	-	-
Subtotal, Development Impact Fees	\$ 697,000	\$ 820,000	\$ 1,148,000	\$ 1,025,000	\$ 1,537,500	\$ 256,250	\$ 717,500
<b>Plan Review &amp; Inspection Fees</b>							
Inspection <sup>5</sup>	\$ 95,905	\$ 112,724	\$ 157,574	\$ 112,149	\$ 167,061	\$ 24,059	\$ 94,784
Plan Check Process <sup>6</sup>	120,701	141,388	196,553	140,681	208,223	32,330	119,322
General Plan Update <sup>7</sup>	16,575	19,500	27,300	19,400	28,950	4,080	16,380
Process Coordination <sup>8</sup>	13,427	15,781	22,060	15,701	23,389	3,368	13,270
Zoning Inspections <sup>9</sup>	10,000	10,000	10,001	10,000	10,000	10,000	10,000
Fire Review <sup>10</sup>	62,338	73,270	102,423	72,897	108,590	15,638	61,609
Site Plan <sup>11</sup>	1,572	1,572	1,572	1,572	1,572	1,572	1,572
Address	98	98	99	98	98	98	98
Bedroom Tax <sup>12</sup>	30,000	30,000	-	-	-	-	-
Application <sup>13</sup>	71	71	71	71	71	71	71
Records Management <sup>14</sup>	64,977	75,658	101,288	106,137	157,942	25,551	82,678
Technology Enhancement <sup>15</sup>	35,909	41,811	55,975	58,655	87,284	14,120	45,690
Subtotal, Plan Check Fees	\$ 451,572	\$ 521,873	\$ 674,916	\$ 537,360	\$ 793,180	\$ 130,887	\$ 445,473
<b>Permit Fees</b>							
S.M.I.P. <sup>16</sup>	\$ 3,481	\$ 4,095	\$ 5,733	\$ 4,074	\$ 6,080	\$ 41	\$ 3,440
Elect., PLBG, and Mech. Permit <sup>17</sup>	57,543	67,634	94,544	215,325	320,757	46,192	181,984
Certificate of Occupancy <sup>18</sup>	262	262	263	262	262	262	262
Subtotal, Permit Fees	\$ 61,286	\$ 71,991	\$ 100,540	\$ 219,661	\$ 327,099	\$ 46,495	\$ 185,686
<b>Total Fees</b>	<b>\$ 1,209,858</b>	<b>\$ 1,413,864</b>	<b>\$ 1,923,456</b>	<b>\$ 1,782,021</b>	<b>\$ 2,657,778</b>	<b>\$ 433,632</b>	<b>\$ 1,348,659</b>

<sup>1</sup> School fees are calculated based on a cost of \$3.20 per sq. ft. for residential development and \$0.51 per sq. ft. for non-residential development.

<sup>2</sup> Jobs / housing fee based on a cost of \$4.74 per sq. ft. of non-residential development.

<sup>3</sup> Charged at \$5 per square foot for new construction.

<sup>4</sup> The City of Oakland charges a sewer mitigation fee. Fee amount determined by City Engineer.

<sup>5</sup> Sewer mitigation fees assessed based on Engineering Review findings.

<sup>6</sup> Approximately 123% of Inspection. Also includes geologists fee.

<sup>7</sup> Based on 0.01% of building valuation.

<sup>8</sup> Based on 14% of inspection cost.

<sup>9</sup> Flat rate.

<sup>10</sup> Based on 65% of inspection cost.

<sup>11</sup> Includes charge for parking spaces.

<sup>12</sup> \$100 per bedroom, assumes average of 3 bedrooms per unit.

<sup>13</sup> Includes filing and routing. Based on project value of \$2,001 or greater.

<sup>14</sup> Equal to 9.5% of permit and plan check fees.

<sup>15</sup> Equal to 5.25% of permit and plan check fees.

<sup>16</sup> Buildings one to three stories in height, except hotels and motels, \$10 per \$100,000 valuation. All other buildings \$21 per \$100,000 valuation.

<sup>17</sup> Equal to 20% of permit fee for each trade (electric, mechanical and plumbing).

<sup>18</sup> Flat rate.

Sources: Master Fee Schedule, Effective: July 17, 2012, City of Oakland; Wilidan Financial Services.

**Table 5: Fees to New Development (City of El Cerrito)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 sq. ft.	Hotel - 200 Rooms
<b>Development Impact Fees<sup>1</sup></b>							
School Developer Fee <sup>2</sup>	\$ 333,200	\$ 392,000	\$ 548,800	\$ 42,000	\$ 63,000	\$ 10,500	\$ 29,400
WCCTAC Subregional Transportation <sup>3</sup>	164,800	164,800	164,800	351,000	526,500	45,500	392,800
Construction Tax <sup>4</sup>	425	495	668	361	529	194	194
Art in Public Places <sup>5</sup>	165,750	195,000	273,000	194,000	289,500	40,800	163,800
Subtotal, Development Impact Fees	\$ 664,175	\$ 752,295	\$ 987,268	\$ 587,361	\$ 879,529	\$ 96,994	\$ 586,194
<b>Plan Review &amp; Inspection Fees</b>							
Plan Check <sup>6</sup>	\$ 47,967	\$ 56,367	\$ 79,168	\$ 35,165	\$ 52,665	\$ 13,278	\$ 13,278
Inspection <sup>7</sup>	28,522	33,472	46,672	25,401	37,901	19,050	19,050
Calif. Building Standards Commission <sup>8</sup>	663	780	1,092	776	1,158	163	655
Subtotal, Plan Check Fees	\$ 77,152	\$ 90,619	\$ 126,932	\$ 61,342	\$ 91,724	\$ 32,491	\$ 32,983
<b>Permit Fees</b>							
S.M.I.P. <sup>9</sup>	\$ 1,658	\$ 1,950	\$ 2,730	\$ 3,880	\$ 5,790	\$ 816	\$ 3,276
General Plan and Zoning Ordinance <sup>10</sup>	22,764	22,764	22,764	22,764	22,764	22,764	22,764
Planned Development	14,870	14,870	14,870	14,870	14,870	14,870	14,870
Use Permit <sup>11</sup>	4,445	4,445	4,445	4,445	4,445	4,445	4,445
Grading <sup>12</sup>	3,954	4,677	3,231	7,088	10,705	2,025	2,025
Encroachment <sup>13</sup>	75	75	75	75	75	75	75
Subtotal, Permit Fees	\$ 47,765	\$ 48,781	\$ 48,115	\$ 53,122	\$ 58,649	\$ 44,995	\$ 47,455
<b>Total Fees</b>	<b>\$ 789,092</b>	<b>\$ 891,695</b>	<b>\$ 1,162,315</b>	<b>\$ 701,825</b>	<b>\$ 1,029,902</b>	<b>\$ 174,481</b>	<b>\$ 666,633</b>

<sup>1</sup> The City of El Cerrito does not charge development impact fees. Fees noted in this section are charged and administered by other agencies.

<sup>2</sup> School fees are calculated based on a cost of \$3.92 per sq. ft. for residential development and \$0.42 per sq. ft. for non-residential development.

<sup>3</sup> Fees charged at \$1,648 per multifamily unit, \$1,964 per hotel room, \$3.51 per square foot of office and \$1.82 per square foot of retail space.

<sup>4</sup> Construction tax equal to 0.5% of total permit fees charged to new constructions and additions.

<sup>5</sup> Art in public places fee equal to 1% of total project valuation for projects over \$250,000.

<sup>6</sup> Includes electric, mechanic, and electric permits. Based on project size and construction type. See Master Fee Schedule p. 27.

<sup>7</sup> Includes grading plan check, issuance, and inspection charges. Based on project size and construction type. See Master Fee Schedule p. 35.

<sup>8</sup> Administration fee equal to \$1.00 per \$25,000.00 (or fraction thereof) of project valuation.

<sup>9</sup> Fee is equal to the construction value x 0.0001 for residential development, and equal to the construction value x 0.0002 for commercial development.

<sup>10</sup> If required.

<sup>11</sup> Based on residential rate for properties greater than 11 units, and on nonresidential rate for properties greater than 10,000 square feet.

<sup>12</sup> Includes grading plan check, issuance, and inspection charges.

<sup>13</sup> Includes encroachment issuance and permit charges.

Sources: Proposed Master Fee Schedule FY2012-13, City of El Cerrito; Willdan Financial Services.

**Table 6: Fees to New Development (City of Albany)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 Commercial sq. ft.	Hotel - 200 Rooms
<u>Development Impact Fees</u>							
School Developer Fee <sup>1</sup>	\$ 252,450	\$ 297,000	\$ 415,800	\$ 47,000	\$ 70,500	\$ 11,750	\$ 32,900
Parkland Dedication (In-Lieu) <sup>2</sup>	691,950	864,938	2,767,804	-	-	-	-
Capital Facilities Impact <sup>3</sup>	84,000	84,000	84,100	65,000	97,500	16,250	45,500
Storm Drain Impact <sup>4</sup>	8,500	10,000	14,000	10,000	15,000	2,500	7,000
Sewer Connection <sup>5</sup>	1,166	1,166	1,166	13,667	20,500	5,467	109,332
Subtotal, Development Impact Fees	\$ 1,038,066	\$ 1,257,104	\$ 3,282,870	\$ 135,667	\$ 203,500	\$ 35,967	\$ 194,732
<u>Plan Review &amp; Inspection Fees</u>							
Plan Check <sup>6</sup>	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400
Fire Inspection <sup>7</sup>	1,026	1,026	1,026	26	26	26	26
Building Standards Administration Fee <sup>8</sup>	663	780	1,092	776	1,158	163	655
Subtotal, Plan Check Fees	\$ 9,089	\$ 9,206	\$ 9,518	\$ 8,202	\$ 8,584	\$ 7,589	\$ 8,081
<u>Permit Fees</u>							
Construction Permit <sup>8</sup>	\$ 71,464	\$ 84,304	\$ 229,294	\$ 100,889	\$ 151,981	\$ 17,295	\$ 50,759
S.M.I.P. <sup>10</sup>	3,481	4,095	5,733	4,074	6,080	408	3,440
Use Permits <sup>11</sup>	1,974	1,974	1,975	1,974	1,974	1,974	1,974
Miscellaneous Permit Fees	130	130	130	130	130	130	130
Electric, Plumbing and Mech. Permits <sup>12</sup>	16,142	18,983	26,558	18,983	28,452	4,779	13,301
Subtotal, Permit Fees	\$ 93,190	\$ 109,485	\$ 263,690	\$ 126,049	\$ 188,617	\$ 24,585	\$ 69,604
<b>Total Fees</b>	<b>\$ 1,140,345</b>	<b>\$ 1,375,795</b>	<b>\$ 3,556,078</b>	<b>\$ 269,918</b>	<b>\$ 400,701</b>	<b>\$ 68,141</b>	<b>\$ 272,417</b>

<sup>1</sup> School fees are calculated based on a cost of \$2.97 per sq. ft. for residential development and \$0.47 per sq. ft. for non-residential development.

<sup>2</sup> Assumes fair market value of \$659,000 per acre of parkland.

<sup>3</sup> Fee is \$840 per dwelling unit, or \$0.65 per square foot of nonresidential.

<sup>4</sup> Storm drain impact fee is equal to \$0.10 per square foot for both residential and nonresidential development.

<sup>5</sup> Sewer connection fee of \$1,166 per dwelling unit, and \$182 per nonresidential fixture.

<sup>6</sup> Plan check fee estimated based on cost per hour of \$92.50. Assumes 80 hours of review per project.

<sup>7</sup> Fee for multi-family development includes a \$154 administrative fee; fees for non-residential developments represent minimum fees, additional fees are determined by the Fire Chief.

<sup>8</sup> Administration fee equal to \$1.00 per \$25,000.00 (or fraction thereof) of project valuation

<sup>9</sup> Construction valuation for the purposes of calculating construction permit cost, is based on valuation data provided in the City's Master Fee Schedule.

<sup>10</sup> Buildings one to three stories in height, except hotels and motels, \$10 per \$100,000 valuation. All other buildings \$21 per \$100,000 valuation.

<sup>11</sup> Based on major use permit. Additional cost may apply.

<sup>12</sup> Based on rate of \$5.90 per 100 square feet for each type of permit (electrical, plumbing, and mechanical).

Sources: Master Fee Schedule (Effective July 3, 2012), City of Albany; Willdan Financial Services.

**Table 7: Fees to New Development (City of Alameda)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq. ft.	Research & Development 150,000 sq. ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 sq. ft. Commercial	Hotel - 200 Rooms
<u>Development Impact Fees</u>							
Affordable Housing In-Lieu <sup>1</sup>	\$ 1,716,102	\$ 1,716,102	\$ 1,716,102	\$ 421,000	\$ 631,500	\$ 53,500	\$ 216,200
School Developer Fee <sup>2</sup>	272,000	320,000	448,000	51,000	76,500	12,750	35,700
Citywide Development <sup>3</sup>	360,700	360,700	360,700	577,000	865,500	150,500	403,900
Community Planning <sup>4</sup>	49,725	58,500	81,900	58,200	86,850	12,240	49,140
Dwelling Unit Tax <sup>5</sup>	153,100	153,100	153,100	-	-	-	-
Sewer Connection <sup>6</sup>	98,900	98,900	98,900	74,175	111,263	29,670	593,400
Improvement Tax <sup>7</sup>	165,750	195,000	273,000	194,000	289,500	40,800	163,800
Subtotal, Development Impact Fees	\$ 2,816,277	\$ 2,902,302	\$ 3,131,702	\$ 1,375,375	\$ 2,061,113	\$ 299,460	\$ 1,462,140
<u>Plan Review &amp; Inspection Fees</u>							
Plan Check <sup>8</sup>	\$ 6,404	\$ 6,404	\$ 6,404	\$ 7,659	\$ 11,489	\$ 2,770	\$ 6,164
Inspection <sup>9</sup>	19,858	19,858	19,858	10,536	15,806	8,818	24,151
Design Review <sup>10</sup>	343	343	343	343	343	343	343
Subtotal, Plan Check Fees	\$ 26,605	\$ 26,605	\$ 26,605	\$ 18,538	\$ 27,638	\$ 11,931	\$ 30,658
<u>Permit Fees</u>							
Permit Center Processing Fee <sup>11</sup>	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46
Excavation & Grading	1,736	1,914	1,558	2,506	3,394	400	1,558
Subtotal, Permit Fees	\$ 1,782	\$ 1,960	\$ 1,604	\$ 2,552	\$ 3,440	\$ 446	\$ 1,604
Total Fees	\$ 2,844,664	\$ 2,930,867	\$ 3,159,912	\$ 1,396,464	\$ 2,092,190	\$ 311,837	\$ 1,494,402

<sup>1</sup> Fee per unit of 17,161 used to estimate affordable housing in-lieu fees for residential units. Nonresidential fees based on rate of \$4.21 per square foot. Affordable housing fees are typically negotiated through a development agreement for large projects. Note that the city is currently updating its fees, and aims to adopt updated fees in September 2013.

<sup>2</sup> School fees are calculated based on a cost of \$3.20 per sq. ft. for residential development and \$0.51 per sq. ft. for non-residential development.

<sup>3</sup> Citywide development fee is \$3,607 per multi family unit, \$5.77 per sq. ft. of office and industrial space, and \$6.02 per sq. ft. of retail development in the West End District.

<sup>4</sup> Equal to 0.3% of construction valuation.

<sup>5</sup> Tax of 1,531 per unit.

<sup>6</sup> Based on fee of \$989 per connection.

<sup>7</sup> Equal to 1% of construction valuation.

<sup>8</sup> Electrical, Plumbing, and Mechanical Permit fees are included in the Plan Check fee.

<sup>9</sup> Inspection fees are based on the square footage of the project, per the Master Fee Schedule.

<sup>10</sup> Base fee shown. Additional time may be required to complete review. Developers are charged for time and materials for any review above the listed amount.

<sup>11</sup> Flat fee.



**Table 8: Fees to New Development (City of Walnut Creek)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	5,000 sq. ft. Restaurant, 20,000 Commercial	Hotel - 200 Rooms
<b>Development Impact Fees</b>							
School Impact Fees <sup>1</sup>	\$ 272,000	\$ 320,000	\$ 448,000	\$ 51,000	\$ 76,500	\$ 12,750	\$ 35,700
Public Arts In-lieu Fee <sup>2</sup>	165,750	195,000	273,000	194,000	289,500	40,800	163,800
Traffic Impact Fees <sup>3</sup>	150,500	150,500	150,500	430,000	645,000	134,500	376,600
Property Development Tax <sup>4</sup>	15,750	15,750	15,750	6,000	9,000	1,500	4,200
Commercial Linkage Fees <sup>5</sup>	425,000	-	-	500,000	750,000	125,000	350,000
Inclusionary Housing Fees <sup>6</sup>	-	1,485,000	2,085,000	-	-	-	-
Parkland Dedication Acreage and/or Fee <sup>7</sup>	400,000	800,000	1,200,000	-	-	-	-
Total - Development Impact Fees	\$ 1,429,000	\$ 2,966,250	\$ 4,172,250	\$ 1,181,000	\$ 1,770,000	\$ 314,550	\$ 930,300
<b>Plan Review &amp; Inspection Fees</b>							
Plan Review <sup>8</sup>	\$ 64,826	\$ 75,795	\$ 105,045	\$ 75,420	\$ 111,232	\$ 17,970	\$ 64,095
Electric Review <sup>9</sup>	25,120	29,371	40,705	29,225	43,103	6,963	24,837
Plumbing Review <sup>9</sup>	25,120	29,371	40,705	29,225	43,103	6,963	24,837
Mechanical Review <sup>9</sup>	25,120	29,371	40,705	29,225	43,103	6,963	24,837
Green Building Code Plan Review <sup>10</sup>	14,019	16,391	22,716	16,310	24,054	3,886	13,861
Building Permit Planning Division Review	16,579	19,385	26,865	19,289	28,448	4,596	16,392
Technology Fee <sup>11</sup>	140,656	81,953	113,580	81,548	120,270	19,430	69,303
Waste Management Fee	51	51	51	51	51	51	51
Building Division Training Fee <sup>12</sup>	3,516	4,111	5,698	4,091	6,034	975	3,477
General Plan Update Fee <sup>13</sup>	16,575	19,500	27,300	19,400	28,950	4,080	16,380
CALGreen Fees <sup>14</sup>	663	780	1,092	776	1,158	163	655
Engineering Department Review <sup>15</sup>	16,579	19,385	26,865	19,289	28,448	4,596	16,392
Application Processing Fee <sup>16</sup>	400	400	400	400	400	400	400
Subtotal, Plan Check, Inspection Fees	\$ 349,226	\$ 325,862	\$ 451,727	\$ 324,248	\$ 478,352	\$ 77,036	\$ 275,516
<b>Permit Fees</b>							
Building Permit <sup>17</sup>	\$ 64,826	\$ 75,795	\$ 105,045	\$ 75,420	\$ 111,232	\$ 17,970	\$ 64,095
Consolidated Elect., Plumb., and Mech. Permit <sup>18</sup>	35,654	41,687	57,775	41,481	61,178	9,883	35,252
S.M.I.P. <sup>19</sup>	3,481	4,095	5,733	4,074	6,080	408	3,440
Green Building Code Permit Fee <sup>20</sup>	10,048	11,748	16,282	11,690	17,241	2,785	9,935
Subtotal, Permit Fees	\$ 114,009	\$ 133,325	\$ 184,835	\$ 132,665	\$ 195,731	\$ 31,047	\$ 112,722
<b>Total Fees</b>	<b>\$ 1,892,235</b>	<b>\$ 3,425,437</b>	<b>\$ 4,808,811</b>	<b>\$ 1,637,913</b>	<b>\$ 2,444,083</b>	<b>\$ 422,633</b>	<b>\$ 1,318,537</b>

<sup>1</sup> School fees are calculated based on a cost of \$3.20 per sq. ft. for residential development and \$0.51 per sq. ft. for non-residential development.

<sup>2</sup> Public Arts In-Lieu fee equal to 1% of the construction valuation of a major project.

<sup>3</sup> Traffic impact fees are \$1,505 per multifamily unit, \$4.30 per square foot of office and industrial space, and \$5.38 per square foot of retail.

<sup>4</sup> Assumes three bedrooms per unit. Fee of \$0.06 per square foot charged to nonresidential.

<sup>5</sup> Fee is estimated at \$5 per square foot of nonresidential and multifamily development.

<sup>6</sup> Fee is estimated at \$15 per square foot of residential development.

<sup>7</sup> Fee is estimated at \$4,000 per bedroom.

<sup>8</sup> Equal to cost of building permit.

<sup>9</sup> The plan review fee for electrical, plumbing and engineering work shall be 25% of the sum of the building, electrical, plumbing, and mechanical permits.

<sup>10</sup> Green building code plan review fee equal to 10% of combined permits.

<sup>11</sup> Technology surcharge fee equal to 5 percent of the combined total of permit and plan review fees

<sup>12</sup> Building department training fee equal to 1.25 percent of the combined total of permit fee and plan review fees.

<sup>13</sup> Equal to 1% of building valuation.

<sup>14</sup> Administration fee equal to \$1.00 per \$25,000.00 (or fraction thereof) of project valuation.

<sup>15</sup> Equal to 15% of building and trade permits.

<sup>16</sup> Maximum fee of \$400.

<sup>17</sup> Building permit fee based on base rate of \$6,419.87 plus \$3.75 for every additional \$1,000 of building valuation.

<sup>18</sup> Equal to 55% of cost of building permit.

<sup>19</sup> Buildings one to three stories in height, except hotels and motels, \$10 per \$100,000 valuation. All other buildings \$21 per \$100,000 valuation.

<sup>20</sup> Equal to 1% of building and trade permits.

**Table 9: Fees to New Development (City of Richmond)**

Fee Categories	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	5,000 sq. ft. Restaurant, 20,000 Commercial	Hotel - 200 Rooms
<b>Development Impact Fees</b>							
Park/Open Space	\$ 454,800	\$ 454,800	\$ 454,800	\$ -	\$ -	\$ -	\$ -
Traffic Fee	125,400	125,400	125,400	343,700	584,400	38,960	272,720
Community/Aquatic Center	109,100	109,100	109,100	-	-	-	-
Storm Drainage	30,700	30,700	30,700	59,100	118,050	7,870	55,090
Library	150,100	150,100	150,100	33,300	30,300	2,020	14,140
Police Facilities	16,700	16,700	16,700	24,000	36,000	2,400	16,800
Fire Facilities	14,200	14,200	14,200	20,900	31,350	2,090	14,630
Subregional Transportation Mit. Fee Proj	183,800	183,800	183,800	391,500	587,250	10,155	2,191
Sewer	233,800	233,800	233,800	184,800	394,950	26,330	184,310
School Impact Fees <sup>1</sup>	272,000	320,000	448,000	51,000	76,500	12,750	35,700
Subtotal, Development Impact Fees	\$ 1,590,600	\$ 1,638,600	\$ 1,766,600	\$ 1,108,300	\$ 1,858,800	\$ 102,575	\$ 595,581
<b>Plan Check &amp; Inspection Fees</b>							
Landscape Plan Check	\$ 4,224	4,915	4,915	9,782	14,294	5086.8	\$ 4,178
Comprehensive Planning	29,321	34,496	34,496	34,318	51,213	14435.04	28,976
PC Engineering Site Plan Review	1,304	1,304	1,304	1,304	1,304	2,608	1,304
Plan Check All Others	6,762	6,762	6,762	6,762	6,762	13524	6,762
P-3 New Construction @ .11c per SF		11,404	15,804	11,404	16,904	1908	8,104
Grading Inspection	898	898	898	898	898	898	898
Plumbing Fixture Plan Review	160	160	160	160	160	160	160
Grading Plan Review	2,000	2,000	2,000	2,000	2,000	2,000	2,000
PC Energy Conservation Site Review	1,305	1,305	1,305	1,305	1,305	2,610	1,305
Subtotal, Plan Check Fees	\$ 45,974	\$ 63,243	\$ 67,643	\$ 67,933	\$ 94,840	\$ 43,230	\$ 53,687
<b>Permit Fees</b>							
Building Permit	\$ 9,468	\$ 9,468	\$ 9,468	\$ 9,468	\$ 9,468	\$ 18,936	\$ 9,468
CAL Admin Revolving Fund	597	702	702	698	1,042	295	590
Cost to Administer SB1473	66	78	78	78	116	33	66
Filing 3 or more Res Add's & all others	226	226	226	226	226	226	226
Occupancy Program Fee	947	947	947	947	947	1,894	947
Certificate of Occupancy		6,000	6,000	60	60	60	60
SMIP Commercial	3,481	4,095	4,095	4,074	6,080	1,714	3,440
Electrical Permit	2,508	2,508	2,508	2,508	2,508	5,016	2,508
Plumbing Permit	3,064	3,064	3,064	3,064	3,064	6,128	3,064
Mechanical Permit	1,737	1,737	1,737	1,737	1,737	3,474	1,737
Subtotal, Permit Fees	\$ 22,094	\$ 28,825	\$ 28,825	\$ 22,860	\$ 25,247	\$ 37,775	\$ 22,106
<b>Total Fees</b>	<b>\$ 1,658,667</b>	<b>\$ 1,730,668</b>	<b>\$ 1,863,068</b>	<b>\$ 1,199,093</b>	<b>\$ 1,978,887</b>	<b>\$ 183,580</b>	<b>\$ 671,373</b>

Note: All fee estimates and calculations provided by the City of Richmond, except for the school district fees, calculated by Willdan Financial Services.  
<sup>1</sup> School fees are calculated based on a cost of \$2.63 per sq. ft. for residential development and \$0.42 per sq. ft. for non-residential development.

Source: City of Richmond.

## Fees Comparison Summary by Land Use

Tables 10 through 16 and the corresponding Figures 1 through 7 below present a summary of fees charged to new development by city and development type.

### Multifamily Rental Prototype Fee Comparison

Total fees for the multifamily rental development prototype project range from approximately \$789,000 (El Cerrito) to \$3.9 million (Berkeley), with a median fee of \$1.2 million. Emeryville's existing fees of approximately \$964,000 were the second lowest fees among the cities surveyed.

### **Multifamily Owner-Occupied Development Prototype Fee Comparison**

Total fees for the multifamily owner-occupied development prototype project range from approximately \$892,000 (El Cerrito) to \$3.4 million (Walnut Creek), with a median fee of \$1.4 million. Similar to the multifamily rental prototype project, Emeryville's existing fees of approximately \$1.1 million were the second lowest fees among the cities surveyed.

### **Townhome Development Prototype Fee Comparison**

Total fees for the townhome development prototype project range from approximately \$1.2 million (El Cerrito) to \$4.8 million (Walnut Creek), with a median fee of \$2.5 million. Walnut Creek's fees for this prototype are particularly high because of the City's high inclusionary housing and parkland dedication fees. Emeryville's existing fees of approximately \$1.5 million were the second lowest fees among the cities surveyed.

### **Office Development Prototype Fee Comparison**

Total fees for the 100,000 square foot office development prototype project range from approximately \$270,000 (Albany) to \$1.8 million (Oakland), with a median fee of \$1.3 million. Emeryville's existing fees of approximately \$911,000 were less than the median, and the third lowest fees among the cities surveyed.

### **Research and Development Facility Prototype Fee Comparison**

Total fees for the 150,000 square foot research and development facility prototype project range from approximately \$401,000 (El Cerrito) to \$2.7 million (Oakland), with a median fee of \$2 million. Emeryville's existing fees of approximately \$1.3 were the third lowest fees among the cities surveyed.

### **Mixed Commercial Development Facility Prototype Fee Comparison**

Total fees for the mixed commercial development prototype project (20,000 square foot retail and 5,000 square foot restaurant) range from approximately \$68,000 (Albany) to \$434,000 (Oakland), with a median fee of \$287,000. Emeryville's existing fees of approximately \$262,000 were the closest to the median fees of all the cities surveyed.

### **Hotel Development Prototype Fee Comparison**

Total fees for the 200 room hotel development prototype project range from approximately \$272,000 (Albany) to \$1.5 million (Alameda), with a median fee of \$1.1 million. Emeryville's existing fees of approximately \$860,000 were less than the median fees charged to hotel development.

**Table 10: Fees for Multifamily Rental Development (100 units, 85,000 sq.ft., \$16.6M)**

Fee Categories	Emeryville (Existing)	Berkeley	Oakland	El Cerrito	Albany	Alameda	Walnut Creek	Richmond
Development Impact Fees	\$ 504,125	\$ 2,932,439	\$ 697,000	\$ 664,175	\$ 1,038,066	\$ 2,816,277	\$ 1,429,000	\$ 1,590,600
Plan Review & Inspection Fees	250,614	528,301	451,572	77,152	9,089	26,605	349,226	45,974
Permit Fees	209,011	391,259	61,286	47,765	93,190	1,782	114,009	22,094
Total Fees	\$ 963,750	\$ 3,851,999	\$ 1,209,858	\$ 789,092	\$ 1,140,345	\$ 2,844,664	\$ 1,892,235	\$ 1,658,667

Sources: Tables 2 to 9; Willdan Financial Services..

**Table 11: Fees for Multifamily Owner-Occupied Development (100 units, 100,000 sq.ft., \$19.5M)**

Fee Categories	Emeryville (Existing)	Berkeley	Oakland	El Cerrito	Albany	Alameda	Walnut Creek	Richmond
Development Impact Fees	\$ 556,800	\$ 132,439	\$ 820,000	\$ 752,295	\$ 1,257,104	\$ 2,902,302	\$ 2,966,250	\$ 1,766,600
Plan Check and Inspection Fees	294,840	597,363	521,873	90,619	9,206	26,605	325,862	67,643
Permit Fees	245,895	459,119	71,991	48,781	109,485	1,960	133,325	28,825
Total Fees	\$ 1,097,535	\$ 1,188,921	\$ 1,413,864	\$ 891,695	\$ 1,375,795	\$ 2,930,867	\$ 3,425,437	\$ 1,863,068

Sources: Tables 2 to 9; Willdan Financial Services..

**Table 12: Fees for Townhome Development (100 units, 100,000 sq.ft., \$27.3M)**

Fee Categories	Emeryville (Existing)	Berkeley	Oakland	El Cerrito	Albany	Alameda	Walnut Creek	Richmond
Development Impact Fees	\$ 714,600	\$ 3,054,002	\$ 1,148,000	\$ 987,268	\$ 3,282,870	\$ 3,131,702	\$ 4,172,250	\$ 1,766,600
Plan Check and Inspection Fees	412,776	831,987	674,916	126,932	9,518	26,605	451,727	67,643
Permit Fees	341,250	640,079	100,540	48,115	263,690	1,604	184,835	28,825
Total Fees	\$ 1,468,626	\$ 4,526,067	\$ 1,923,456	\$ 1,162,315	\$ 3,556,078	\$ 3,159,912	\$ 4,808,811	\$ 1,863,068

Sources: Tables 2 to 9; Willdan Financial Services..

**Table 13: Fees for Office Development (100,000 sq.ft., \$19.4M)**

Fee Categories	Emeryville (Existing)	Berkeley	Oakland	El Cerrito	Albany	Alameda	Walnut Creek	Richmond
Development Impact Fees	\$ 363,465	\$ 512,055	\$ 1,025,000	\$ 587,361	\$ 135,667	\$ 1,375,375	\$ 1,181,000	\$ 1,108,300
Plan Check and Inspection Fees	298,908	594,355	537,360	61,342	8,202	18,538	324,248	67,933
Permit Fees	249,287	458,933	219,661	53,122	126,049	2,552	132,665	22,860
Total Fees	\$ 911,660	\$ 1,565,343	\$ 1,782,021	\$ 701,825	\$ 269,918	\$ 1,396,464	\$ 1,637,913	\$ 1,199,093

Sources: Tables 2 to 9; Willdan Financial Services..

**Table 14: Fees for R&D Development (150,000 sq.ft., \$28.95M)**

Fee Categories	Emeryville (Existing)	Berkeley	Oakland	El Cerrito	Albany	Alameda	Walnut Creek	Richmond
Development Impact Fees	\$ 511,416	\$ 768,082	\$ 1,537,500	\$ 879,529	\$ 203,500	\$ 2,061,113	\$ 1,770,000	\$ 1,858,800
Plan Check and Inspection Fees	448,362	881,619	793,180	91,724	8,584	27,638	478,352	94,840
Permit Fees	373,931	681,543	327,099	58,649	188,617	3,440	195,731	25,247
Total Fees	\$ 1,333,708	\$ 2,331,244	\$ 2,657,778	\$ 1,029,902	\$ 400,701	\$ 2,092,190	\$ 2,444,083	\$ 1,978,887

Sources: Tables 2 to 9; Willdan Financial Services..

**Table 15: Fees for Mixed Retail Development (5,000 sq. ft. restaurant, 20,000 sq. ft. retail, \$16.38M)**

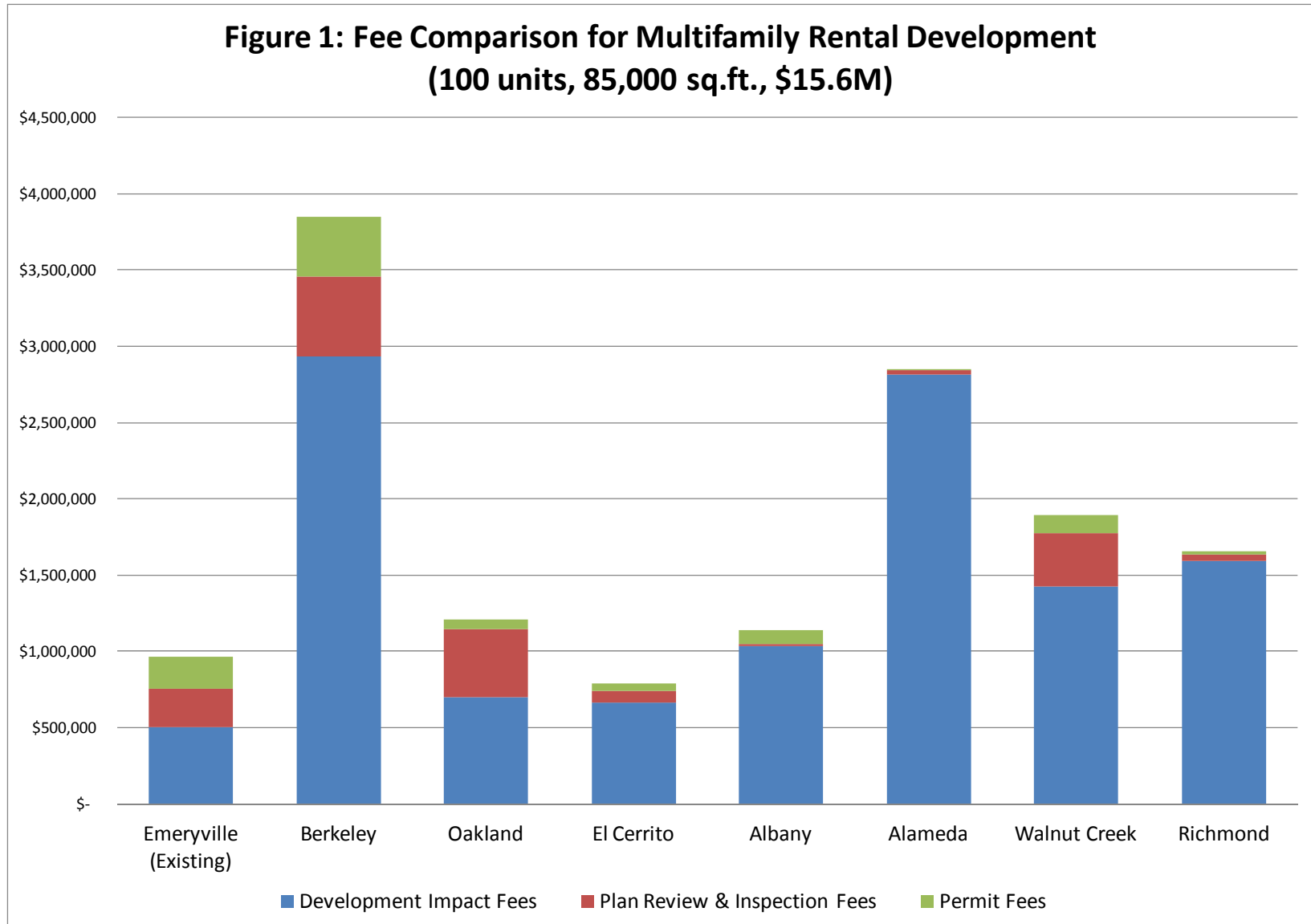
Fee Categories	Emeryville (Existing)	Berkeley	Oakland	El Cerrito	Albany	Alameda	Walnut Creek	Richmond
Development Impact Fees	\$ 149,335	\$ 129,822	\$ 256,250	\$ 96,994	\$ 35,967	\$ 299,460	\$ 314,550	\$ 102,575
Plan Check and Inspection Fees	61,690	134,210	130,887	32,491	7,589	11,931	77,036	43,230
Permit Fees	51,449	101,824	46,495	44,995	24,585	446	31,047	37,775
Total Fees	\$ 262,474	\$ 365,855	\$ 433,632	\$ 174,481	\$ 68,141	\$ 311,837	\$ 422,633	\$ 183,580

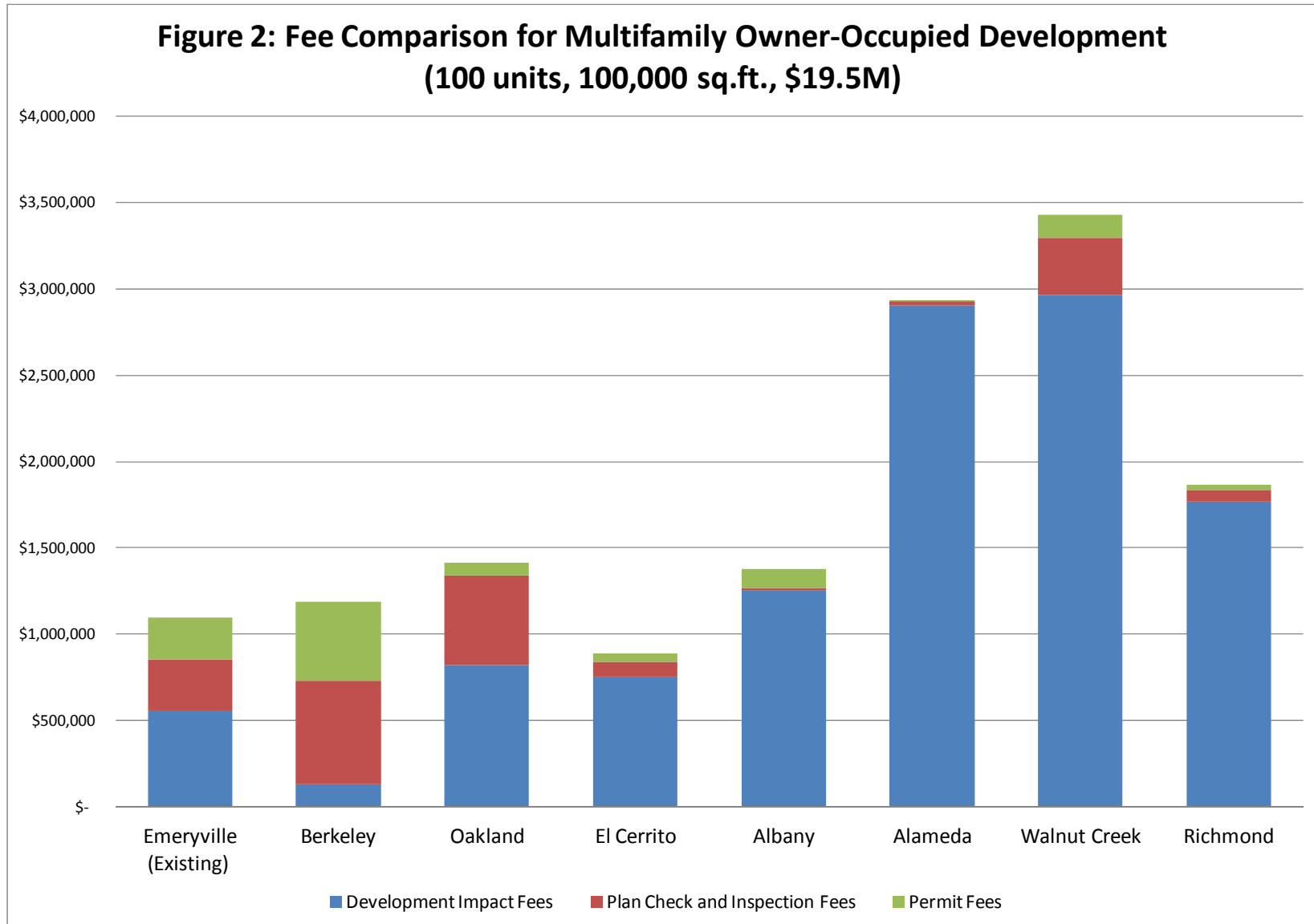
Sources: Tables 2 to 9; Willdan Financial Services..

**Table 16: Fees for Hotel Development (200 rooms, 70,000 sq. ft., \$16.38M)**

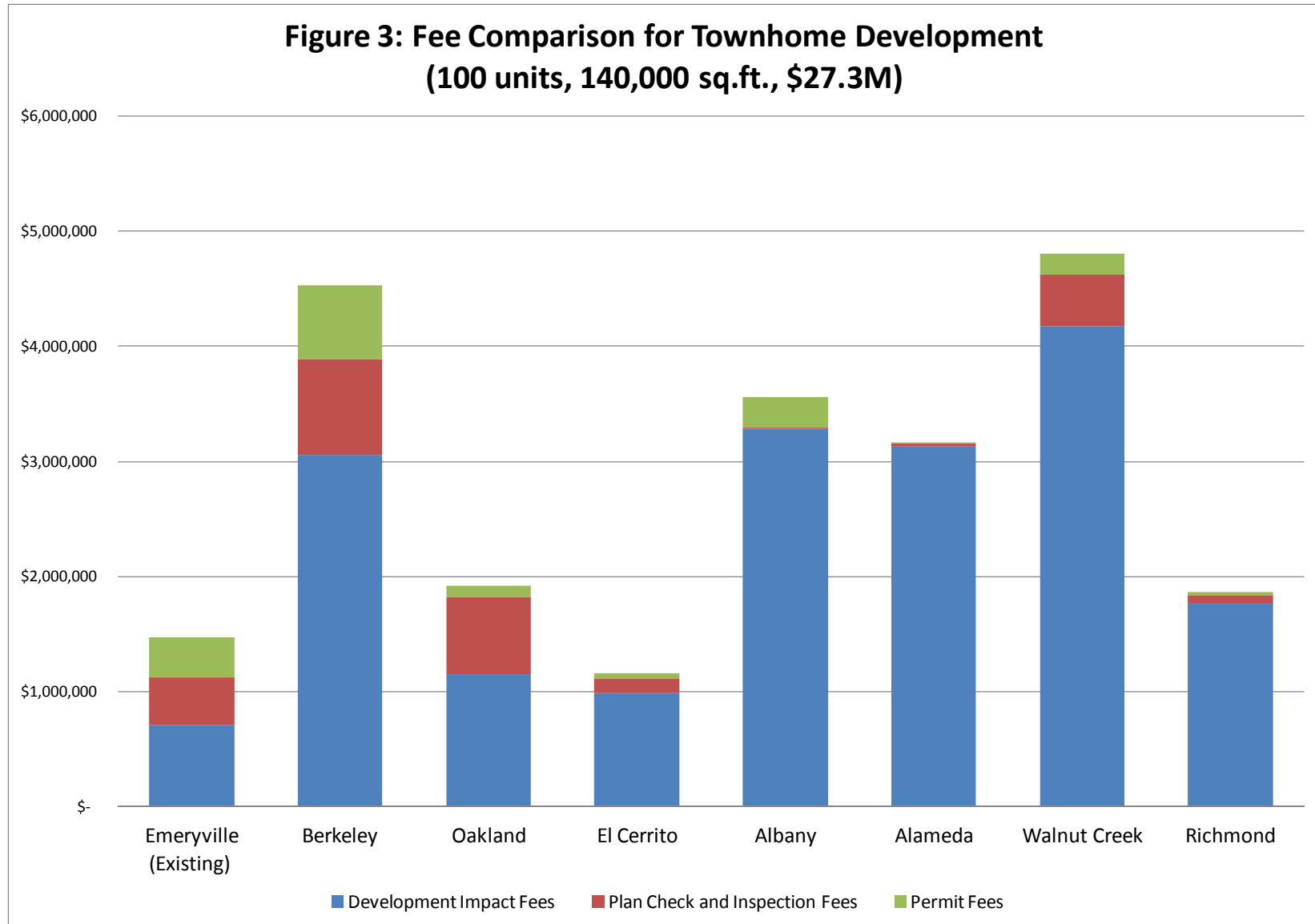
<b>Fee Categories</b>	<b>Emeryville (Existing)</b>	<b>Berkeley</b>	<b>Oakland</b>	<b>El Cerrito</b>	<b>Albany</b>	<b>Alameda</b>	<b>Walnut Creek</b>	<b>Richmond</b>
Development Impact Fees	\$ 405,700	\$ 446,436	\$ 717,500	\$ 586,194	\$ 194,732	\$ 1,462,140	\$ 930,300	\$ 595,581
Plan Check and Inspection Fees	247,666	503,514	445,473	32,983	8,081	30,658	275,516	53,687
Permit Fees	206,552	388,537	185,686	47,455	69,604	1,604	112,722	22,106
<b>Total Fees</b>	<b>\$ 859,918</b>	<b>\$ 1,338,487</b>	<b>\$ 1,348,659</b>	<b>\$ 666,633</b>	<b>\$ 272,417</b>	<b>\$ 1,494,402</b>	<b>\$ 1,318,537</b>	<b>\$ 671,373</b>

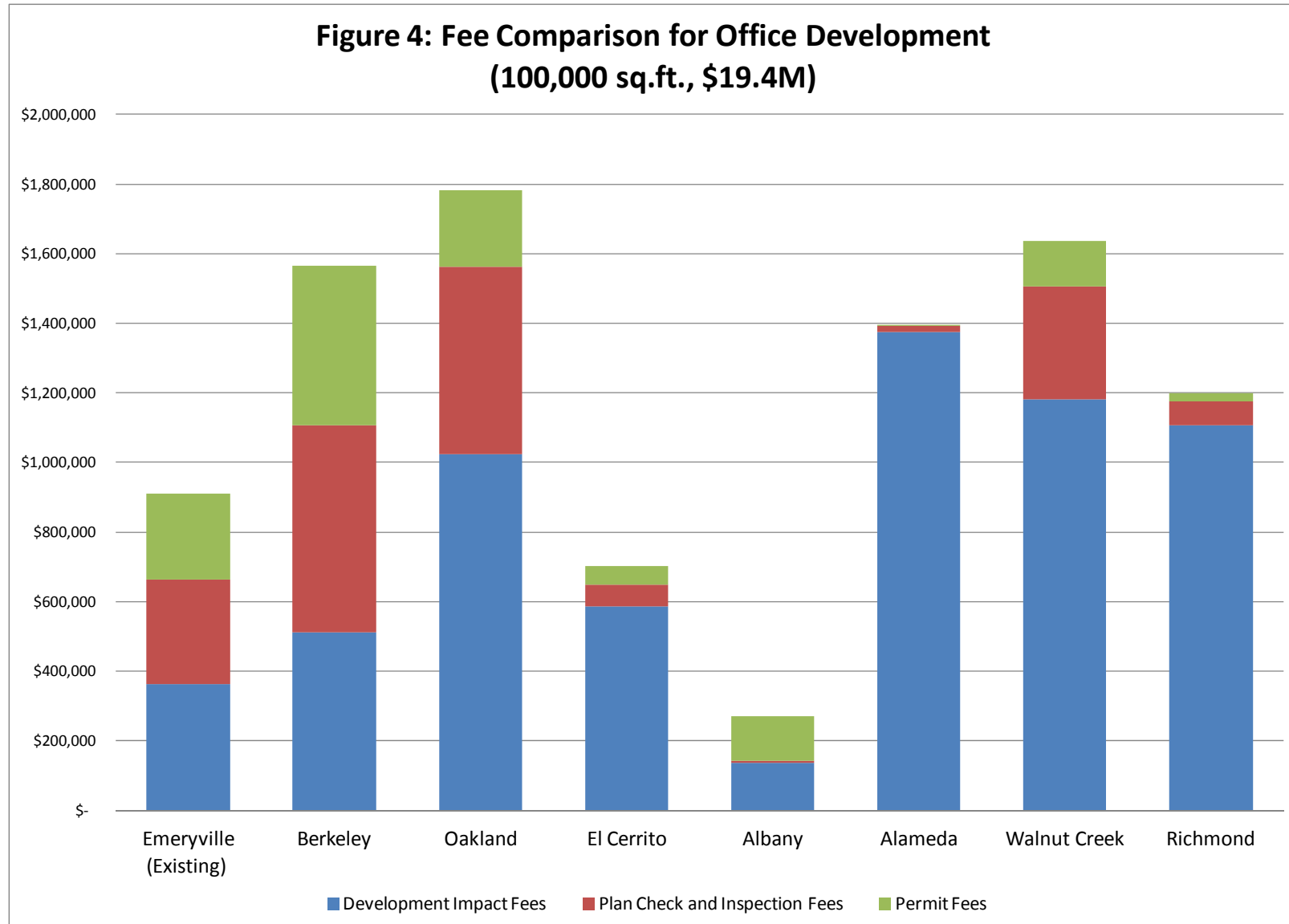
Sources: Tables 2 to 9; Willdan Financial Services..

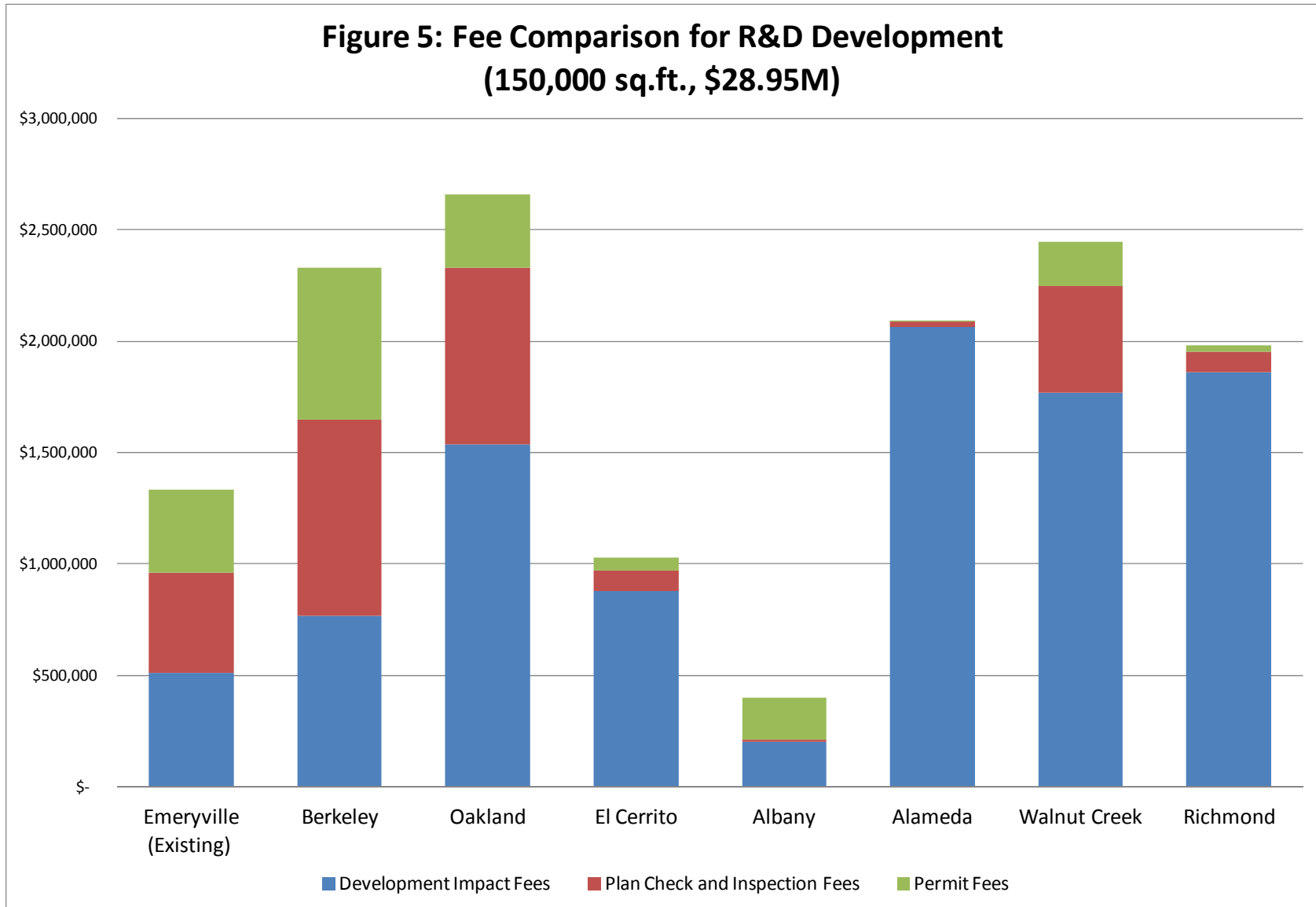




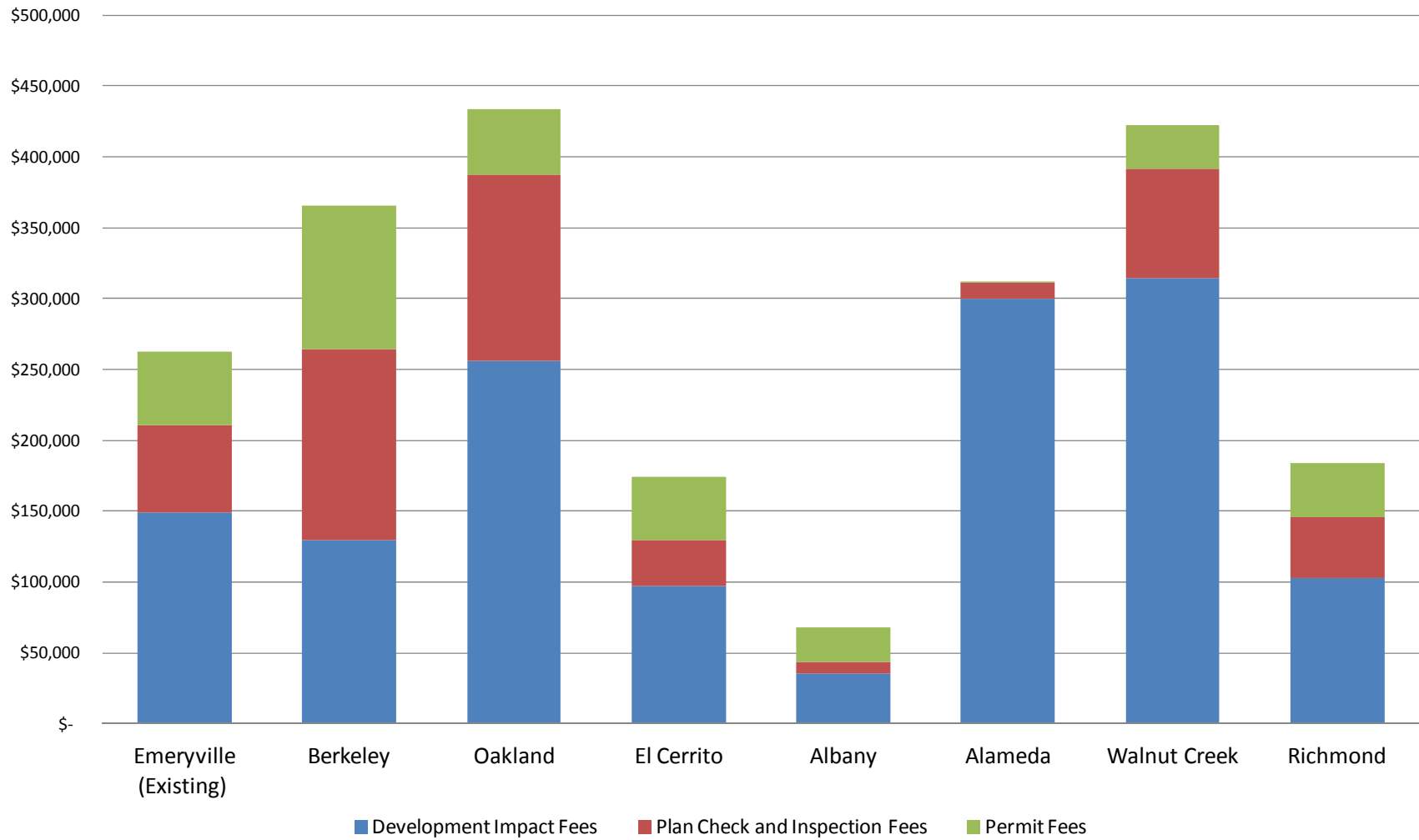


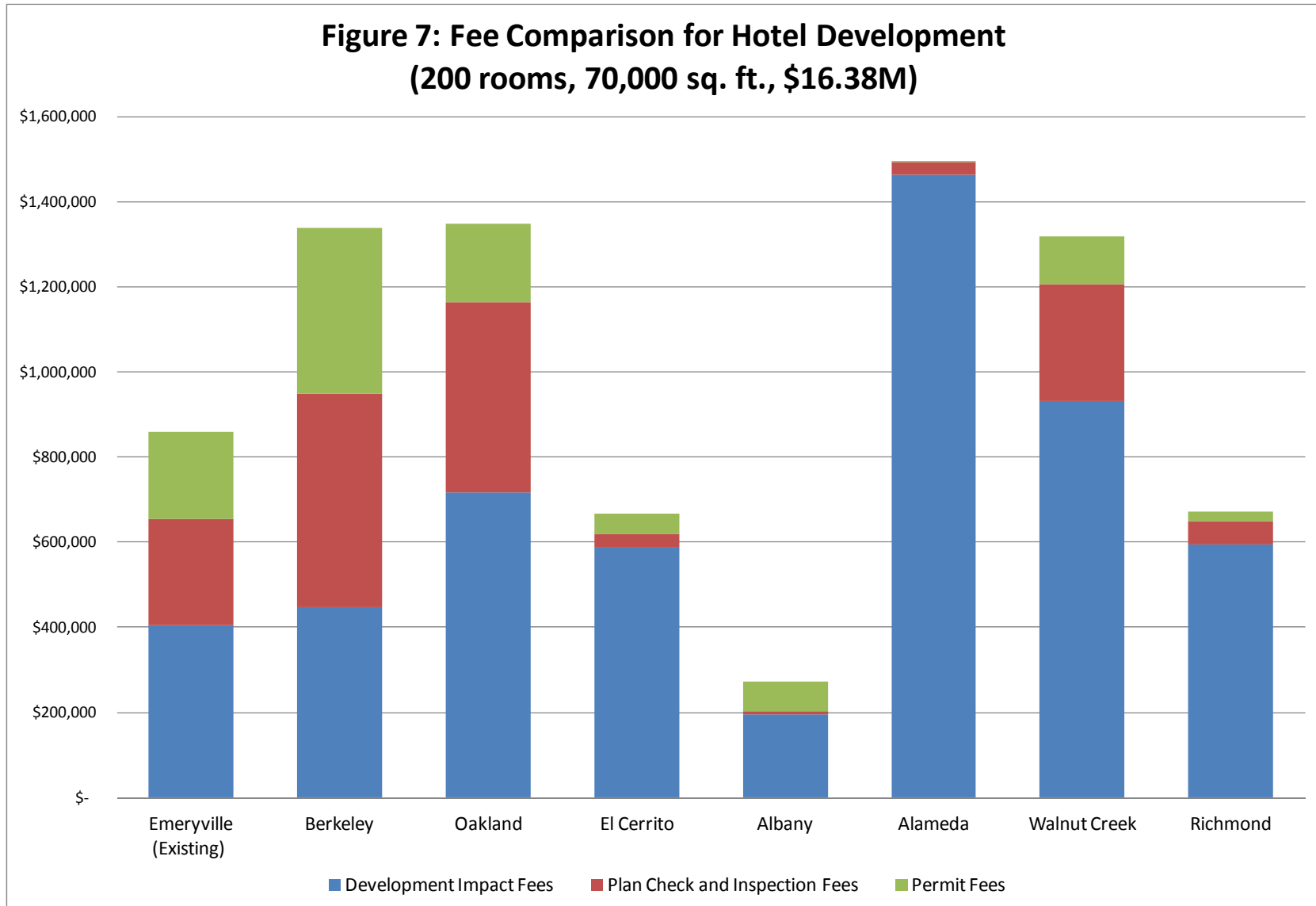






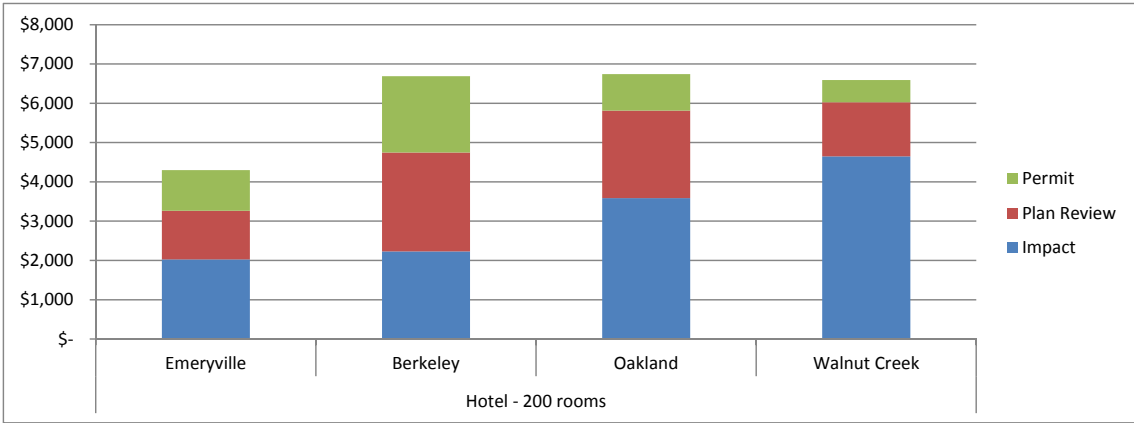
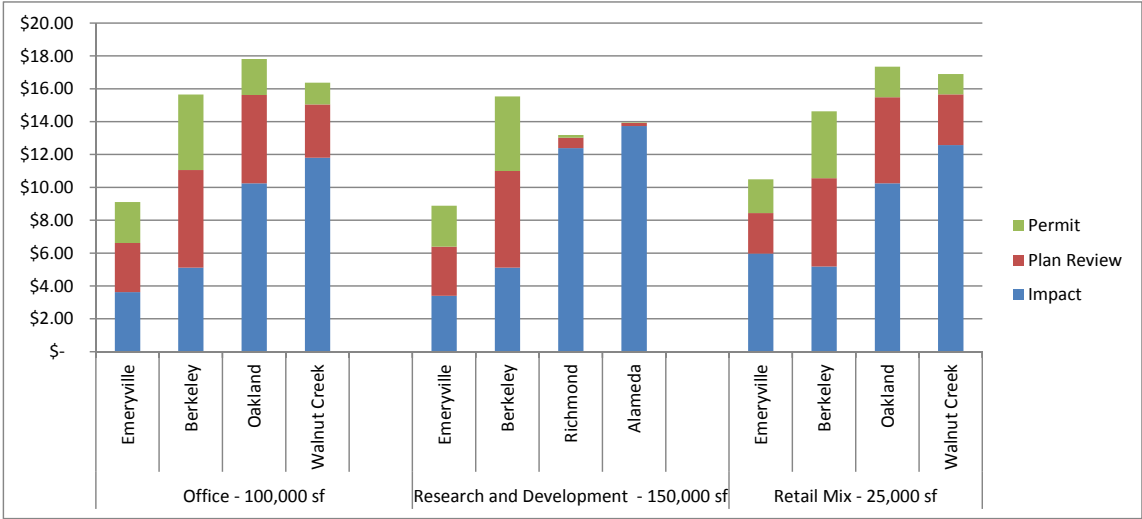
**Figure 6: Fee Comparison for Mixed Retail Development  
(5,000 sq. ft. restaurant, 20,000 sq. ft. retail, \$16.38M)**



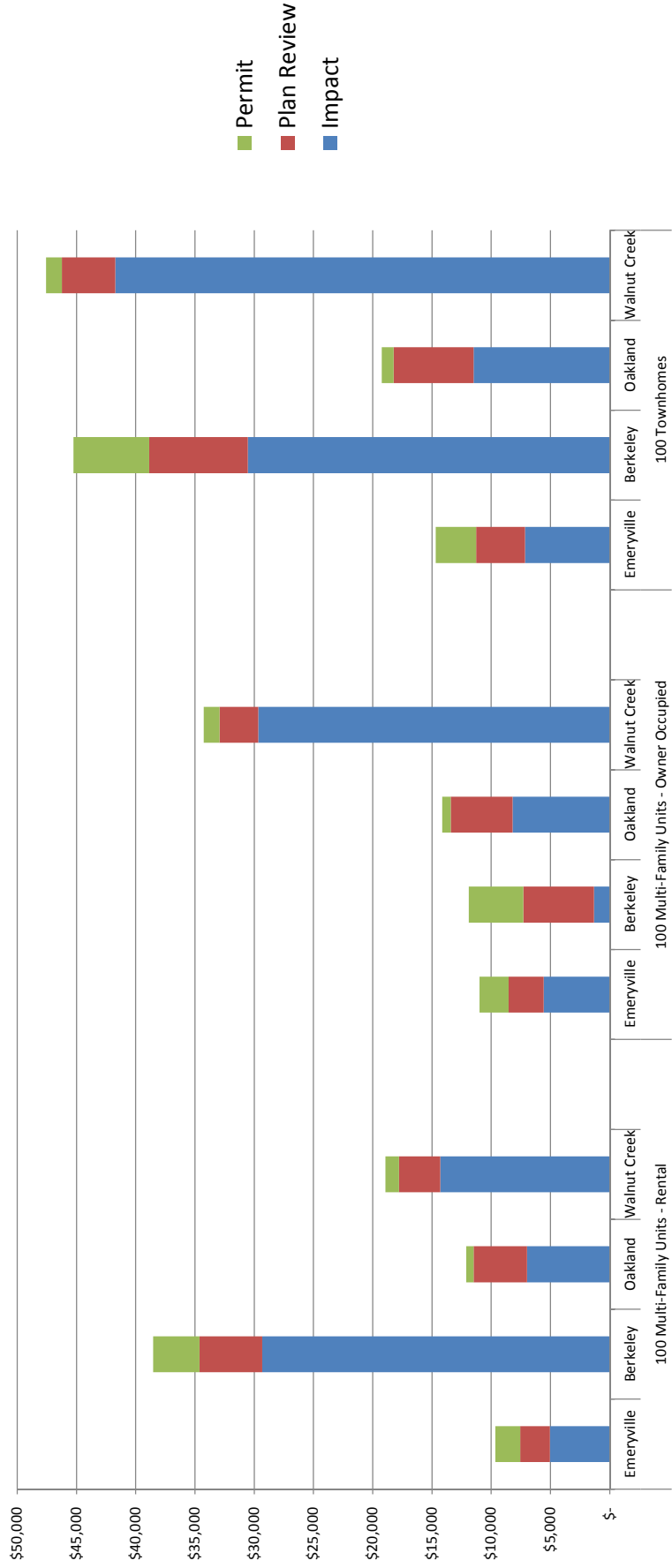




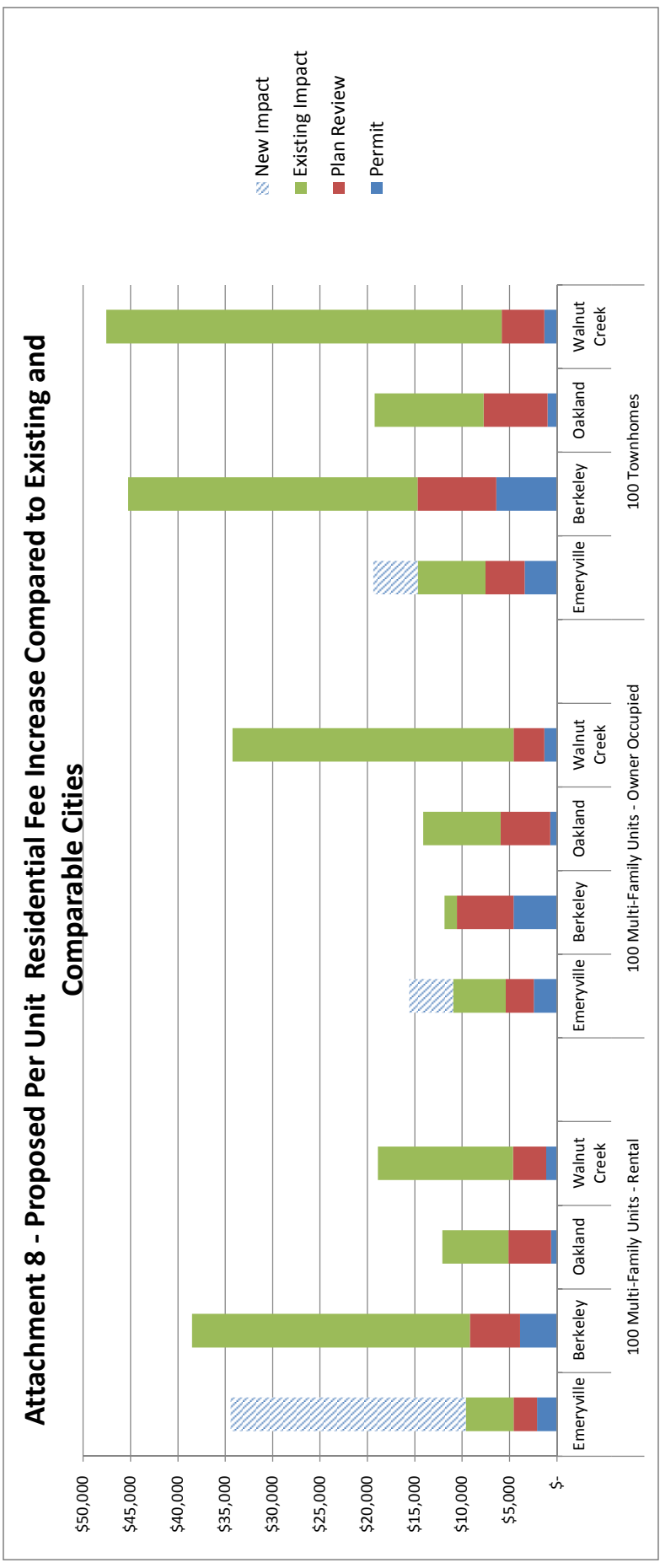
**Attachment 7**  
**Emeryville's Existing Fees Compared to Similar Cities - Commercial**  
 Per square foot and Per room



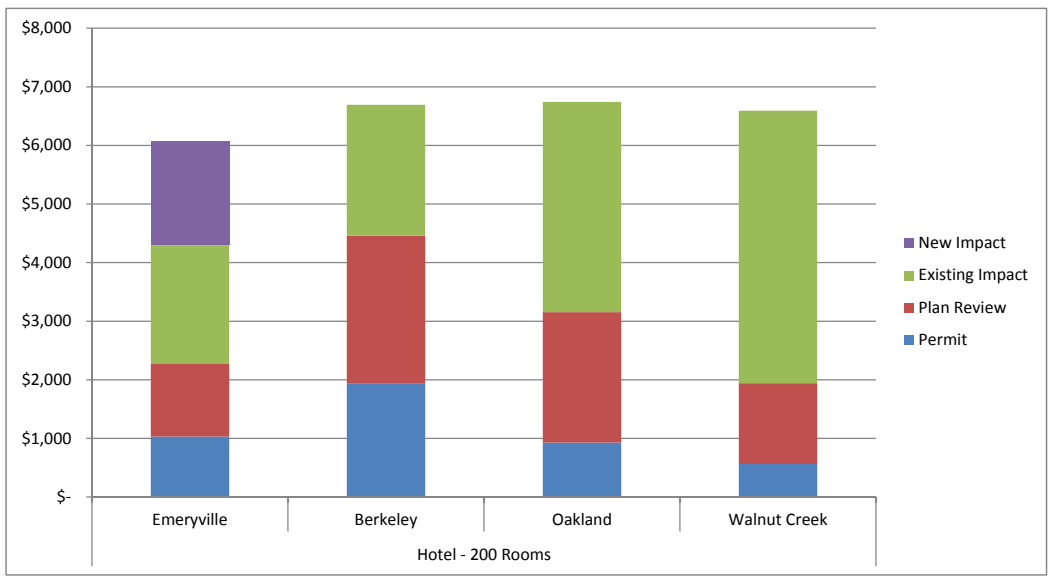
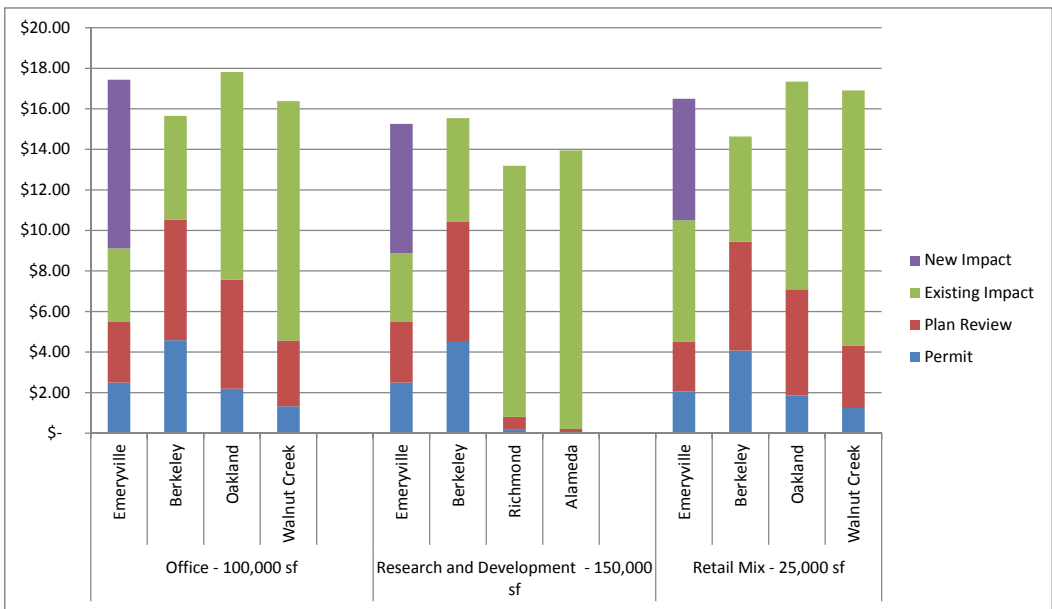
Existing Residential Per Unit Fee Comparison







### Attachment 8a - Proposed Fee Comparison - Commercial



Attachment 9 - Proposed and Existing Fees as Percent of Value							
	Multifamily Rental	Multifamily Ownership	Townhomes	Office	R&D	Retail & Restaurant Mix	Hotel
	per unit	per unit	per unit	per sf	per sf	per sf	per room
<b>Prototype</b>							
Project Size sf	85,000	100,000	140,000	100,000	150,000	25,000	70,000
Units/Rooms	100	100	100				200
Value/sf or room	\$406	\$400	\$325	\$333	\$290	\$286	\$150,000
Total Estimated Value	\$34,000,000	\$32,500,000	\$56,000,000	\$33,300,000	\$43,500,000	\$7,250,000	\$30,000,000
<b>Fee for Prototype</b>							
Traffic	\$155,500	\$130,420	\$130,420	\$373,800	\$402,600	\$123,200	\$210,680
Park	\$374,200	\$374,200	\$388,825	\$380,500	\$391,875	\$67,938	\$73,150
Government Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Housing	\$2,000,000			\$200,000	\$300,000	\$50,000	\$140,000
Total	\$2,529,700	\$504,620	\$519,245	\$954,300	\$1,094,475	\$241,138	\$423,830
<b>Plus Emeryville Existing Permit/Planning/Impact Fees</b>	\$913,450	\$1,053,735	\$1,424,826	\$810,660	\$1,216,108	\$172,799	\$793,118
<b>Existing Plus Increase</b>	\$3,443,150	\$1,558,355	\$1,944,071	\$1,764,960	\$2,310,583	\$413,937	\$1,216,948
Increase as % of Existing	376.94%	147.89%	136.44%	217.72%	190.00%	239.55%	153.44%
<b>Proposed Total Fees as % of Value</b>	10.13%	4.79%	3.47%	5.30%	5.31%	5.71%	4.06%
<b>Emeryville's Existing Fees as Percent of Value</b>	2.69%	3.24%	2.54%	2.43%	2.80%	2.38%	2.64%

# Memorandum

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To: Helen Bean, City of Emeryville  
From: James Edison and Carlos Villarreal, Willdan Financial Services  
Date: March 12, 2014  
**Re: DRAFT – Fee Burden Analysis**

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Willdan Financial Services was retained by the City of Emeryville to conduct an analysis of the overall fees amounts charged to new development in other local Bay Area cities. This memorandum compares the total fee amounts surveyed in the November 8, 2013 revision of the fee comparison memorandum to the estimated market values of each prototype development project to determine the average fee burden per land use.

While a fee comparison analysis and fee burden analysis should not be used as a tool to justify maximum fee amounts, it does provide a reference point indicating how the fees charged in a given area compare to those in neighboring or similar communities. In the case of Emeryville, the existing level of service standards combined with high land costs justify extremely high development impact fees under the *Mitigation Fee Act*. Therefore, the City could use this analysis to inform setting a fee at a level below the maximum allowed and focuses on an evaluation of the average fees charged in neighboring jurisdictions and the financial impact of fees on development projects.

Although the fees charged to new development are not typically large enough to have a tangible affect on real estate markets, substantial differences in the fee amounts between two otherwise similar cities could potentially impact the location patterns of development over time.

## ***Approach and Methodology***

The cities analyzed in this study include:

- ◆ City of Emeryville (population 10,269);
- ◆ City of Berkeley (population 115,716);
- ◆ City of Oakland (population 399,326);
- ◆ City of El Cerrito (population 23,910);
- ◆ City of Albany (population 18,430);
- ◆ City of Alameda (population 75,126);
- ◆ City of Walnut Creek (population 65,684); and,
- ◆ City of Richmond (population 105,562).

The fee data collected for each city is based on the development scenarios shown in **Table 1**. Note that these development scenarios constitute hypothetical rather than actual projects. The City identified seven prototypical development projects to estimate fees for because these projects represent typical development likely to take place in Emeryville. The prototypical projects vary across land use, building size, and market value. Additionally, the square footages used in the development scenarios do not include any land that surrounds buildings.

**Table 1: Project Prototype Assumptions**

	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000	Hotel - 200 Rooms
Dwelling Units	100	100	100	-	-	-	-
Hotel Rooms	-	-	-	-	-	-	200
Project Size (Sq. Ft.) <sup>1</sup>	85,000	100,000	140,000	100,000	150,000	25,000	70,000
Cost per Square Foot <sup>2</sup>	\$ 195	\$ 195	\$ 195	\$ 194	\$ 193	\$264 Rest. \$138 Com.	\$ 234
Construction Valuation	\$ 16,575,000	\$ 19,500,000	\$ 27,300,000	\$ 19,400,000	\$ 28,950,000	\$ 4,080,000	\$ 16,380,000
Type of Construction	V-1hr over I	V-1hr over I	V-1hr over I	I	I	I	I
Number of Stories	4	4	2	6	6	1	4
Grading (Cubic Yards)	188,889	222,222	155,556	333,333	500,000	13,889	155,556

<sup>1</sup> Assumes 850 square feet per rental unit, 1,000 square feet per owner occupied multifamily unit, and 1,400 square feet per townhome. Hotel square footage based on assumption of 350 square feet per room, including common areas.

<sup>2</sup> Cost per square foot based on RSMeansOnline construction cost estimator, adjusted for location.

Sources: rsmeansonline.com; Willdan Financial Services.

### Prototype Market Valuation

Willdan consulted a variety of sources to estimate the market value of each prototype. **Table 2** documents the market valuation assumptions for each prototype project. Descriptions of the data sources consulted to develop the market valuations follow.

**Table 2: Prototype Market Valuation Estimate**

	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 Commercial sq. ft.	Hotel - 200 Rooms
Project Size (Sq. Ft./ Hotel Rooms)	85,000	100,000	140,000	100,000	150,000	25,000	200
Market Value per Unit or Sq. Ft.	\$ 406	\$ 400	\$ 325	\$ 333	\$ 290	\$ 286	\$ 150,000
Estimated Market Valuation	\$ 34,510,000	\$ 40,000,000	\$ 45,500,000	\$ 33,300,000	\$ 43,500,000	\$ 7,150,000	\$ 30,000,000

Sources: East Bay Retail Report, Second Quarter 2013, Terranomics Retail Services; Loopnet.com; R&D Market Snapshot, East Bay Oakland, Third Quarter 2013, Cassidy Turley; Office Market Snapshot, East Bay Oakland and East Bay Walnut Creek, Third Quarter 2013, Cassidy Turley; CBRE Cap Rate Survey, February 2013; Penn State Index of U.S. Hotel Values, 2013, Summary Outline of Residential Prototypes & Market Conditions for Nexus Analysis, Keyser Marston Associates.

### Residential

Residential market values per square foot for the owner occupied multifamily prototype and for the townhome prototype are based data from the *Summary Outline of Residential Prototypes & Market Conditions for Nexus Analysis Memorandum*, by Keyser Marston Associates developed for use in the City's affordable housing fee study. The memorandum identified market values of \$400 per square foot, and \$325 per square foot for the owner occupied multifamily and the townhome scenario, respectively. Market value per square for the multifamily prototype was assumed to equal \$406 per square foot, based on a valuation of \$345,000 per unit, and 850 square feet per unit..

### Office

Office market values we developed by surveying recent office building sales in the East Bay/Oakland market, and in Walnut Creek, as reported in the *Office Market Snapshot, East Bay Oakland and East Bay Walnut Creek, Third Quarter 2013* by Cassidy Turley. The average value per square foot of office space is \$333.

### Research and Development

Research and Development market values were based on data from Cassidy Turley's *R&D Market Snapshot, East Bay Oakland, Third Quarter 2013*. Willdan used the NNN lease rate of \$1.45 per month, indicated for Emeryville in the *Market Snapshot*, in conjunction with estimated cap rate of 6.0% for R&D development from the February 2013 CBRE Cap Rate Survey, to estimate a market value of \$290 per square foot.

### Retail

Retail market values were based on data from Terranomics' *East Bay Retail Report, Second Quarter 2013*. Willdan used the NNN lease rate of \$20.34 per year, indicated in the *Retail Report*, in conjunction with estimated cap rate of 7.1% for retail development from Colliers International's *Q2 2013 Retail Highlights Market Report*, to estimate a market value of \$286 per square foot of retail space.

### Hotel

Willdan consulted the *Penn State Index of U.S. Hotel Values, 2013*, to develop the assumption of \$150,000 per hotel room.

### **Average Fee Burden**

**Table 3** compares the total fee amounts for each prototype project identified in the March 11, 2014 revision to the *Development Fee Comparison* memorandum by Willdan, to the estimated market values identified in Table 2. The average fee burden per land use for the comparison cities is reported at the bottom of Table 1. A typical maximum impact fee for development ranges from five to fifteen percent, depending on the type of use (commercial is typically more sensitive and therefore sees lower fees) and market conditions. The range observed in Table 1 is typical. Emeryville could probably impose slightly higher fees, but might want to consider staying in the same range as comparable cities. Existing Emeryville fees are excluded from the average fee burden calculations.

**Table 3: Fee Burden Survey**

	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	Retail Mix 5,000 sq. ft. Restaurant, 20,000 Commercial sq. ft.	Hotel - 200 Rooms
<b>Estimated Market Valuation</b>	<b>\$ 34,510,000</b>	<b>\$ 40,000,000</b>	<b>\$ 45,500,000</b>	<b>\$ 33,300,000</b>	<b>\$ 43,500,000</b>	<b>\$ 7,150,000</b>	<b>\$ 30,000,000</b>
Emeryville - Existing Fees	\$ 963,750	\$ 1,097,535	\$ 1,468,626	\$ 911,660	\$ 1,333,708	\$ 262,474	\$ 859,918
Total Fees as % of Estimated Market Price	3%	3%	3%	3%	3%	4%	3%
Berkeley	\$ 3,851,999	\$ 1,188,921	\$ 4,526,067	\$ 1,565,343	\$ 2,331,244	\$ 365,855	\$ 1,338,487
Total Fees as % of Estimated Market Price	11%	3%	10%	5%	5%	5%	4%
Oakland	\$ 1,209,858	\$ 1,413,864	\$ 1,923,456	\$ 1,782,021	\$ 2,657,778	\$ 433,632	\$ 1,348,659
Total Fees as % of Estimated Market Price	4%	4%	4%	5%	6%	6%	4%
El Cerrito	\$ 789,092	\$ 891,695	\$ 1,162,315	\$ 701,825	\$ 1,029,902	\$ 174,481	\$ 666,633
Total Fees as % of Estimated Market Price	2%	2%	3%	2%	2%	2%	2%
Albany	\$ 1,140,345	\$ 1,375,795	\$ 3,556,078	\$ 269,918	\$ 400,701	\$ 68,141	\$ 272,417
Total Fees as % of Estimated Market Price	3%	3%	8%	1%	1%	1%	1%
Alameda	\$ 2,844,664	\$ 2,930,867	\$ 3,159,912	\$ 1,396,464	\$ 2,092,190	\$ 311,837	\$ 1,494,402
Total Fees as % of Estimated Market Price	8%	7%	7%	4%	5%	4%	5%
Walnut Creek	\$ 1,892,235	\$ 3,425,437	\$ 4,808,811	\$ 1,637,913	\$ 2,444,083	\$ 422,633	\$ 1,318,537
Total Fees as % of Estimated Market Price	5%	9%	11%	5%	6%	6%	4%
Richmond	\$ 1,658,667	\$ 1,730,668	\$ 1,863,068	\$ 1,199,093	\$ 1,391,637	\$ 183,580	\$ 671,373
Total Fees as % of Estimated Market Price	5%	4%	4%	4%	3%	3%	2%
<b>Average Fee Burden<sup>1</sup></b>	<b>6%</b>	<b>5%</b>	<b>7%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>

<sup>1</sup> Excludes existing Emeryville fees.

Sources: Table 1, Draft Development Fee Comparison Memorandum, March 11, 2014, Willdan Financial Services.

Based on the average fee burden identified in Table 3, **Table 4** calculates the unused fee capacity for Emeryville, both as a percentage of market values, and as a dollar amount. Emeryville's fees for each prototype project are lower than the average, thus fee capacity exists for each land use category. In particular, residential land use categories have between \$949,000 and \$1.5 million in fee capacity when compared to the comparison city averages. Nonresidential land uses have less fee capacity, between \$18,000 and \$430,000, when compared to the comparison city averages.

**Table 4: Emeryville Fee Capacity**

	Residential			Nonresidential			
	100 Multi-Family Units - Rental	100 Multi-Family Units - Owner Occupied	100 - Townhomes	Office 100,000 sq.ft.	Research & Development 150,000 sq.ft.	5,000 sq. ft. Restaurant, 20,000 Commercial sq.	Hotel - 200 Rooms
<b>Estimated Market Valuation</b>	<b>\$ 34,510,000</b>	<b>\$ 40,000,000</b>	<b>\$ 45,500,000</b>	<b>\$ 33,300,000</b>	<b>\$ 43,500,000</b>	<b>\$ 7,150,000</b>	<b>\$ 30,000,000</b>
Emeryville - Existing Fees	\$ 963,750	\$ 1,097,535	\$ 1,468,626	\$ 911,660	\$ 1,333,708	\$ 262,474	\$ 859,918
Total Fees as % of Market Price	3%	3%	3%	3%	3%	4%	3%
Averages From Comparison Cities	6%	5%	7%	4%	4%	4%	3%
Emeryville Fee Capacity - %	3%	2%	3%	1%	1%	0%	1%
Emeryville Fee Capacity - \$	\$ 948,659	\$ 753,500	\$ 1,531,332	\$ 310,137	\$ 430,225	\$ 17,548	\$ 155,869

Sources: Draft Development Fee Comparison Memorandum, March 11, 2014, Willdan Financial Services; Tables 1 and 2, Willdan Financial Services.





**Table 1**  
**On-Site Percentage Estimated to Have Equivalent Cost to Payment of a \$20,000 Impact Fee**  
**Affordable Housing Impact Fee Analysis**  
**City of Emeryville, CA**

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	<u>Per Unit</u>	<u>Prototypical Rental Project of 100 Units</u>
A. Illustrative Housing Impact Fee	\$20,000 X 100 Units =	\$2,000,000
B. Estimated Cost To Project to Provide One Affordable Unit On-Site at Low-Income [Rents based on 60% AMI]	see Table 2	\$290,000
C. Number of Affordable Units Provided On-Site at Low-Income that would Represent an Equal Cost to a 100-Unit Project as Payment of a \$20,000 Impact Fee	A. / B. =	6.9 units
<b>D. Percent of Affordable Units Provided On-Site at Low-Income that would Represent an Equivalent Cost to Payment of a \$20,000 Impact Fee</b>	C. / 100 Units =	<b>6.9%</b>

**Table 2**  
**Net Cost to a Market Rate Rental Project for Each Low-Income Unit Provided On-Site**  
**Affordable Housing Impact Fee Analysis**  
**City of Emeryville, CA**

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	<u>Prototypical Rental Unit</u>	
1 Average Unit Size	850 sq ft	
2 Average Number of Bedrooms	1.25	
3 Average Household Size	2.25 persons	
<b>A. Market Rate Rental Unit Value</b>		
4 Rent per month (\$2.90psf)	\$2,465	
5 Annual Rent	\$29,580	
6 Household Income	\$99,000	
7 Affordability Level (% AMI)	128%	
8 Annual Operating Expenses <sup>3</sup>	\$8,900	
9 Annual Net Operating Income (NOI)	\$20,680	
10 Unit Value @ 6.0% Cap	<u>\$345,000</u>	
<b>B. Affordable Unit Value Restricted to Low-Income Household at 60% of AMI</b>		
11 HH Income <sup>1</sup>	\$46,300	
12 Gross Rent per month <sup>1</sup>	\$1,158	
13 (Less Utility Allowance) <sup>2</sup>	<u>(\$72)</u>	
14 Net Rent	\$1,086	
15 Annual Rent	\$13,026	
16 Annual Operating Expenses <sup>3</sup>	<u>(\$8,900)</u>	
17 Annual Net Operating Income (NOI)	\$4,126	
18 Unit value @ 7.5% Cap	<u>\$55,000</u>	Higher cap rate on affordable unit since potential for rent growth is limited.
<b>C. Affordability Gap or Estimated Net Cost to a Market Rate Rental Project for Each Low-Income Unit Provided On-Site</b>		
	<u>\$290,000</u>	= Line 10 - Line 18

1. City of Emeryville, Housing Affordability Table, updated 5/21/13. Assumes 30% of income spent on housing. 2013 official State Income Limits, California Housing & Community Development. Based on 2.25 Person Household at 60% AMI.

2. Utility allowance assumes tenant pays for gas heat, cooking and hot water, water, and other electric. Utility allowance per the Housing Authority of the County of Alameda.

3. Estimated based on operating expense comps for other similar apartment projects in the market and includes property taxes.