



Meeting Date: June 20, 2024

Item description/summary:

Development Impact Fee Inflation Adjustment: Capitol PFG study recommends adjusting the fee annually for inflation. A construction cost index should be based on a reputable and easily identifiable source such as the Engineering News Record. According to the Engineering news record an adjustment fee increase of \$1.88 see chart below.

	Fee Ratio	CCI % Increase	
Equipment	0.44	3.15%	0.014
Building	0.56	3.15%	0.018
Unweighted Increase			0.0315
Weighted Increase			0.031546
2024		\$1.82*1.031546	\$ 1.88

	2017	2023	2024
Light/Low Hazard Construction	\$ 1.22	\$ 1.82	\$ 1.88
Moderate Hazard Construction	\$ 2.44	\$ 3.64	\$ 3.75
High/Severe Hazard Construction	\$ 3.66	\$ 5.46	\$ 5.63

Fiscal Analysis:

Sample Motion:

Consider approving Development impact fee inflation chart to reflect year 2024.

Prepared by:

Randy York Fire Chief

MEMORANDUM

To: Randy York, Olivehurst Fire Department
From: Russ Powell
Subject: 2024 Annual Inflation Rate for Fire Facilities Development
Impact Fees; EPS #14401
Date: June 04, 2024

The Economics of Land Use



The attached table shows the 2023 to 2024 Building Cost Index (BCI) change for purposes of the annual inflation adjustment for the Olivehurst Public Utility District (OPUD) Fire Protection Facilities Development Impact Fee (Fire Mitigation Fee). Economic & Planning Systems, Inc. (EPS) understands the BCI change is combined with other cost escalation factors to derive the annual Fire Mitigation Fee inflation adjustment.

Table 1 calculates the percentage change in the BCI based on the percentage change in the Engineering News–Record 20–City BCI from May 2023 to May 2024. Applying this methodology, the BCI inflation rate is 3.15 percent.

Please call (916) 649-8010 if you have questions regarding this development impact fee escalation information.

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Table 1
Yuba County Development Impact Fees
Building Cost Escalation Factor - May 2023 to May 2024

Date	20-City BCI
<u>Current Year Inflation Adjustment</u>	
May 2023	8,054
May 2024	8,308
Percentage Change	3.15%

bci 24

Source: Engineering News-Record Building Cost Index.

AVERAGE 20-City