

CITY OF VENTURA

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**FINANCE DEPARTMENT**

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Date: June 26, 2023

**To: Distribution**

**From: Greg Morley, Chief Financial Officer**

**Subject: FY 2024 Development Fee Revisions**

Various sections of the City’s Municipal Code require the City Manager to annually update the City’s development fee schedule. The adjustment is to take effect July 1 of each year and reflect the percentage change (+/-) in the U.S. Cities Average of Construction Cost Index (CCI), or the Los Angeles Area Construction Cost Index as published in the Engineering News-Record (ENR). The following are the annual percentage increases between 2022 and 2023:

June National CCI: +1.8 percent  
June Los Angeles Area CCI: +12 percent  
May Los Angeles Area CCI: +10.5 percent

(Reference the attached June 19, 2023, Economics ENR: Engineering News-Record BNP Media Publication, page 63, <https://www.enr.com/digitaleditions> (subscription required)).

The development fee increases as calculated have been determined to be exempt from the provisions of Proposition 218 by the City Attorney’s Office of the City of Ventura. A fee is not “increased” by an agency action, which adjusts the amount of the fee in accordance with a schedule of adjustments, including an inflation adjustment, adopted by the agency prior to November 6, 1996 (Government Code §53750(h)(2)(A)).

**Municipal Code Section 4.145.040 – Park and Recreation Facilities**

The purpose of this fee is to generate revenue from new residential construction to finance planning, acquisition, improvement, and expansion of public parks, playgrounds, and other recreational facilities to serve the City’s increasing population. Annual percentage increase based on the June National CCI: **+1.8%**.

<b><u>Dwelling Unit Size</u></b>	<b><u>July 1, 2022</u></b>	<b><u>July 1, 2023</u></b>
1 Bedroom	\$ 796	\$ 810
2 Bedrooms	1,088	1,108
3 Bedrooms	1,722	1,753
4 or more Bedrooms	2,463	2,508
Mobile Home Pad	455	463

**Municipal Code Section 4.150.040 – General Capital Improvements**

The purpose of this fee is to generate revenue from new residential construction to finance planning, acquisition, improvement, and expansion of general capital-related facilities to serve the City’s increasing population. Annual percentage increase based on the June National CCI: +1.8%.

<u>Dwelling Unit Size</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
Single Family	\$ 1,399	\$ 1,424
More than 2 bedrooms	141	143
Mobile Home Pad	455	463

**Municipal Code Section 22.150.010 – Water System Connection Fee**

The purpose of this fee is to recover a fair and proportionate share of capital costs of pumping and storage facilities and distribution lines not on or immediately adjacent to the property to be served, but that benefits the property. Annual percentage increase based on the June National CCI: +1.8%.

<u>Meter Size</u>	<u>Capacity G.P.M.</u>	<u>Capacity Ratio</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
0.75"	30	1.00	\$ 3,821	\$ 3,890
1.00"	50	1.67	6,382	6,497
1.50"	100	3.33	12,725	12,954
2.00"	160	5.33	20,369	20,736
3.00"	300	10.00	38,213	38,901
4.00"	500	16.67	63,702	64,848
6.00"	1,000	33.33	127,371	129,664
8.00"	1,600	53.33	203,801	207,469
10.00"	2,300	76.67	292,994	298,268

**Municipal Code Section 22.210.030 – Sewer Connection Fees**

The purpose of this fee is to generate revenue to finance replacement of capital sewer facilities. New applicants for service shall pay a connection fee based upon water meter size and capacity according to the following table. Annual percentage increase based on the June National CCI: +1.8%.

<u>Meter Size</u>	<u>Capacity G.P.M.</u>	<u>Capacity Ratio</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
0.75"	30	1.00	\$ 6,032	\$ 6,141
1.00"	50	1.67	10,073	10,254
1.50"	100	3.33	20,087	20,448
2.00"	160	5.33	32,156	32,734
3.00"	300	10.00	60,326	61,412
4.00"	500	16.67	100,563	102,373
6.00"	1,000	33.33	201,060	204,679
8.00"	1,600	53.33	321,708	327,499
10.00"	2,300	76.67	462,509	470,835

The sewer connection fee for approved second units shall be 75 percent of the fee for a single-family dwelling with a one-inch (1”) water meter.

**Municipal Code Section 22.215.000 – Sewer Capacity Deficiency Fee - Downtown District and Ventura Avenue Corridor**

The purpose of this fee is to generate revenue necessary to fund the cost to construct and install increased capacity in the sewer mains and other sewer collection facilities resulting from development occurring with the Downtown District and the Ventura Avenue Corridor.

Annual percentage increase based on the June National CCI: **+1.8%**.

<u>Downtown District</u>	<u>Dwelling Unit Size</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
All Residential	Dwelling Unit	\$ 3,530	\$ 3,594
Industrial	Square Foot	0.20	0.21
Retail Commercial	Square Foot	0.48	0.49
Office	Square Foot	0.52	0.53
Municipal	Square Foot	0.06	0.06
<u>Ventura Ave. Corridor</u>	<u>Dwelling Unit Size</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
All Residential	Dwelling Unit	\$ 1,708	\$ 1,739
Industrial	Square Foot	0.11	0.12
Retail Commercial	Square Foot	0.35	0.36
Office	Square Foot	0.35	0.36
Municipal	Square Foot	0.04	0.04

**Municipal Code Section 4.220.000 – Fire Facility and Equipment Mitigation Fee**

The purpose of this fee is to generate revenue from new residential and non-residential development to finance planning, acquisition, improvement, and expansion of fire facilities and equipment to meet the need for adequate fire service capabilities within the city.

Annual percentage increase based on the June Los Angeles Area CCI: **+12%**.

	<u>Dwelling Unit Size</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
<b>Residential</b>			
Single family	Dwelling Unit	\$ 1,014	\$ 1,136
Multifamily	Dwelling Unit	789	884
Mobile Home	Pad	738	827
<b>Non-Residential</b>			
Industrial	Square Foot	\$ 0.49	\$ 0.55
Retail Commercial	Square Foot	0.69	0.77
Office	Square Foot	1.07	1.20

**Municipal Code Section 24.345.000 – Downtown Parking (DP) Overlay Zone  
(Parking Districts 1 & 2)**

The purpose of this fee is to generate revenue from new construction in the Downtown Parking (DP) Overlay Zone to finance planning and acquisition of public parking in Parking Districts 1 & 2. Annual percentage increase based on the June Los Angeles Area CCI: +12%.

**In-Lieu Parking Fee**

**July 1, 2022**  
\$ 32,823

**July 1, 2023**  
\$ 36,762

**Municipal Code Section 22.180.040 – Water Resources Net Zero Fee**

The fees shall be used to acquire and/or develop additional water resources or water rights for use by the City to develop new potable supplies. Annual percentage increased based on the May Los Angeles Area CCI: +10.5%

**Water Resource Net Zero Fee**

**July 1, 2022**  
\$ 22,806

**July 1, 2023**  
\$ 26,517\*

\*Incorporates increase from May 2021 to May 2022 that was not included in last years update.

Attachment A: Construction Economics (Construction & Building Cost), June 19, 2023  
City Cost Index – Los Angeles (CCI), June 19, 2023

**E-Distribution**

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# CONSTRUCTION ECONOMICS

**ENR's 20-city average cost indexes, wages and materials prices.**  
**Historical data for ENR's 20 cities can be found at [ENR.com/economics](https://enr.com/economics)**

Construction Cost Index		+1.8%		Building Cost Index		+2.6%		Materials Cost Index		+1.1%	
ANNUAL INFLATION RATE		JUNE 2023		ANNUAL INFLATION RATE		JUNE 2023		MONTHLY INFLATION RATE		JUNE 2023	
1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	13345.00	+0.4%	+1.8%	BUILDING COST	8095.33	+0.5%	+2.6%	MATERIALS COST	5881.65	+1.1%	+0.8%
COMMON LABOR	25080.22	+0.2%	+2.1%	SKILLED LABOR	11674.34	+0.1%	+4.5%	CEMENT \$/TON	200.28	+3.5%	+23.6%
WAGE \$/HR.	48.30	+0.2%	+2.1%	WAGE \$/HR.	64.49	+0.1%	+4.5%	STEEL \$/CWT	96.03	0.0%	+11.3%
								LUMBER \$/MBF	972.93	+3.1%	-20.7%

The Construction Cost Index's annual escalation rose 1.8%, while the monthly component rose 0.4%.

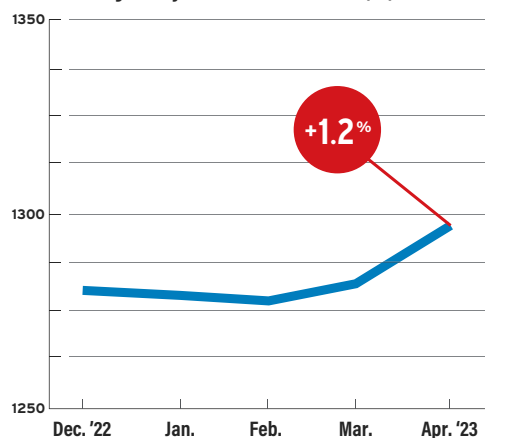
The Building Cost Index was up 2.6% on an annual basis, while the monthly component rose 0.5%.

The Materials Cost Index rose 11% this month, while the annual escalation rate increased 0.8%.

**The dollar value of total construction put-in-place showed a monthly escalation rate of +1.2% in April,** according to the U.S. Dept. of Commerce's seasonally adjusted data. On a yearly basis, total construction was 7.2% higher than in April 2022. Yearly private sector construction rose 4.9%, while public work was up 16.5%. Non-residential construction in the private market rose 31.2% over the past year, while public non-residential work rose 16.8%.

## TOTAL CONSTRUCTION

Seasonally adjusted rate in (\$) billions



SOURCE: DEPT. OF COMMERCE

## Non-Seasonally Adjusted Total Construction

**566.67** 2023 APR | **533.94** 2022 APR | **+5.3** % CHG. MONTH | **+6.1** % CHG. YEAR

CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2023 APR	2022 APR	% CHG. MONTH	% CHG. YEAR	CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2023 APR	2022 APR	% CHG. MONTH	% CHG. YEAR
<b>TOTAL PRIVATE</b>	<b>455.49</b>	<b>437.54</b>	<b>+4.2</b>	<b>+4.1</b>	<b>TOTAL PUBLIC</b>	<b>111.17</b>	<b>96.40</b>	<b>+10.0</b>	<b>+15.3</b>
RESIDENTIAL BUILDINGS	254.56	278.58	+5.1	-8.6	RESIDENTIAL BUILDINGS	2.96	2.69	+6.2	+10.1
LODGING	7.39	5.22	+2.9	+41.5	OFFICE	4.04	3.70	+5.2	+9.2
OFFICE	26.62	23.05	+2.2	+15.5	COMMERCIAL	1.35	1.04	+1.1	+29.6
COMMERCIAL	38.89	31.67	+2.9	+22.8	HEALTH CARE	3.77	3.28	+2.3	+14.7
HEALTH CARE	14.47	12.76	+2.3	+13.4	EDUCATIONAL	25.43	23.02	+6.9	+10.5
EDUCATIONAL	6.82	5.71	+3.1	+19.2	PUBLIC SAFETY	3.50	3.27	+3.7	+7.0
RELIGIOUS	0.99	0.88	+3.2	+12.3	AMUSEMENT AND RECREATION	4.33	3.89	+8.7	+11.3
AMUSEMENT AND RECREATION	4.81	4.16	+2.9	+15.7	TRANSPORTATION	12.57	11.92	+5.6	+5.4
TRANSPORTATION	5.86	4.42	+9.8	+32.7	POWER	3.70	2.99	+10.7	+23.7
COMMUNICATION	7.64	7.36	-4.1	+3.8	HIGHWAY AND STREET	28.19	23.52	+22.3	+19.9
POWER	33.17	34.13	+0.1	-2.8	SEWAGE AND WATER DISPOSAL	10.63	8.49	+5.1	+25.3
MANUFACTURING	53.45	29.01	+5.6	+84.3	WATER SUPPLY	7.12	5.68	+8.3	+25.3
					CONSERVATION AND DEVELOPMENT	3.29	2.63	-3.2	+25.2

SOURCE: DEPT. OF COMMERCE. NON-SEASONALLY ADJUSTED CONSTRUCTION PUT-IN-PLACE. DETAILS MAY NOT ADD UP TO TOTAL SINCE ALL TYPES OF CONSTRUCTION ARE NOT SHOWN SEPARATELY.

## City Cost Index - Los Angeles - As of June 2023



The building and construction cost indexes for ENR's individual cities use the same components and weighting as those for the 20-city national indexes. The city indexes use local prices for portland cement and 2 X 4 lumber and the national average price for structural steel. The city's BCI uses local union wages, plus fringes, for carpenters, bricklayers and iron workers. The city's CCI uses the same union wages for laborers.

To find more recent cost index data, go to this webpage ([link below](http://www.enr.com/economics/current_costs)) and click on the link for the year you need, and then navigate to the week you need. Keep in mind that the city cost index figures are always published in the second weekly issue of the month.

[http://www.enr.com/economics/current\\_costs](http://www.enr.com/economics/current_costs)

Go back to [view all City Indexes](#).

### ENR COST INDEXES IN LOS ANGELES (1978-2022)

YEAR	MONTH	BCI	%CHG	CCI	%CHG
2023	June	8396.01	+7.8	15112.29	+12.0
2023	May	8393.51	+5.3	15109.79	+10.5
2023	April	8026.15	+0.4	13729.03	+0.2
2023	March	8167.51	+6.9	13870.23	+4.0