

# **City of Sutter Creek Capital Facilities Fees Annual Report Fiscal Year 2025-2026**

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## LEGAL REQUIREMENTS

### A. What Are Impact Fees?

California Government Code §66000 allows a local jurisdiction to establish an impact fee to mitigate the impacts of new development. These fees may be used for the purchase, construction, expansion, rehabilitation, or acquisition of public facilities, and must be consistent with the adopted fee program, which is updated every five years.

New development increases the demand for health and safety service provided by a city, affects the quality of the community's infrastructure, and increases the need for public facilities. Typically, impact fees are paid to a city at the time a building permit is issued and assist in paying for the cumulative impact of new development through infrastructure improvements and additions. Facilities partly funded by impact fees include police, fire and administrative buildings, park sites, bike trails, public landscape areas, community centers, transportation and transit facilities and roadway improvements. Impact fees cannot be used for maintenance of existing or future city facilities.

### B. Establishing An Impact Fee Program

The City of Sutter Creek ("City") impact fee program, more commonly known as the Capital Facilities Fees Program ("CFF Program"), was established in 2008. Impact fees imposed on new development must have the proper nexus to any project on which they are imposed. The CFF Program sets forth the relationship between contemplated future developments, facilities needed to serve future development and the estimated cost of those improvements based on the current General Plan for build-out.

### C. Adoption of a Capital Improvement Program (CIP)

California Government Code §66002 requires local agencies that have implemented an impact fee program to adopt a Capital Improvement Program (CIP) indicating the approximate location, size, and time of projects, plus an estimate for the costs of all facilities or improvements to be financed by the impact fees. At a minimum, a formal CIP is recommended as a five-year plan.

The City's CIP connects annual capital expenditures to a long-range plan for public improvements. The City's CIP also assists in maximizing the funds available, connecting the plan for public improvements to the City's capacity for funding, and projecting expenditures over a period of years. This type of fiscal management is particularly

## LEGAL REQUIREMENTS (Cont.)

important during periods where budgetary demands exceed financial resources. The City's CIP is financed in part by the impact fees collected through the CFF Program.

### D. Reporting

Annual reporting of a local agency's impact fee program is required by Government Code §66006. The impact fees collected must be segregated from general and other funds containing fees collected for other improvements. Interest on each impact fee fund or account must be credited to that fund or account and be used only for the purpose for which the impact fee was collected.

California Government Code §66006(b) requires that a local agency make the following information available to the public for each separate impact fee fund on an annual basis and that the local agency review that information at a public meeting. The law also requires the annual report include the following information for the prior fiscal year and be made available within 180 days after the last day of each fiscal year:

- Describe the type of impact fee in the account or fund.
- Identify the amount of the impact fee.
- Provide the beginning and ending balance of the account or fund.
- Provide the amount of impact fees collected and interest earned.
- Identify each public improvement on which impact fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the impact fee.
- Identify an approximate date by which the construction of the public improvement will commence, if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete.
- Describe each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned impact fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
- Provide the amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of impact funds made to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

If an agency no longer needs the funds for the purposes collected or fails to make the required findings or perform certain administrative tasks prescribed, the agency may be

### **LEGAL REQUIREMENTS (Cont.)**

required to refund, on a prorated basis to owners of the properties upon which the impact fees for the improvement were imposed, the monies collected for that project and any interest earned on those funds.

California Government Code §66001(d) also requires that the local agency make all the following findings every fifth year with respect to that portion of the account remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the impact fee is to be allocated.
- Demonstrate a reasonable relationship between the impact fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements.
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.
- In any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the impact fee and the cost of the public facility or portion of the public facility attributable to the development on which the impact fee is imposed.

## DESCRIPTION OF CAPITAL FACILITIES FEES

The CFF Program mitigates the impacts associated with new development on certain public facilities. The CFF Program is used to finance the acquisition, construction, and improvement of public facilities as a result of new development. The City has the following eleven (11) CFF Program fee categories:

### **Police Capital Facilities Fee**

This fee is collected to provide funding for the construction of a police station, police vehicles, parking facilities, communication systems, and equipment.

### **Fire Capital Facilities Fee**

This fee is collected for construction of a new fire facility, fire trucks, a fire engine, and special equipment.

### **Historical Fee**

This fee is collected to fund the City's General Plan policy of preserving historic structures in the City.

### **City Hall Capital Facilities Fee**

This fee is collected to provide funding for the construction of a new city hall.

### **Corporation Yard Capital Facilities Fees**

This fee is collected to provide funding for a fair-share portion of the cost to construct facilities for a new corporation yard.

### **Program Update Fee**

This fee is collected for future updates of the Nexus Study to ensure that the facilities, costs, and fees in the Fee Program are current and accurate.

### **Administration Capital Facilities Fee**

This fee is collected for the administration of the CFF Program. This includes preparation of an Annual CFF Program Report, preparation of a Five-Year CFF Report, day-to-day management of the CFF Program including preparation of annual CIP budgets, CFF Program annual inflationary updates, land value analyses and updates and CFF Program Proformas.

### **Traffic Mitigation Fee**

There are two traffic mitigation fees collected, one for local and the other for regional. The local fee is collected to offset the direct, indirect, and cumulative impacts of new

## DESCRIPTION OF CAPITAL FACILITIES FEES (Cont.)

### **Traffic Mitigation Fee (cont.)**

development projects upon the City of Sutter Creek's road system. The regional fee is collected for the Amador County Transportation Commission (ACTC).

### **Parks and Recreation Fee**

This fee is collected to provide funding for parks, recreational buildings and master plan updates.

### **Sewer Connection Fee**

This fee is collected to provide funding for the city's sewer facilities.

## CURRENT FEE SCHEDULES

The current CFF Program allows for an annual inflationary adjustment equal to the increase in the annual change in the Engineering News Record Construction Cost Index through the month of December of the preceding year. Table 1 & 2 provides the adopted fee schedule for Fiscal Year 2025-26.

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

The Combining Statement of Revenues, Expenditures and Changes in Fund Balances provided in Table 3 outlines the beginning and ending balance of each fund for Fiscal Year 2025-26. Expenditures are identified by general categories. All revenue is collected at the time a building permit is issued. Since the CFF Program is a "pay-as-you-go" program, the City must accrue enough revenue prior to commencing construction of a project, resulting in an "aging" of fund balances. The aging or accumulation occurs until enough revenue has been collected to construct a project.

## FIVE YEAR REVENUE AND EXPENSE HISTORY

As previously discussed, most revenue is collected when a building permit is issued for new development. Total CFF Program revenues increased by \$142,293 and expenditures increased by \$53,095 between Fiscal Years 2024-25 and 2025-26. Project activity was fairly normal throughout the year in FY26, but towards the very end of the fiscal year, project activity started picking up quickly and had a big impact at the end of FY26, and some others will progress during FY27 and FY28 depending on how fast the developers progress (e.g. Bryson Cottages, Valley View Commons).

**Table 1: Capital Facilities Fee Schedules Effective July 1, 2025 through June 30, 2026**

| Fee Category                                          | Unit Measure Per | Police      | Fire        | Historical | City Hall   | Corporation Yard | Program Updates | Admin     | Park & Recreation | Sewer Connection | Total        |
|-------------------------------------------------------|------------------|-------------|-------------|------------|-------------|------------------|-----------------|-----------|-------------------|------------------|--------------|
| Single-Family Residential/Mobile Home/Congregate Care | Dwelling Unit    | \$ 1,430.96 | \$ 2,808.31 | \$ 654.57  | \$ 1,638.86 | \$ 776.39        | \$ 186.79       | \$ 224.15 | \$13,700.65       | \$10,247.56      | \$ 31,668.24 |
| Multi-Family Residential                              | Dwelling Unit    | \$ 933.94   | \$ 1,832.14 | \$ 427.18  | \$ 1,068.75 | \$ 506.76        | \$ 121.82       | \$ 146.18 | \$13,700.65       | \$10,247.56      | \$ 28,984.98 |
| Retail / Food / Other                                 | SF               | \$ 0.28     | \$ 0.54     | \$ 0.05    | \$ 0.31     | \$ 0.15          | \$ 0.03         | \$ 0.03   | n/a               | \$10,247.56*     | 1.39         |
| Office/Professional                                   | SF               | \$ 0.50     | \$ 0.97     | \$ 0.08    | \$ 0.57     | \$ 0.28          | \$ 0.06         | \$ 0.08   | n/a               | \$10,247.56*     | 2.55         |
| Industrial                                            | SF               | \$ 0.15     | \$ 0.29     | \$ 0.03    | \$ 0.18     | \$ 0.08          | \$ 0.02         | \$ 0.02   | n/a               | \$10,247.56*     | 0.76         |

\*Sewer connection for Retail, Office/Professional and Industrial is per connection not per SF and is not included in the Total column.

**Table 2: Traffic Mitigation Fee Schedules Effective July 1, 2025 through June 30, 2026**

| Category                                       | Unit Measure Per | Fee Amount  |
|------------------------------------------------|------------------|-------------|
| Local Traffic, Single Family                   | Dwelling Unit    | \$ 5,134.22 |
| Local Traffic, Multi-Family                    | Dwelling Unit    | \$ 3,644.80 |
| Local Traffic, Mobile Home Park or Subdivision | Dwelling Unit    | \$ 5,134.22 |
| Local Traffic, Congregate Care Facility        | Dwelling Unit    | \$ 5,134.22 |
| Local Traffic, Retail- High Volume             | SF               | \$ 10.27    |
| Local Traffic, Retail- Medium Volume           | SF               | \$ 6.67     |
| Local Traffic, Retail- Low Volume              | SF               | 0.77        |
| Local Traffic, Office/Professional             | SF               | 5.65        |
| Regional Traffic, Residential                  | Dwelling Unit    | 3,878       |
| Sutter Crest Estates (Gopher Flat)             | Dwelling Unit    | 1,624.24    |
| Sutter Crest East/Golden Hills (Gopher Flat)   | Dwelling Unit    | 1,624.24    |
| Sutter Glen (Gopher Flat)                      | Dwelling Unit    | 1,624.24    |
| Crestview Estates                              | Dwelling Unit    | 2,861.91    |
| Mesa De Oro                                    | Dwelling Unit    | 584.73      |
| Powder House Estates                           | Dwelling Unit    | 1,624.24    |

**Table 3: Combining Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended June 30, 2026**

|                                                        | Police          | Fire            | Historical      | City Hall       | Corporation Yard | Program Update | Admin          | Traffic Mitigation Local | Traffic Mitigation Regional | Parks & Rec.     | Sewer Connection | TOTAL            |
|--------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|----------------|----------------|--------------------------|-----------------------------|------------------|------------------|------------------|
| <b>REVENUES:</b>                                       |                 |                 |                 |                 |                  |                |                |                          |                             |                  |                  |                  |
| Fees Collected                                         | 1,868           | 3,664           | 854             | 2,138           | 1,014            | 244            | 292            | 7,290                    | 7,756                       | 51,950           | 101,745          | 178,815          |
| Interest                                               | 1,113           | 567             | 259             | 649             | 308              | 74             | 88             | 5,084                    | 36                          | 3,353            | 4,903            | 16,434           |
| Miscellaneous                                          |                 |                 |                 |                 |                  |                |                |                          |                             |                  |                  |                  |
| <b>TOTAL REVENUES</b>                                  | <b>\$2,981</b>  | <b>\$4,231</b>  | <b>\$1,113</b>  | <b>\$2,787</b>  | <b>\$1,322</b>   | <b>\$318</b>   | <b>\$380</b>   | <b>\$12,374</b>          | <b>\$7,792</b>              | <b>\$55,303</b>  | <b>\$106,648</b> | <b>\$195,249</b> |
| <b>EXPENDITURES:</b>                                   |                 |                 |                 |                 |                  |                |                |                          |                             |                  |                  |                  |
| General Gov't.                                         |                 |                 |                 |                 |                  |                |                |                          | 13,506                      |                  |                  | 13,506           |
| Community Development                                  |                 |                 |                 |                 |                  |                |                |                          |                             |                  |                  | 0                |
| Public Works                                           |                 |                 |                 |                 |                  |                |                |                          |                             |                  |                  | 0                |
| Parks & Recreation                                     |                 |                 |                 |                 |                  |                |                |                          |                             | 106,698          |                  | 106,698          |
| Public Safety                                          | 10,653          |                 |                 |                 |                  |                |                |                          |                             |                  |                  | 10,653           |
| Capital Outlay:                                        |                 |                 |                 |                 |                  |                |                |                          |                             |                  |                  | 0                |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$10,653</b> | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>       | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>               | <b>\$13,506</b>             | <b>\$106,698</b> | <b>\$0</b>       | <b>\$130,857</b> |
|                                                        |                 |                 |                 |                 |                  |                |                |                          |                             |                  |                  |                  |
| <b>EXCESS OF REVENUES OVER EXPENDITURES - SUBTOTAL</b> | <b>-\$7,672</b> | <b>\$4,231</b>  | <b>\$1,113</b>  | <b>\$2,787</b>  | <b>\$1,322</b>   | <b>\$318</b>   | <b>\$380</b>   | <b>\$12,374</b>          | <b>-\$5,714</b>             | <b>-\$51,395</b> | <b>\$106,648</b> | <b>\$64,392</b>  |
| FUND BALANCES, July 1, 2025                            | 20,553          | 41,720          | 35,935          | 53,108          | 39,090           | 5,292          | 2,652          | 252,157                  | 5,714                       | 103,336          | 148,445          | 708,002          |
| SUBTOTAL                                               | -7,672          | 4,231           | 1,113           | 2,787           | 1,322            | 318            | 380            | 12,374                   | -5,714                      | -51,395          | 106,648          | 64,392           |
| <b>FUND BALANCES, June 30, 2026</b>                    | <b>\$12,881</b> | <b>\$45,951</b> | <b>\$37,048</b> | <b>\$55,895</b> | <b>\$40,412</b>  | <b>\$5,610</b> | <b>\$3,032</b> | <b>\$264,531</b>         | <b>\$0</b>                  | <b>\$51,941</b>  | <b>\$255,093</b> | <b>\$772,394</b> |

**Table 4: Five Year Revenue History**

| Fund                          | 2021-22          | 2022-23          | 2023-24          | 2024-25         | 2025-26          | Five Year Total  |
|-------------------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| <b>Police</b>                 |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 3,655            | 0                | 5,260            | 1,431           | 1,868            | 12,214           |
| All Other Revenue Sources     | 60               | 175              | 337              | 1,018           | 1,113            | 2,703            |
| <b>Subtotal</b>               | <b>3,715</b>     | <b>175</b>       | <b>5,597</b>     | <b>2,449</b>    | <b>2,981</b>     | <b>14,917</b>    |
| <b>Fire</b>                   |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 7,173            | 0                | 10,322           | 2,808           | 3,664            | 23,967           |
| All Other Revenue Sources     | 118              | 343              | 661              | 906             | 567              | 2,595            |
| <b>Subtotal</b>               | <b>7,291</b>     | <b>343</b>       | <b>10,983</b>    | <b>3,714</b>    | <b>4,231</b>     | <b>26,562</b>    |
| <b>Historical</b>             |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 1,672            | 0                | 2,406            | 655             | 854              | 5,587            |
| All Other Revenue Sources     | 28               | 80               | 154              | 339             | 259              | 860              |
| <b>Subtotal</b>               | <b>1,699</b>     | <b>80</b>        | <b>2,560</b>     | <b>994</b>      | <b>1,113</b>     | <b>6,447</b>     |
| <b>City Hall</b>              |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 4,185            | 0                | 6,022            | 1,639           | 2,138            | 13,984           |
| All Other Revenue Sources     | 69               | 200              | 385              | 1,018           | 649              | 2,321            |
| <b>Subtotal</b>               | <b>4,254</b>     | <b>200</b>       | <b>6,408</b>     | <b>2,657</b>    | <b>2,787</b>     | <b>16,305</b>    |
| <b>Corporation Yard</b>       |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 1,983            | 0                | 2,854            | 776             | 1,014            | 6,627            |
| All Other Revenue Sources     | 33               | 95               | 183              | 509             | 308              | 1,128            |
| <b>Subtotal</b>               | <b>2,016</b>     | <b>95</b>        | <b>3,037</b>     | <b>1,285</b>    | <b>1,322</b>     | <b>7,755</b>     |
| <b>Program Update</b>         |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 477              | 0                | 686              | 186             | 244              | 1,593            |
| All Other Revenue Sources     | 8                | 23               | 44               | 170             | 74               | 319              |
| <b>Subtotal</b>               | <b>485</b>       | <b>23</b>        | <b>730</b>       | <b>356</b>      | <b>318</b>       | <b>1,912</b>     |
| <b>Administration</b>         |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 572              | 0                | 823              | 224             | 292              | 1,911            |
| All Other Revenue Sources     | 9                | 27               | 53               | 338             | 88               | 515              |
| <b>Subtotal</b>               | <b>582</b>       | <b>27</b>        | <b>876</b>       | <b>562</b>      | <b>380</b>       | <b>2,426</b>     |
| <b>Traffic Mitigation</b>     |                  |                  |                  |                 |                  |                  |
| Local Fees Collected          | 13,111           | 0                | 18,868           | 5,134           | 7,290            | 44,403           |
| Regional Fees Collected       | 11,634           | 17,133           | 15,512           | 3,878           | 7,756            | 55,913           |
| All Other Revenue Sources     | 438              | 758              | 1,489            | 2,598           | 5,120            | 10,403           |
| <b>Subtotal</b>               | <b>25,183</b>    | <b>17,891</b>    | <b>35,869</b>    | <b>11,610</b>   | <b>20,166</b>    | <b>110,719</b>   |
| <b>Parks &amp; Recreation</b> |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 26,280           | 0                | 35,708           | 13,701          | 51,950           | 127,639          |
| All Other Revenue Sources     | 72               | 0                | 608              | 2,436           | 3,353            | 6,469            |
| <b>Subtotal</b>               | <b>26,352</b>    | <b>0</b>         | <b>36,316</b>    | <b>16,137</b>   | <b>55,303</b>    | <b>134,108</b>   |
| <b>Sewer Connection</b>       |                  |                  |                  |                 |                  |                  |
| Fees Collected                | 21,984           | 0                | 51,522           | 10,248          | 101,745          | 185,499          |
| All Other Revenue Sources     | 1,921            | 0                | 6,530            | 2,944           | 4,903            | 16,298           |
| <b>Subtotal</b>               | <b>23,905</b>    | <b>0</b>         | <b>58,052</b>    | <b>13,192</b>   | <b>106,648</b>   | <b>201,797</b>   |
| <b>TOTAL</b>                  | <b>\$ 95,481</b> | <b>\$ 18,834</b> | <b>\$160,427</b> | <b>\$52,956</b> | <b>\$195,249</b> | <b>\$522,948</b> |

**Table 5: Five Year Expenditure History**

| Fund                          | 2021-22          | 2022-23          | 2023-24          | 2024-25          | 2025-26           | Five Year Total   |
|-------------------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Police                        | -                | -                | 329              | 37,031           | 10,653            | 48,013            |
| Fire                          | -                | -                | -                | -                | -                 | 0                 |
| Historical                    | -                | -                | -                | -                | -                 | 0                 |
| City Hall                     | -                | -                | 23,123           | -                | -                 | 23,123            |
| Corporation Yard              | -                | -                | -                | -                | -                 | 0                 |
| Program Update                | -                | -                | -                | -                | -                 | 0                 |
| Administration                | 659              | -                | -                | -                | -                 | 659               |
| Traffic Mitigation - Local    | -                | -                | -                | -                | -                 | 0                 |
| Traffic Mitigation - Regional | 11,634           | 17,133           | 15,512           | 15,512           | 13,506            | 73,297            |
| Park & Recreation             | -                | -                | -                | 25,219           | 106,698           | 131,917           |
| Sewer Connection              | -                | -                | -                | -                | -                 | 0                 |
| <b>TOTAL</b>                  | <b>\$ 12,293</b> | <b>\$ 17,133</b> | <b>\$ 38,964</b> | <b>\$ 77,762</b> | <b>\$ 130,857</b> | <b>\$ 277,009</b> |