



---

**STAFF REPORT**

**TO:** THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**MEETING DATE:** MARCH 16, 2026  
**FROM:** TOM DUBOIS, CITY MANAGER and ERIN VENTURA, PLANNER  
**SUBJECT:** ADOPTION OF 2026 NEXUS STUDY AND UPDATE TO DEVELOPMENT IMPACT FEES

---

**RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt Resolution 25-26-XX approving the City's Development Impact Fees (DIF) Nexus Study and approval of new development impact fees charged on new development within the City.

**BACKGROUND:**

The City of Sutter Creek has engaged Goodwin Consulting Group to prepare a Capital Facilities Fee (CFF) Nexus Study to update the City's development impact fee program.

Legal Requirements (AB 1600 & AB 602) California law requires that development impact fees bear a "reasonable relationship" (or nexus) between the fee's use, the need for the public facility, and the type of development project. State law requires agencies to identify a reasonable relationship (or nexus) between an impact fee and new development, and to make findings regarding (a) the purpose of the fee; (b) what mitigation projects the fee will be used to fund; (c) the nexus between the needed mitigation projects and the type of development that will be charged a fee; and (d) the nexus between the amount of the fee and the cost of the needed mitigation.

Additionally, AB 602 (effective 2022) mandates that residential fees be proportionate to the square footage of the proposed unit. The City recently adopted its Capital Improvement Plan, and it remains current.

The 2026 Nexus Study calculates fees for five specific categories:

- Police Facilities: Funds stations, vehicles, and equipment.
- General City Facilities: Consolidates the former Historical, City Hall, and Corporation Yard fees into a single streamlined category.

- Parks and Recreation: Funds parkland acquisition and improvements.
- Transportation: Funds roadway capacity, intersections, and circulation improvements.
- Drainage (New): A new component to address storm drainage infrastructure needs directly related to future development, calculated based on impervious surface area.

**DISCUSSION:**

At the February 2, 2026 meeting of the City Council, council gave direction to staff to adopt fees of \$12 sq ft for residential, \$13 sq ft for commercial and \$9 sq ft for industrial uses, and directed staff to move forward with the public noticing of the new development impact fees. The individual fees were proportionally decreased (as is required) and noticed to the public. The Council will not be adopting the maximum supportable fee and is proposing to adopt the following:

**Proposed Adopted Capital Facilities Fee /1**

Land Use	Police	Gen City Facilities	Parks & Rec	Transportation	Drainage
			<i>Per Residential SF</i>		
Residential	\$0.61	\$1.33	\$2.50	\$4.32	\$2.51
			<i>Per Building SF</i>		
<b><u>Non-Residential</u></b>					
Commercial	\$0.14	\$0.31	\$0.00	\$9.82	\$2.56
Office	\$0.30	\$0.66	\$0.00	\$8.62	\$3.06
Industrial	\$0.15	\$0.32	\$0.00	\$5.34	\$3.02

Next Steps

If the City Council chooses to accept the Nexus Study and adopt updated Impact Fees, the new fees will go into effect July 1, 2026 after adoption.

**ATTACHMENT:**

1. Capital Facilities Fee (CFF) Program Nexus Study by Goodwin Consulting Group