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GOODWIN CONSULTING GROUP

CITY OF SUTTER CREEK

**CAPITAL FACILITIES FEE (CFF)
PROGRAM NEXUS STUDY**

January 13, 2026

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EXECUTIVE SUMMARY

The City of Sutter Creek (City) is a historic foothill community with a compact development pattern shaped by its Gold Rush origins and long-standing emphasis on preservation and managed growth. Founded in 1848 as a mining center, the City developed with a concentrated downtown core supported by surrounding residential neighborhoods and limited infrastructure networks. These early land use and infrastructure decisions continue to shape present-day planning conditions.

Recent growth in the City has emphasized controlled residential development, historic preservation, and economic activity tied to tourism and local services. Development has occurred primarily through modest infill, small residential subdivisions, and the adaptive reuse of historic structures. However, public facilities and infrastructure have remained constrained by capacity, geography, and cost considerations.

This planning context informs this Capital Facilities Fee (CFF) Program Nexus Study (Nexus Study). While future growth is expected to be modest, new development will incrementally increase demand for public facilities and services. This study evaluates the relationship between projected development, facility needs, and the proportionate share of costs attributable to new development, consistent with California impact fee law and the City's goal of maintaining adequate public facilities while preserving community character.

DEVELOPMENT PROJECTIONS

Data from the California Department of Finance indicates that the City had an estimated population of 2,538 residents and 1,433 residential units as of January 1, 2025. The City's General Plan provides for the development of up to 6,775 additional residential units and approximately 82 acres of non-residential development, including retail commercial, office/professional, and industrial uses.

At General Plan buildout, total development is projected to include 8,208 residential units, accommodating an estimated 17,360 residents and supporting approximately 3,232 jobs. The demographic and land use assumptions underlying these residential and non-residential projections are summarized in Table 1 in the Appendix of this Nexus Study. General Plan buildout represents a long-term planning scenario and assumes land in the City over a long term horizon could eventually develop to the maximum levels allowed under the City's General Plan. The development projection is used in the Nexus Study to evaluate the maximum potential demand that future development could place on public facilities and infrastructure and to ensure that growth-related costs are planned for in a fair and proportional manner.

CAPITAL IMPROVEMENT PROGRAM (CIP)

This report identifies various public facilities needed to serve future development in the City. The City's Capital Improvement Program (CIP) serves as the City's primary tool for planning, prioritizing, and financing investments in public infrastructure and facilities. CIP facilities and costs were determined by City staff based on the City's long range needs. The City's CIP includes:

- Police Facilities;
- General City Facilities;
- Parks and Recreation Facilities;
- Transportation Improvements; and
- Drainage Improvements

City staff has performed an extensive review of its CIP that provides construction cost estimates and identifies the facilities that will be required to serve existing and future development through buildout of the General Plan. Table ES-1 below summarizes costs included in the City's CIP by facilities type as well as those being allocated to future development through General Plan buildout. The total cost allocated to future development is used to determine the fee amount for each component.

Table ES-1
CIP Summary /1

	Funded by Fee Program (a)	Other Funding Source (b)	Total CIP Cost (c = a + b)	Costs Allocated to Future Dev't (d)	Difference (e = d - a)
Police Facilities	\$74,000	\$0	\$74,000	\$12,629,213	\$12,555,213
General City Facilities	\$11,297,080	\$112,500	\$11,409,580	\$27,593,015	\$16,295,935
Parks and Recreation Facilities	\$7,676,825	\$77,500	\$7,754,325	\$50,024,250	\$42,347,425
Transportation Improvements	\$13,243,245	\$3,780,800	\$17,024,045	\$109,117,043 /2	\$95,873,799
Drainage Improvements	\$2,308,000	\$0	\$2,308,000	\$57,168,791 /2	\$54,860,791
Total	\$34,599,150	\$3,970,800	\$38,569,950	\$256,532,312	\$221,933,163

/1 Includes priority and additional projects in the City's CIP.

/2 Includes updated street and drainage costs needed to serve development at buildout, as provided by City staff.

SUMMARY OF CFF COMPONENTS

Table ES-2 summarizes the maximum supportable fees for each component, as calculated in this Nexus Study. The maximum supportable fee represents the highest development impact fee that can be justified based on the cost of public facilities needed to serve future development and the proportionate share of those costs attributable to new growth, as calculated in this Nexus Study. These fees have been calculated using adopted service standards, identified capital improvement costs, and appropriate demand factors, and reflect the amount necessary to fund growth-related infrastructure without charging new development for existing deficiencies. The maximum supportable fee does not establish the fee that must be adopted; rather, it sets an upper limit under State law, allowing the City flexibility to adopt a lower fee amount based on policy considerations, market conditions, or implementation objectives.

Table ES-2
Maximum Supportable Capital Facilities Fee

Land Use	Police	Gen City Facilities	Parks & Rec	Transportation	Drainage	Administrative Fee (3.50%)	Total CFF
Residential	\$0.79	\$1.73	\$3.25	<i>Per Residential SF</i> \$5.61	\$3.26	\$0.55	\$16.15
<u>Non-Residential</u>				<i>Per Building SF</i>			
Commercial	\$0.36	\$0.79	\$0.00	\$25.24	\$6.61	\$1.17	\$34.60
Office	\$0.66	\$1.44	\$0.00	\$18.70	\$6.61	\$0.99	\$29.19
Industrial	\$0.20	\$0.43	\$0.00	\$7.29	\$4.13	\$0.43	\$12.71

While the Police, Parks and Recreation, and Transportation fee components represent updates to existing impact fees, the Drainage fee is a new component of the Fee Program and has been added to address storm drainage infrastructure needs that are directly related to future development. In addition, the General City Facilities fee consolidates the City’s existing Historical, City Hall, and Corporation Yard fee components into a single, streamlined category. Lastly, the former Program Update and Administrative fee components have been combined into a single Administrative Fee to simplify implementation and ongoing administration of the Fee Program.

CFF COMPARISON – PROPOSED (MAXIMUM SUPPORTABLE) VS EXISTING FEES

Table ES-3 provides an *illustrative* per-unit conversion comparison of the CFF components presented in this Nexus Study to the City’s fee rates for fiscal year 2024-25. The calculated maximum supportable fees for the Police, General City Facilities, and Transportation components are higher than their current counterparts and range from 26% higher to 148% higher for residential developments. However, the calculated maximum supportable Parks and Recreation fee is approximately 46 percent lower than the City’s current rate, which includes a regional fee component collected on behalf of the Amador County Recreation Agency (ACRA). In fall 2005, ACRA announced its dissolution, and the future disposition and applicability of these regional fees remain uncertain.

Table ES-3
Fee Comparison - Illustrative Per-Unit Conversion

Maximum Supportable Capital Facilities Fee

<u>Land Use</u>	<u>Police</u>	<u>Gen City Facilities</u>	<u>Parks & Rec</u>	<u>Transportation</u>	<u>Drainage</u>
			<i>Per Unit (Assuming 2,270 SF per Unit)</i>		
Residential	\$1,801	\$3,936	\$7,384	\$12,737	\$7,407
<u>Non-Residential</u>			<i>Per Building SF</i>		
Commercial	\$0.36	\$0.79	\$0.00	\$25.24	\$6.61
Office	\$0.66	\$1.44	\$0.00	\$18.70	\$6.61
Industrial	\$0.20	\$0.43	\$0.00	\$7.29	\$4.13

Existing Capital Facilities Fee (7/1/2024 - 6/30/2025)

<u>Land Use</u>	<u>Police</u>	<u>Gen City Facilities</u>	<u>Parks & Rec /1</u>	<u>Transportation</u>	<u>Drainage</u>
			<i>Per Unit</i>		
Residential	\$1,431	\$3,070	\$13,701	\$5,134	n/a
<u>Non-Residential</u>			<i>Per Building SF</i>		
Commercial	\$0.28	\$0.51	n/a	\$10.27	n/a
Office	\$0.50	\$0.93	n/a	\$5.65	n/a
Industrial	\$0.15	\$0.29	n/a	\$3.08	n/a

Difference (%)

<u>Land Use</u>	<u>Police</u>	<u>Gen City Facilities</u>	<u>Parks & Rec</u>	<u>Transportation</u>	<u>Drainage</u>
			<i>Per Unit</i>		
Residential	26%	28%	-46%	148%	0%
<u>Non-Residential</u>			<i>Per Building SF</i>		
Commercial	28%	54%	0%	146%	0%
Office	32%	55%	0%	231%	0%
Industrial	32%	49%	0%	137%	0%

/1 Excludes regional fees collected on behalf of the Amador County Recreation Agency (ACRA), which announced its dissolution in the fall of 2025.

IMPACT FEE NEXUS REQUIREMENTS (AB 1600) AND ASSEMBLY BILL

Assembly Bill 1600 (AB 1600), which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee is to be put
3. Determine how there is a reasonable relationship between:
 - a. The fee's use and the type of development project on which the fee is imposed.
 - b. The need for the public facility and the type of development project on which the fee is imposed.
 - c. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

On September 28, 2021, Assembly Bill 602 was signed into law and became effective starting January 1, 2022. The law establishes additional procedural and transparency requirements on public agencies when establishing new fees or increasing existing development impact fees. AB 602 added Government Code §66016.5 and related transparency requirements. Below are some of the most significant requirements imposed by AB 602:

New Requirements For Nexus Studies

- Nexus studies must identify the existing level of service (LOS) for public facilities; if a new LOS is identified, explain why the new level of service is appropriate
- If a nexus study supports an increase to existing fee, the public agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fee revenue collected under the original fee
- Large jurisdictions, for example, counties that have a population greater than 250,000 residents, must adopt a capital improvement plan as a part of the nexus study
- Nexus studies adopted after July 1, 2022, shall calculate a fee imposed on a housing development that is proportionate to the square footage of the proposed units of the development or the nexus study must make findings that an alternative fee calculation methodology creates a reasonable relationship between the fee charged and the burden posed by the development

New Transparency Requirements For Public Agencies

- Fees must be posted to the public agency's website within 30 days of any change in the fees
- Public agencies must post to their website the current and five previous annual impact fee accounting reports that are required pursuant to Government Code Section 66006
- Public agencies must post to their website all nexus studies, cost of service studies, or equivalent studies that were conducted on or after January 1, 2018

New Nexus Study Procedural Requirements

- Nexus studies must be updated at least every 8 years, from the period beginning on January 1, 2022
- Nexus studies and impact fees must be adopted at a public hearing with at least a 30 day notice (this is an increase from the current 10 days)
- Members of the public may submit evidence that the nexus findings in the nexus study are insufficient; the public agency must consider all such evidence

As stated above, the purpose of this study is to demonstrate that all fee components of the Fee Program comply with the requirements set forth in the AB 1600 and AB 602 laws. The assumptions, fee methodology, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be levied are summarized in this report.

FEE ADJUSTMENTS

The fees calculated in this Nexus Study are reflected in current year dollars. The fees may be adjusted in future years to reflect revised facility standards, receipt of funding from alternate sources (i.e., state or federal grants), revised costs, or changes in demographics. In addition to such periodic adjustments, the fees must be inflated each year by a predetermined index, such as the Engineering News Record Construction Cost Index, that is identified in the ordinance or resolution authorizing levy of the fees. It is important to note that failure to annually adjust the fees to reflect the inflation of facilities costs will result in future funding shortfalls of the facilities.

I. INTRODUCTION

The City of Sutter Creek (City) is a historic foothill community with a compact development pattern shaped by its Gold Rush origins and long-standing emphasis on preservation and managed growth. Founded in 1848 as a mining center, the City developed with a concentrated downtown core supported by surrounding residential neighborhoods and limited infrastructure networks. These early land use and infrastructure decisions continue to shape present-day planning conditions.

Recent growth in the City has emphasized controlled residential development, historic preservation, and economic activity tied to tourism and local services. Development has occurred primarily through modest infill, small residential subdivisions, and the adaptive reuse of historic structures. However, public facilities and infrastructure have remained constrained by capacity, geography, and cost considerations.

This planning context informs this Capital Facilities Fee (CFF) Program Nexus Study (Nexus Study). While future growth is expected to be modest, new development will incrementally increase demand for public facilities and services. This study evaluates the relationship between projected development, facility needs, and the proportionate share of costs attributable to new development, consistent with California impact fee law and the City's goal of maintaining adequate public facilities while preserving community character.

PURPOSE OF STUDY

As development continues within the City, new capital facilities will be required to meet the demands of future development. Capital facilities will be funded through a development impact fee program (Fee Program). The Fee Program, as discussed in this report, will apply to all future development within the City. This *Capital Facilities Fee Program Nexus Study* ("Nexus Study") will be the basis for the City's Fee Program. This Nexus Study develops separate impact fees for various capital facilities including the following categories:

- Police Facilities;
- General City Facilities;
- Parks and Recreation Facilities;
- Transportation Improvements; and
- Drainage Improvements

The City retained Goodwin Consulting Group, Inc. to assist prepare the Nexus Study. The Fee Program will be implemented by the City Council through the adoption of this Nexus Study. The Fee Program is compliant with the requirements set forth in the Mitigation Fee Act, also known as AB 1600, and ensures that a nexus exists between future development within the City and (i) the use of the fee, (ii) the need for the proposed CFF facilities, and (iii) the amount of the CFF assigned to future development. This Nexus Study demonstrates that a reasonable relationship exists

between each fee component and the cost of the facilities attributable to each type of development for each fee component.

IMPACT FEE NEXUS REQUIREMENTS (AB 1600) AND ASSEMBLY BILL 602

Assembly Bill 1600 (AB 1600), which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee is to be put
3. Determine how there is a reasonable relationship between:
 - a. The fee's use and the type of development project on which the fee is imposed.
 - b. The need for the public facility and the type of development project on which the fee is imposed.
 - c. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

On September 28, 2021, Assembly Bill 602 was signed into law and became effective starting January 1, 2022. The law establishes additional procedural and transparency requirements on public agencies when establishing new fees or increasing existing development impact fees. AB 602 amends Government Code Sections 65940.1 and 66019 and adds Government Code Section 66016.5 and Health and Safety Code Section 50466.5. Below are some of the most significant requirements imposed by AB 602:

New Requirements For Nexus Studies

- Nexus studies must identify the existing level of service (LOS) for public facilities; if a new LOS is identified, explain why the new level of service is appropriate
- If a nexus study supports an increase to existing fee, the public agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fee revenue collected under the original fee
- Large jurisdictions, for example, counties that have a population greater than 250,000 residents, must adopt a capital improvement plan as a part of the nexus study
- Nexus studies adopted after July 1, 2022, shall calculate a fee imposed on a housing development that is proportionate to the square footage of the proposed units of the development or the nexus study must make findings that an alternative fee calculation methodology creates a reasonable relationship between the fee charged and the burden posed by the development

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- Nexus studies and impact fees must be adopted at a public hearing with at least a 30 day notice (this is an increase from the current 10 days)
- Members of the public may submit evidence that the nexus findings in the nexus study are insufficient; the public agency must consider all such evidence

As stated above, the purpose of this study is to demonstrate that all fee components of the Fee Program comply with the requirements set forth in the AB 1600 and AB 602 laws. The assumptions, fee methodology, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be levied are summarized in this report.

ORGANIZATION OF REPORT

The remainder of this report has been organized into the following sections:

Section II	Defines the demographic and land use development assumptions used in the detailed calculations in this Nexus Study.
Section III	Provides a summary of the overall CIP costs as well as the amounts anticipated to be funded by the Fee Program.
Section IV	Provides a detailed explanation of the fee methodology used to calculate the various individual fees of the Fee Program.
Sections V thru IX	Provides a detailed discussion of the applicable fee calculation for the various City facilities.
Section X	Summarizes the individual fee rates calculated in this Nexus Study.
Section XI	Explains future fee adjustments, fee implementation, annual administrative duties, fee credits or reimbursements and other relevant items.

II. DEVELOPMENT ESTIMATES AND LAND USE CATEGORIES

DEVELOPMENT PROJECTIONS

Data from the California Department of Finance indicates that the City had an estimated population of 2,538 residents and 1,433 residential units as of January 1, 2025. The City's General Plan provides for the development of up to 6,775 additional residential units and approximately 82 acres of non-residential development, including retail commercial, office/professional, and industrial uses.

At General Plan buildout, total development is projected to include 8,208 residential units, accommodating an estimated 17,360 residents and supporting approximately 3,232 jobs. The demographic and land use assumptions underlying these residential and non-residential projections are summarized in Table 1 in the Appendix of this Nexus Study. General Plan buildout represents a long-term planning scenario and assumes land in the City over a long term horizon could eventually develop to the maximum levels allowed under the City's General Plan. The development projection is used in the Nexus Study to evaluate the maximum potential demand that future development could place on public facilities and infrastructure and to ensure that growth-related costs are planned for in a fair and proportional manner. Figure 1 on the following page summarizes land uses anticipated at buildout of the City's General Plan.

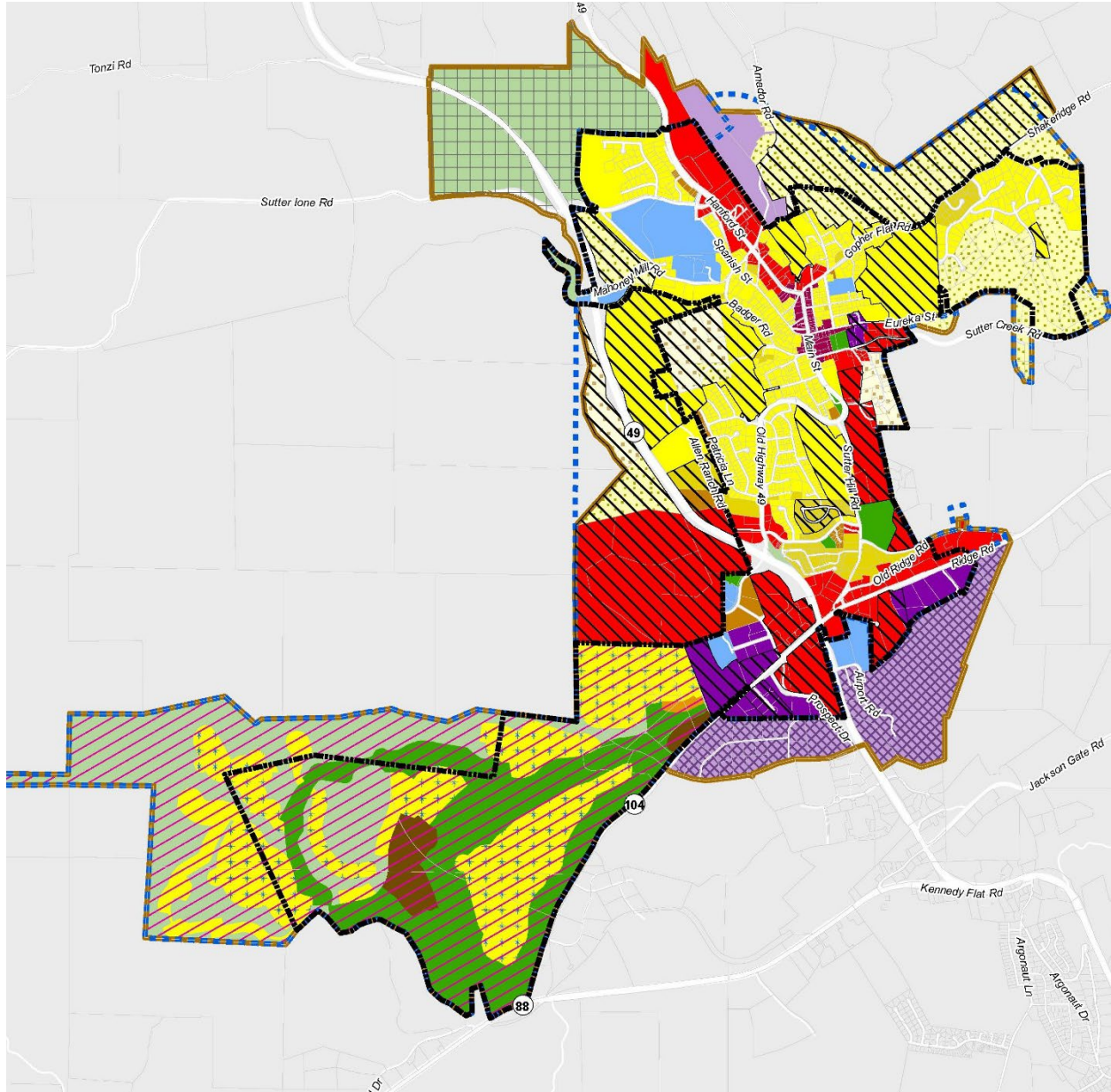
LAND USE CATEGORIES

The Mitigation Fee Act requires that a reasonable relationship exist between the need for public facilities and the type of development on which an impact fee is imposed. The need for public facilities is related to the level of service demanded, which varies in proportion to the number of residents or employees generated by a particular land use type. Therefore, land use categories have been defined in order to distinguish between relative impacts on facilities.

Each component of the CFF Program has been calculated using demand variables appropriate to each facility type. For housing development projects, fees are calculated on a per-residential square foot basis to comply with AB 602. Non-residential development is assessed on a per-building square foot basis. The following land use categories are established for purposes of the Fee Program:

Residential: encompasses all residential development categories, including (i) detached single family dwelling, (ii) duplex units that comprise two attached units sharing one common wall, (iii) multi-family residential development categories, and (iv) age-restricted uses and residential retirement communities, as described in Section 51.3 of the Civil Code, which are restricted to adults or senior citizens only.

Figure 1 General Plan Area



Legend

- Sutter Creek City Limits
- Gold Rush Ranch Specific Plan (GRRSP)
- Sphere Of Influence
- Planned Development Overlay
- Planning Area
- City-Owned Mitigation Parcels

Land Use Designations

- RE - Residential Estate
- RL - Residential Low Density
- RSF - Residential Single Family
- RM - Residential Medium Density
- RH - Residential High Density
- MU - Mixed Use
- C - Commercial
- DTC - Downtown Commercial
- M - Mining
- I - Industrial
- PS - Public Service
- OS - Open Space
- R - Recreation
- Martell

GRRSP Land Use Designations

- GRRSP-MU
- GRRSP-COS
- GRRSP-GCAF
- GRRSP-RCL
- GRRSP-SDAR
- GRRSP-SFAR

Map prepared by Amador County Transportation Commission GIS staff

Retail Commercial: Retail and service businesses, including, but not limited to, retail stores, clothing stores, book stores, video rental stores, drug stores, professional services (i.e., barber shops, dry cleaners), hospitals, movie theaters, appliance and electronics stores, home supply stores, tire stores, auto parts stores, auto service centers, oil change service centers and other businesses providing retail-based auto-related products and services, restaurants, supermarkets, gas stations, day/child care facilities, private schools, motels/hotels, congregate care facilities, and health clubs

Office/Professional: Includes, but is not limited to, buildings in which professional, banking, insurance, real estate, administrative or in-office medical or dental activities are conducted

Industrial: Includes, but is not limited to, warehouses, mini-storage facilities, manufacturing, heavy and light industrial uses, processing, fabricating, assembly, refining, repairing, packaging, or treatment of goods, material, or produce, sheet metal and welding shops, wholesale lumber yards, contractor yards, auto wrecking yards, etc.

The City will make the final determination as to which land use category a particular development will be assigned. The City is authorized to determine the land use category that corresponds most directly to the development. Alternatively, the City may determine that no land use category adequately corresponds to a unique development in question and may determine an applicable ad hoc impact fee for the development.

III. CAPITAL IMPROVEMENT PROGRAM

This report identifies various public facilities needed to serve future development in the City. The City's Capital Improvement Program (CIP) serves as the City's primary tool for planning, prioritizing, and financing investments in public infrastructure and facilities. CIP facilities and costs were determined by City staff based on the City's long range needs. The City's CIP includes:

- Police Facilities;
- General City Facilities;
- Parks and Recreation Facilities;
- Transportation Improvements; and
- Drainage Improvements

City staff has performed an extensive review of its CIP which provides construction cost estimates and identifies the facilities that will be required to serve existing and future development through buildout of the General Plan. Table 3-1 below summarizes costs included in the City's CIP by facilities type as well as those being allocated to future development through General Plan buildout. The total cost allocated to future development is used to determine the fee amount for each component.

Table 3-1
CIP Summary /1

	Funded by Fee Program (a)	Other Funding Source (b)	Total CIP Cost (c = a + b)	Costs Allocated to Future Dev't (d)	Difference (e = d - a)
Police Facilities	\$74,000	\$0	\$74,000	\$12,629,213	\$12,555,213
General City Facilities	\$11,297,080	\$112,500	\$11,409,580	\$27,593,015	\$16,295,935
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Transportation Improvements	\$13,243,245	\$3,780,800	\$17,024,045	\$109,117,043 /2	\$95,873,799
Drainage Improvements	\$2,308,000	\$0	\$2,308,000	\$57,168,791 /2	\$54,860,791
Total	\$34,599,150	\$3,970,800	\$38,569,950	\$256,532,312	\$221,933,163

/1 Includes priority and additional projects in the City's CIP.

/2 Includes updated street and drainage costs needed to serve development at buildout, as provided by City staff.

IV. FEE CALCULATION METHODOLOGY

When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that a logical and thorough consideration was applied in the process of determining how the fee relates to the impacts from new development. Various findings pursuant to AB 1600 and AB 602 must be made to ensure that there is a reasonable relationship between the fee and the development on which that impact fee will be levied. Impact fees are commonly grouped into three broad categories based on how costs are calculated and allocated: (i) standard-based impact fees, (ii) planned-based impact fees, and (iii) capacity-based impact fees.

Standard-based impact fees are calculated using adopted service standards that define the level of public facilities required to serve new development. These fees rely on systemwide ratios (e.g., facilities per resident or employee) and apply uniform facility costs to growth. This approach is commonly used for facilities that provide broad community benefits and have predictable demand patterns, ensuring that new development funds its proportional share of facilities needed to maintain adopted service levels.

Planned-based impact fees are derived from a defined capital improvement program that identifies specific facilities required to serve future development. The cost of these planned improvements is allocated to new growth based on its share of demand. This methodology is appropriate where infrastructure needs are location-specific or where a clear nexus exists between planned projects and anticipated development, allowing fees to directly reflect the cost of identified improvements.

Finally, capacity-based impact fees are calculated based on the cost of expanding or upsizing existing facilities to accommodate additional demand generated by new development. This approach allocates only the incremental capacity costs attributable to growth and excludes existing deficiencies. Capacity-based fees are most appropriate for utility and regional infrastructure systems where facilities must be expanded to serve future development while maintaining existing levels of service.

For purposes of this Nexus Study, the standard-based approach is used to calculate the police, general city facilities, and Parks and Recreation fee components, while the planned-based approach is used in the calculation of the transportation and Drainage fee components.

FEE METHODOLOGY

The fee methodology used to calculate the fees in this Nexus Study can be summarized as follows:

- 1) Identify the existing development in the City and estimate the future growth anticipated through buildout of the City's General Plan.
- 2) Determine the size or amount of the facilities needed to serve the anticipated growth and, if necessary, the existing development in the City.

- 3) Select the demand variable (i.e., persons served, trips generated, or impervious factor) to allocate the facility costs on a benefit rationale basis; assign demand variable rates for each land use/development category based on its level of service demand.
- 4) Estimate the total cost of each facilities type or the attributable portion of the facilities that are needed to serve future development within the City. Existing deficiencies or that portion of a facility or improvement cost allocated to existing development cannot be funded with impact fees from future development. The City will need to find alternate sources to fund existing deficiencies or existing development's share of the facilities cost. Alternate funding sources may include federal and state grants, or general fund revenues.
- 5) Allocate the total facility cost attributed to future development to the applicable demand units (e.g., persons served, trips, or impervious area). Costs attributable to existing development are excluded from the fee calculation.
- 6) Apply the cost per person served to each land use category using an average persons per household factor and the average square feet per residential unit for residential development and the person served factor for each non-residential land use to determine the per square foot fee rate for each type of development

By applying this fee methodology, the resulting impact fee for each fee component and for each land use is based on the estimated benefit received from each facilities type and thus a nexus or reasonable relationship is established between the amount of each fee component and the cost of the applicable facilities attributable to each type of development. Furthermore, the resulting fees comply with AB 602's requirement such that fees imposed on a housing development be proportionate to the square footage of the proposed units of the development.

DEMAND VARIABLES

Three types of demand variables are used in this Nexus Study: (i) persons served, (ii) trips generated, and (iii) impervious factor. The number of persons served is used to allocate the cost of facilities for the Police, General City Facilities, and Parks and Recreation fee categories in this Nexus Study. Trips generated by each land use type are used in the Transportation fee calculation, and impervious factors are used in the Drainage fee calculation.

The persons served demand variable includes the residential population plus a portion of the employee population. A portion of the employee population is used because it is generally understood that employees do not generate as high a need for certain municipal services as do residents. Therefore in this Nexus Study, employees are converted to a resident-equivalent factor. For all fee categories that use the person served demand variable, the resident-equivalent factor calculation is based on the average amount of time that the employee spends on the job as compared to the time a resident is at home. Assuming a resident can be at home 168 hours (7 days * 24 hours = 168 hours) a week and that the average employee works 40 hours per week, then one employee equals approximately 0.24 residents. This is calculated as follows:

Employee: 40 hours/week ÷ 168 hours/week ≈ 0.24 residents

As a result, the service demand for an employee is calculated to equal approximately 24% of the service demand of a resident. Although these estimates of service demand are not based on empirical evidence, it is understood that employees and non-residential development generally require less city services than do residents and residential development. As such, the relationship of an employee equaling either 0.24 residents, in terms of service demand, is a reasonable assumption for the fee calculations.

Similarly, vehicle trips generated are an appropriate demand variable for calculating transportation impact fees because they directly measure the incremental burden that new development places on the roadway system. Transportation facilities are planned, designed, and sized to accommodate travel demand, and trip generation provides a consistent and widely accepted metric for quantifying that demand across different land uses. By allocating costs based on the number of trips attributable to new development, the fee ensures a reasonable relationship and rough proportionality between development impacts and the cost of capacity improvements required to maintain adopted levels of service.

Finally, impervious surface area (i.e., % impervious) is a suitable demand variable for calculating storm drainage impact fees because it directly correlates with the volume and rate of stormwater runoff generated by new development. As land becomes more impervious through the construction of buildings, pavement, and other hard surfaces, runoff increases and places additional demand on drainage infrastructure. Using an impervious factor allows drainage facility costs to be allocated proportionally based on the relative contribution of each land use to runoff generation, ensuring a reasonable relationship between development impacts and the storm drainage capacity required to serve new development.

LEVEL OF SERVICE

Pursuant to AB 602, the Nexus Study identifies the existing level of service (LOS) for each public facility and, where applicable, identifies any proposed level of service and explains why such level is appropriate. Table 4-1 on the following page summarizes the existing LOS for the Police, General City Facilities, and Parks and Recreation fee components. In compliance with AB 602, the existing LOS is applied to future development and forms the basis of the fee calculations for these facilities.

For the Transportation and Drainage fee components, appropriate demand variables are used to allocate the cost of planned infrastructure between existing and future development. As a result, the portion of facilities funded by future development provides the same level of service as that currently provided to existing development within the City, ensuring consistency with AB 602 and the requirement that new development fund only its proportional share of facility costs.

Table 4-1
Level of Service Comparison– Existing vs Future

	<u>Level of Service /1</u>		
	Existing	Future	Buildout
Police Facilities (per 1,000 Persons Served)			
Police FTE's	2.32	2.32	2.32
Police Bldg SF	1,073	1,073	1,073
General City Facilities (per 1,000 Persons Served)			
City Hall Employees	5.33	5.10	5.10
Finance & Admin Bldg SF	2,503	2,503	2,503
Parks and Recreation Facilities (per 1,000 Persons Served)			
Park and Recreation Area Acres	7.96	4.50	4.50

/1 Excludes transportation and drainage facilities which are calculated using a planned-based approach instead of a standard-based approach.

V. POLICE FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Police fee is to fund police facilities and related capital improvements required to maintain adequate public safety services as new development occurs. Growth in population and employment increases demand for police services and necessitates additional or expanded facilities and associated equipment to ensure effective law enforcement operations and community safety.

Use of Fee

Revenue from the Police fee will be used to finance the planning, design, and construction of police facilities and vehicles needed to serve future development.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the Police fee and the type of development on which the fee is imposed because new residential and non-residential development increases population, employment, and activity levels, which in turn increase demand for police services. The facilities funded by the fee are intended to provide the space and infrastructure necessary to serve the additional service demands generated by development.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for police facilities is created by new development, which contributes to increased service calls, patrol activity, and operational demands on the Police Department. Without additional facilities, the City's ability to maintain existing public safety service levels would be diminished as growth occurs. Police facilities, which are determined based on the City's existing LOS, funded by the fee are therefore necessary to accommodate growth-related demand and to maintain existing levels of police service.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the Police fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on the demand generated by future residential population and non-residential employment, which reflect the relative need for police services. This methodology ensures that future development funds only its proportional share of police facility costs and that total fee revenues do not exceed the cost of facilities required to serve new development.

POLICE FEE CALCULATION

The calculation of the police facilities required to serve development at buildout of the City's General Plan is based on the City's current service standards of 2.32 full time equivalent (FTE) police staff and an average building space standard of 1,073 square feet per 1,000 persons-served. Based on the estimated 18,136 persons served in the City at General Plan buildout, the City will need a 19,460 square foot police station to house an estimated 42 police department employees at buildout of the General Plan. In addition to the police station, the police department will also

require police vehicles and associated equipment. The total cost of the police station, land acquisition, vehicles, and equipment needed to serve the City at full buildout of the General Plan is approximately \$14.9 million.

Since the police facilities will serve existing and future development in the City, the total cost of police facilities must be allocated between existing and future development based on a persons served proportional benefit. As a result, only approximately \$12.6 million of the total cost is allocated to future development. The remaining \$2.3 million cost is allocated to the existing development in the City and must be funded by the City from sources other than Police fee revenue.

Applying the cost per person served to each land use category using an average persons per household factor and the average square feet per residential unit for residential development and the person served factor for each non-residential land use results in a maximum supportable fee of \$0.79 per residential square foot. Non-residential fees range from \$0.20 per industrial square foot to \$0.66 per office square foot.

VI. GENERAL CITY FACILITIES FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the General City Facilities fee is to fund general city facilities, including additional City Hall space, an expanded Corporation Yard, and improvements to the Knight's Foundry museum, that will be required to serve future development within the City's General Plan area in order to support the provision of core City services as new development occurs. Growth in population and employment increases demand for administrative, operational, and maintenance functions, necessitating adequate facilities to support City service delivery.

Use of Fee

Revenue from the General City Facilities fee will be used to finance the planning, design, and construction of additional City Hall space, an expanded Corporation Yard, and improvements to the Knight's Foundry museum needed to serve future development.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the General City Facilities fee and the type of development on which the fee is imposed because new residential and non-residential development increases the demand for municipal services that are supported by City administrative and operational facilities. The facilities funded by the fee provide the physical infrastructure required to deliver these services to development.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for general city facilities is created by new development, which increases population, employment, and service activity within the City. As growth occurs, additional administrative space, maintenance capacity, and operational support are required to maintain existing levels of municipal service. Facilities funded by the fee are therefore necessary to accommodate growth-related demand and to ensure continued effective City operations.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the General City Facilities fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on demand generated by future residential population and non-residential employment, reflecting each land use's relative use of municipal services. This approach ensures that each development project funds only its proportional share of general city facility costs and that total fee revenues do not exceed the cost of facilities required to serve future development.

GENERAL CITY FACILITIES FEE CALCULATION

The calculation of the general city facilities and associated costs required to serve development at buildout of the City's General Plan is based on the City's current non-police employee ratio per 1,000 persons served as well as current non-police building square footage per 1,000 persons served, as shown in Table 3 of the Appendix. General City Facilities total \$32.6 million, of which

approximately \$27.6 million is allocated to future development. The remaining \$5.0 million is allocated to existing development in the City and will need to be funded by the City from sources other than city hall fees.

Applying the cost per person served to each land use category using an average persons per household factor and the average square feet per residential unit for residential development and the person served factor for each non-residential land use results in a maximum supportable General City Facilities fee of \$1.73 per residential square foot. Non-residential fees range from \$0.43 per industrial square foot to \$1.44 per office square foot.

VII. PARKS AND RECREATION FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Parks and Recreation fee is to fund parkland, recreational facilities, and related capital improvements required to serve new development and to maintain adequate recreational opportunities as the City grows. Population growth resulting from new development increases demand for park facilities, open space, and recreational amenities, necessitating additional facilities to maintain existing service levels.

Use of Fee

Revenue from the Parks and Recreation fee will be used to finance the acquisition, development, and improvement of parkland and recreational facilities needed to serve future development. Eligible facilities may include neighborhood and community parks, recreational amenities, trails, open space improvements, and related support facilities that provide recreational services to residents.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the Parks and Recreation fee and the type of development on which the fee is imposed because residential development increases population and directly generates demand for park and recreational facilities. The facilities funded by the fee are intended to provide recreational amenities and open space required to serve new residents in the City.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for parks and recreation facilities is typically created by new residential development, which increases the number of residents requiring access to parks and recreational opportunities. Without the provision of additional park facilities, the City's ability to maintain existing park service levels would be diminished as growth occurs. The facilities funded by the fee are therefore necessary to accommodate population growth and maintain existing levels of service.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the Parks and Recreation fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on population growth generated by residential development, which reflects demand for park services. This methodology ensures that each development project pays a proportional share of park and recreation facility costs and that total fee revenues do not exceed the cost of facilities required to serve future development.

PARKS AND RECREATION FEE CALCULATION

The calculation of the parks and recreation facilities required to serve development at buildout of the City's General Plan is based on the City's preferred standard of 4.5 acres per 1,000 residents, as shown in Table 4 of the Appendix. Although the City currently has 8.0 acres of parks and

recreation areas per 1,000 residents, applying this level of service to future development would likely make development unfeasible. Utilizing the City's preferred LOS for parks and recreation areas, costs associated with parks and recreation facilities anticipated to serve existing and future development at General Plan buildout total \$58.6 million, of which approximately \$50.0 million is allocated to future development. The remaining \$8.6 million is allocated to existing development in the City and will need to be funded by the City from sources other than city hall fees.

The cost of these facilities is allocated to new development on a per-resident basis, ensuring that the fee reflects only the proportional cost of facilities needed to serve future development. The resulting a maximum supportable Parks and Recreation fee equals \$3.25 per residential square foot.

VIII. TRANSPORTATION FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Transportation fee is to fund transportation improvements that will be required to accommodate increased travel demand generated by new development within the City. As development occurs, additional vehicle trips are added to the roadway network, necessitating improvements to maintain safe and efficient circulation and to preserve adopted operating conditions.

Use of Fee

Revenue from the Transportation fee will be used to finance the planning, design, and construction of transportation improvements needed to serve future development through buildout of the City's General Plan. These improvements may include roadway capacity enhancements, intersection improvements, traffic signals, bicycle and pedestrian facilities, and other circulation-related infrastructure identified to address growth-related transportation demand.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the Transportation fee and the type of development on which the fee is imposed because development directly generates vehicle trips that place additional demand on the City's transportation network. The facilities funded by the fee are intended to mitigate the transportation impacts of new development by providing additional capacity and operational improvements necessary to serve those trips.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for transportation facilities is created by new development, which increases travel demand and contributes to congestion and operational constraints on the existing transportation network. Without improvements, future development would degrade circulation conditions. The transportation improvements funded by the fee are therefore required to accommodate growth-related travel demand and to maintain existing levels of service for both new and existing development.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The relationship between the amount of the fee and the portion of the facility cost attributable to the development type is based on trip generation. The amount of the transportation impact fee bears a reasonable relationship to the cost of the facilities funded. The fee is calculated by allocating the cost of planned transportation improvements to new development based on its proportionate contribution to travel demand, as measured by vehicle trips generated. This approach ensures that the total fee revenue collected from future development does not exceed the cost of the transportation facilities needed to serve that development and that each land use category pays a share of costs that is roughly proportional to the transportation impacts it creates.

TRANSPORTATION FEE CALCULATION

The calculation of transportation improvements required to serve development at buildout of the City's General Plan is based on a planned-based methodology that identifies specific transportation facilities and improvements needed to accommodate future growth. Planned transportation projects have been identified by City staff to serve circulation demands generated by both existing and new development at General Plan buildout. The total cost of the planned transportation improvements necessary to serve the City at full General Plan buildout is estimated at approximately \$135.0 million. Allocating this cost to the projected General Plan buildout trips results in an average cost of \$16,943 per trip, as shown in Table 5 of the Appendix.

The cost per trip is then allocated to individual land use categories based on their relative unique vehicle trip generation rates, which results in a maximum supportable Transportation fee of approximately \$5.61 per residential square foot, with non-residential fees ranging from approximately \$7.29 per square foot for industrial uses to \$25.24 per square foot for commercial uses.

IX. DRAINAGE FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Drainage fee is to fund drainage facilities and improvements required to accommodate increased stormwater runoff generated by new development within the City. As development occurs, the addition of impervious surfaces increases both the volume and rate of runoff, necessitating improvements to the storm drainage system to maintain safe and effective conveyance and reduce the risk of localized flooding.

Use of Fee

Revenue from the drainage impact fee will be used to finance the planning, design, and construction of storm drainage facilities and related improvements identified to serve future development through buildout of the City's General Plan. These facilities may include storm drains, channels, culverts, detention and conveyance facilities, and related appurtenances that provide capacity to manage runoff generated by new development.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the storm Drainage fee and the type of development on which the fee is imposed because development directly contributes to increased impervious surface area, which increases stormwater runoff and demand on drainage infrastructure. The facilities funded by the fee are intended to mitigate the drainage impacts caused by development, ensuring that new projects contribute toward the infrastructure required to serve them.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for storm drainage facilities is created by new development, which alters natural hydrology and increases runoff volumes compared to pre-development conditions. Without additional drainage capacity, new development would exacerbate drainage system constraints and increase flooding risks. The drainage improvements funded by the fee are therefore necessary to accommodate growth-related runoff and maintain existing drainage performance levels.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the Drainage fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on the relative impervious surface area associated with different land uses, which directly correlates with runoff generation. This methodology ensures that each development project pays a proportionate share of storm drainage infrastructure costs corresponding to its contribution to system demand, and that total fee revenues do not exceed the cost of facilities required to serve future development.

DRAINAGE FEE CALCULATION

Similar to the Transportation fee calculation, the calculation of drainage improvements required to serve development at buildout of the City's General Plan is also based on a planned-based methodology that identifies a storm drainage network needed to accommodate increased runoff generated by future development. Planned drainage improvements may include system conveyance, detention, and related drainage infrastructure identified to maintain existing drainage performance as development occurs. The total cost of the planned storm drainage improvements required to serve the City at full General Plan buildout is estimated at approximately \$70.2 million.

Because the planned storm drainage facilities will serve both existing and future development, the total cost of the facilities is allocated between existing and future development based on proportional benefit. Allocation is performed using impervious surface area as the demand variable, which directly reflects the relative contribution of development to stormwater runoff. Under this methodology, only the portion of drainage facility costs attributable to increased impervious area associated with future development is included in the impact fee calculation, while the portion attributable to existing development must be funded through non-impact fee revenue sources.

The growth-related cost of the planned storm drainage improvements is allocated to individual land use categories based on their relative impervious surface factors. This approach ensures that land uses generating higher runoff contributions pay a proportionally higher share of drainage infrastructure costs. The resulting storm drainage impact fee represents the maximum supportable fee of approximately \$3.26 per residential square foot, with non-residential fees ranging from approximately \$4.13 per square foot for industrial uses to \$6.61 per square foot for commercial and office uses.

X. CAPITAL FACILITIES FEE SUMMARY

Table 10-1 summarizes the maximum supportable fees for each fee component calculated in this Nexus Study. In compliance with AB 602, residential development is assessed on a per-residential square foot basis, resulting in a total CFF of \$16.15 per residential square foot, with the largest cost components attributable to transportation, parks and recreation, and drainage facilities. For comparison purposes, Table ES-3 also presents illustrative per-unit totals based on an assumed average unit size of 2,270 square feet.

Non-residential development is assessed on a per-building square foot basis, with total fees varying by land use type and intensity. Commercial development has the highest total CFF at \$34.60 per square foot, driven primarily by transportation and drainage improvements, followed by office development at \$29.19 per square foot and industrial development at \$12.71 per square foot. Across all land uses, Police, General City Facilities, Transportation, and Drainage fee components reflect growth-related demand, while Parks and Recreation fees apply only to residential development.

An administrative fee equal to 3.5 percent of all other fees in the Fee Program is applied uniformly across all land uses to offset the City’s costs associated with administering the Fee Program and preparing future fee updates.

It should be noted that maximum supportable fees presented in this Nexus Study represents the highest development impact fee that can be justified based on the cost of public facilities needed to serve future development and the proportionate share of those costs attributable to new growth, as calculated in this Nexus Study. These fees have been calculated using adopted service standards, identified capital improvement costs, and appropriate demand factors, and reflect the amount necessary to fund growth-related infrastructure without charging new development for existing deficiencies. The maximum supportable fee does not establish the fee that must be adopted; rather, it sets an upper limit under State law, allowing the City flexibility to adopt a lower fee amount based on policy considerations, market conditions, or implementation objectives.

Table 10-1
Maximum Supportable Capital Facilities Fee

Land Use	Police	Gen City Facilities	Parks & Rec	Transportation	Drainage	Administrative Fee (3.50%)	Total CFF
				<i>Per Residential SF</i>			
Residential	\$0.79	\$1.73	\$3.25	\$5.61	\$3.26	\$0.55	\$16.15
				<i>Per Building SF</i>			
<u>Non-Residential</u>							
Commercial	\$0.36	\$0.79	\$0.00	\$25.24	\$6.61	\$1.17	\$34.60
Office	\$0.66	\$1.44	\$0.00	\$18.70	\$6.61	\$0.99	\$29.19
Industrial	\$0.20	\$0.43	\$0.00	\$7.29	\$4.13	\$0.43	\$12.71

While the Police, Parks and Recreation, and Transportation fee components represent updates to existing impact fees, the Drainage fee is a new component of the Fee Program and has been added to address storm drainage infrastructure needs that are directly related to future development. In addition, the General City Facilities fee consolidates the City's existing Historical, City Hall, and Corporation Yard fee components into a single, streamlined category. Lastly, the former Program Update and Administrative fee components have been combined into a single Administrative Fee to simplify implementation and ongoing administration of the Fee Program.

XI. IMPLEMENTATION AND ONGOING ADMINISTRATION

FEE IMPLEMENTATION

Pursuant to AB 602, the Nexus Study and applicable fees must be adopted at a public hearing following a minimum 30-day public notice period. The local agency is required to notify any member of the public who has requested notice of the preparation of an impact fee nexus study of the date, time, and location of the public hearing. In conjunction with adoption of the CFF, AB 602 further requires adoption of a capital improvement plan identifying the facilities to be funded by the fees, to the extent required by applicable law.

At least 30 days prior to the public hearing, the agency must make available to the public the data upon which the fee is based, including information regarding infrastructure costs and anticipated funding sources. Notice of the time and place of the meeting, along with a general explanation of the matter to be considered, must be published in accordance with Government Code Section 6062a. Section 6062a requires publication to occur twice, with at least five days intervening between publications, commencing at least ten days prior to the hearing, in a newspaper of general circulation that is published at least once per week.

Once the CFF is adopted by the City Council, the fees shall become effective no sooner than sixty days following that action, consistent with the requirements of the Government Code.

FEE ADJUSTMENTS

The fees calculated in this Nexus Study are reflected in current year dollars. The fees may be adjusted in future years to reflect revised facility standards, receipt of funding from alternate sources (i.e., state or federal grants), revised costs, or changes in demographics. In addition to such periodic adjustments, the fees must be inflated each year by a predetermined index, such as the Engineering News Record Construction Cost Index, that is identified in the ordinance or resolution authorizing levy of the fees. It is important to note that failure to annually adjust the fees to reflect the inflation of facilities costs will result in future funding shortfalls of the facilities.

FEE CALCULATIONS – UNIQUE NON-RESIDENTIAL DEVELOPMENTS

For some specialized non-residential development projects, the land use categories and fees summarized in this report may not be applicable. For example, development of a cemetery, golf course, and/or stadium would not fall under one of the non-residential fee categories established in this Nexus Study. For specialized non-residential development projects, the City will review the development and decide on an applicable ad hoc CFF based on the impact to CFF facilities from the development. In particular, the number of employees expected on the non-residential development or some other method deemed appropriate by the City, would be used to determine

the impact on the facilities for each fee component. The City will provide the ad hoc CFF calculation to the applicable development.

CFF EXEMPTIONS

The City should consider the following regarding exemptions from payment of the Capital Facilities Fee:

Public Agencies

All federal and state agencies, public school districts, libraries, fire stations, and the City of Sutter Creek and County of Amador will be exempt from the CFF. Other non-City or non-County public agencies will be subject to payment of the CFF; however, the City may choose to waive some or all of the fees in certain cases.

Replacement/Reconstruction

- a. Any replacement or reconstruction (no change in use) of any residential unit that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the CFF. However, if the residential unit(s) replaced or reconstructed exceeds the documented total number of units of the damaged/destroyed residential structure, the excess units are subject to the CFF.
- b. Any replacement or reconstruction (no change in use) of any non-residential structure that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the CFF. However, if the building replaced or reconstructed exceeds the documented total floor area of the damaged/destroyed building, the excess square footage is subject to the CFF. If a structure has been vacant for more than five years, the exemption will not apply.
- c. If a residential and/or non-residential structure is replaced with an alternative land use, then the City staff will determine the appropriate fee adjustment to reflect the different use factors of the original and new land uses.

FEE CREDITS OR REIMBURSEMENTS

The City may provide fee credits or possibly reimbursements to developers who dedicate land or construct facilities. Fee credits or reimbursements may be provided up to the cost of the improvement, as shown in this Nexus Study, subject to periodic inflation adjustments, or the actual cost paid by the developer, whichever is lower. For construction cost overruns, only that amount shown in this Nexus Study, subject to periodic inflation adjustments, should be credited or reimbursed. The City will evaluate the appropriate fee credit or reimbursement based on the value of the dedication or improvement. The City on a case-by-case basis will determine fee credits and reimbursements.

SEPARATE FEE ACCOUNTS

The City shall establish separate fee accounts for each fee in the Fee Program and track the receipt and disbursement of money in each account. The City will ensure that moneys in the fee accounts are not commingled with other City funds or other fees accounts. Pursuant to the Mitigation Fee Act, money in the fee accounts will only be used to fund those facilities for which the fees were collected.

INTER-FUND TRANSFERS

The City may allow for the transfer of fee revenues between fee funds. This will provide greater funding flexibility and facilitate the timely phasing of improvements by allowing fees to be combined and used as necessary. All inter-fund transfers must be repaid with interest.

REPORTING REQUIREMENTS

Under the Mitigation Fee Act, local agencies are required to prepare annual and five-year impact fee reports with each serving a different purpose. The annual report provides a year-by-year accounting of fee revenues and expenditures, including the amount collected, interest earned, beginning and ending fund balances, expenditures made, and the status of projects funded by the fees. Its purpose is to ensure ongoing transparency and routine public oversight of how impact fee revenues are being managed.

The five-year report is a more comprehensive review that applies to any impact fee funds that remain unspent or uncommitted for five or more years. This report requires the agency to make formal findings demonstrating that a reasonable relationship continues to exist between the fee and the purpose for which it was imposed, identify the public facilities to be funded, describe available and anticipated funding sources, and establish a timeline for completing the improvements. If the required findings are not made, the agency must refund the unexpended fee revenues to current property owners.

The following includes a detailed description administrative duties associated with the annual and five-year reports.

Annual Administrative Duties

Government Code Sections 66006(b) and 66001(d) requires a public agency to report, every year and every fifth year, certain financial information regarding the impact fees. Within 180 days after the last day of each fiscal year the public agency must make the following information available for the past fiscal year:

- (a) A brief description of the type of fee in the account or fund
- (b) The amount of fee revenue
- (c) The beginning and ending balance of the account or fund
- (d) The amount of fee revenue collected and interest earned

- (e) An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of public improvement that was funded with fees
- (f) An identification of an approximate date by which time construction on the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement
- (g) A description of each interfund transfer or loan made from the account or fund, when it will be repaid and at what interest rate
- (h) The amount of any refunds made once it is determined that sufficient monies have been collected to fund all projects

The public agency must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

Fifth-Year Administrative Duties

For the fifth year following the first deposit into the fee account and every five years thereafter, the public agency must make the following findings with respect to any remaining funds in the fee accounts:

- (a) Identify the purpose to which the fee is to be put
- (b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- (c) Identify all sources and amounts of funding anticipated to complete financing incomplete improvements
- (d) Designate the approximate dates on which funding is expected to be deposited into the appropriate accounts or funds

As with the annual report, the five-year report must be made public within 180 days after the end of the public agency's fiscal year and must be reviewed at the next regularly scheduled public meeting. The public agency must make these findings, otherwise the law states that the City must refund the fee revenue to the then current owners of the development project.

APPENDIX

CAPITAL FACILITIES FEE PROGRAM CALCULATION TABLES

Table 1
Sutter Creek Land Uses

<u>Existing Development as of January 1, 2025</u>					
	<u>Units</u>	<u>Residents</u>	<u>PPH</u>		
Residential	1,433	2,538	1.77		
Non-Residential Employees		1,081			
<hr/>					
<u>Remaining Development in Sutter Creek /1</u>					
	<u>Units /2</u>	<u>Avg Sq. Ft. per Unit /3</u>	<u>Estimated Total SF</u>	<u>Residents</u>	<u>PPH</u>
Residential	6,775	2,270	15,378,115	14,822	2.19
<u>Non-Residential</u>	<u>Acres</u>	<u>Avg FAR</u>	<u>Building Sq. Ft.</u>	<u>Employees</u>	<u>Sq. Ft./Emp.</u>
Retail Commercial	52.1	0.30	680,434	1,237	550
Office/Professional	11.8	0.35	179,236	597	300
Industrial	18.2	0.40	316,246	316	1,000
Subtotal	82.0		1,175,916	2,151	--
<hr/>					
<u>Total Estimated Uses at General Plan Buildout /3</u>					
	<u>Units /2</u>	<u>Residents</u>	<u>PPH</u>		
Total Residents	8,208	17,360	2.12		
Total Employees		3,232			

/1 Based on maximum potential dwelling units by gross acre per the General Plan, adjusted to reflect a portion of areas zoned for

/2 Excludes approx. 224 units within the Gold Rush Ranch Specific Plan that are outside of the GP limits. commercial and industrial development are developed as zoned instead of residential development.

/3 Average square footage per unit based on Assessor's Parcel data of residential units constructed between 2006 and 2025.

Source: City of Sutter Creek; California Department of Finance; Envirionics Analytics; Parcel Quest; Goodwin Consulting Group, Inc.

Table 2
Police Facilities Cost Allocation

1. <u>Assumptions</u>	Year:	<u>2025</u>	<u>Future Dev't</u>	<u>Buildout Total</u>
Estimated Sutter Creek Population		2,538	14,822	17,360
Estimated Sutter Creek Employment		1,081	2,151	3,232
Equivalent Employees /1		0.24	0.24	0.24
Employee Persons Served		259	517	776
Total Persons Served		2,797	15,339	18,136
<i>% of Total Persons Served</i>		<i>15%</i>	<i>85%</i>	<i>100%</i>
<hr/>				
2. <u>Police Facility & Equipment Cost Calculation</u>				
		<u>Sworn</u>	<u>Non-Sworn</u>	<u>Total</u>
Current Police FTE's		6.00	0.48	6.48
Current Level of Service (per 1,000 Persons Served)		2.15	0.17	2.32
Total Officers Required to Serve the City at Buildout		38.90	3.11	42.02
Estimated Current Police Sq Ft				3,000
Existing Level of Service (Sq Ft per 1,000 Persons Served)				1,073
Estimated Police Sq Ft Required at Buildout				19,460
Estimated Average Construction Cost per SF				\$580
Estimated Total Construction Cost				\$11,286,758
		<u>Acres /2</u>	<u>Cost per Acre</u>	
Land Acquisition		1.79	\$300,000	\$536,086
Subtotal Facilities and Land Cost				\$11,822,844
Police Vehicles & Equipment		<u>Vehicles</u>	<u>Sworn Officers</u>	
		<u>per Sworn Officer</u>	<u>at Buildout</u>	
Marked & Unmarked Patrol Cars Required by Police Officers		1.00	42.02	42.02
Estimated Cost per Patrol Car				\$74,000
Total Police Vehicle Cost				\$3,109,251
Total Police Facilities & Equipment Cost				\$14,932,095
Estimated Cost Allocated to Existing Development in Sutter Creek				\$2,302,882
Estimated Cost Allocated to Future Development in Sutter Creek				\$12,629,213
Average Cost Per Person Served				\$823
<hr/>				
3. <u>Allocation Calculation</u>				
	<u>Persons per</u>	<u>Cost per</u>	<u>Avg Sq. Ft.</u>	<u>Allocated Cost</u>
	<u>Household</u>	<u>Person Served</u>	<u>per Unit</u>	<u>per SF</u>
Residential	2.19	\$823	2,270	\$0.79
<u>Non-Residential</u>		<u>Cost per</u>	<u>Sq. Ft. per</u>	<u>Allocated Cost</u>
		<u>Employee</u>	<u>Employee</u>	<u>per Sq. Ft.</u>
Commercial		\$198	550	\$0.36
Office		\$198	300	\$0.66
Industrial		\$198	1,000	\$0.20

/1 1.0 employee equals 0.24 residents.

/2 Assumes a 25% floor-to-area ratio.

Table 3
General City Facilities Cost Allocation

1. <u>Assumptions</u>	Year:	<u>2025</u>	<u>Future Dev't</u>	<u>Buildout Total</u>
Estimated Sutter Creek Population		2,538	14,822	17,360
Estimated Sutter Creek Employment		1,081	2,151	3,232
Equivalent Employees /1		0.24	0.24	0.24
Employee Persons Served		259	517	776
Total Persons Served		2,797	15,339	18,136
% of Total Persons Served		15%	85%	100%
<hr/>				
2. <u>General City Facilities & Equipment Cost Calculation</u>				
City Hall Facilities and Land				
Total Current Employees (Excl. Police and Public Works)				13.52
Current Employees per 1,000 Residents				5.33
Estimated Total Employees at Buildout				92.48
Estimated Current Finance and Admin Sq Ft				7,000
Existing Level of Service (Sq Ft per 1,000 Persons Served)				2,503
Estimated Finance and Admin Sq Ft Required at Buildout				45,394
Estimated Average Construction Cost per SF				\$580
Estimated Total Construction Cost				\$26,328,757
Land Acquisition	<u>Acres /2</u>	<u>Cost per Acre</u>		
	4.17	\$300,000		\$1,250,535
Subtotal Facilities and Land Cost				\$27,579,291
Corporation Yard Facilities and Land				
Total Current Employees				6.48
Current Employees per 1,000 Residents				2.32
Estimated Total Employees at Buildout				42.02
Estimated Current Public Works Sq Ft (Office and Lab)				1,000
Existing Level of Service (Sq Ft per 1,000 Persons Served)				358
Estimated Public Works Sq Ft Required at Buildout				6,493
Estimated Average Construction Cost per SF				\$580
Estimated Total Construction Cost				\$3,765,759
Land Acquisition	<u>Acres /2</u>	<u>Cost per Acre</u>		
	0.60	\$150,000		\$89,431
Subtotal Facilities and Land Cost				\$3,855,190
City Museums (Knight's Foundry)				\$1,190,000
Total General City Facilities				\$32,624,481
Estimated Cost Allocated to Existing Development in Sutter Creek				\$5,031,466
Estimated Cost Allocated to Future Development in Sutter Creek				\$27,593,015
Average Cost Per Person Served				\$1,799
<hr/>				
3. <u>Allocation Calculation</u>				
	<u>Persons per Household</u>	<u>Cost per Person Served</u>	<u>Avg Sq. Ft. per Unit</u>	<u>Allocated Cost per SF</u>
Residential	2.19	\$1,799	2,270	\$1.73
Non-Residential		<u>Cost per Employee</u>	<u>Sq. Ft. per Employee</u>	<u>Allocated Cost per Sq. Ft.</u>
Commercial		\$432	550	\$0.79
Office		\$432	300	\$1.44
Industrial		\$432	1,000	\$0.43

/1 1.0 employee equals 0.24 residents.

/2 Assumes a 25% floor-to-area ratio.

Table 4
Parks and Recreation Facilities Cost Allocation

1. <u>Assumptions</u>	Year:	<u>2025</u>	<u>Future Dev't</u>	<u>Buildout Total</u>
Estimated Sutter Creek Population		2,538	14,822	17,360
Estimated Sutter Creek Employment		0	0	0
Equivalent Employees /1		0.24	0.24	0.24
Employee Persons Served		0	0	0
Total Persons Served		2,538	14,822	17,360
<i>% of Total Persons Served</i>		15%	85%	100%
<hr/>				
2. <u>Parks and Recreation Facilities Cost Allocation</u>				
				<u>Total</u>
Current Park and Recreation Area Acres /1				20.2
Current Level of Service (Acres per 1,000 Residents)				8.0
City's Preferred Level of Service (Acres per 1,000 Residents) /2				4.5
		<u>Existing LOS</u>	<u>Preferred LOS</u>	<u>Difference</u>
Total Park and Recreation Acreage Required to Serve the City at Buildout		138.2	78.1	60.0
		<u>Land Acquisition</u>	<u>Construction</u>	<u>Total</u>
Estimated Average Cost per Acre		\$300,000	\$450,000	\$750,000
Total Acreage at Preferred LOS				78.1
Total Cost				\$58,590,000
Estimated Cost Allocated to Existing Development in Sutter Creek				\$8,565,750
Estimated Cost Allocated to Future Development in Sutter Creek (based on Preferred LOS)				\$50,024,250
Average Cost Per Person Served				\$3,375
<hr/>				
3. <u>Allocation Calculation</u>				
	<u>Persons per Household</u>	<u>Cost per Person Served</u>	<u>Avg Sq. Ft. per Unit</u>	<u>Allocated Cost per SF</u>
Residential	2.19	\$3,375	2,270	\$3.25
<u>Non-Residential</u>		<u>Cost per Employee</u>	<u>Sq. Ft. per Employee</u>	<u>Allocated Cost per Sq. Ft.</u>
Commercial		\$0	550	\$0.00
Office		\$0	300	\$0.00
Industrial		\$0	1,000	\$0.00

/1 Excludes 176 acres associated with the Highway 49 Mitigation site, which is identified as a natural area park in the General Plan.

/2 Per required park acres identified in the Gold Rush Ranch Specific Plan.

Source: City of Sutter Creek; Goodwin Consulting Group, Inc.

**Table 5
Transportation Improvements Cost Allocation**

	Average Bldg SF per Unit	Existing Dev't	Future Dev't	Total Dev't	Adjusted PM Trips per Unit or KSF /1	Existing Trips	Future Trips	Total Trips	Allocated Cost per Bldg SF
Total CIP Cost	\$135,000,000								
Residential	2,270	<u>Units</u> 1,433	<u>Units</u> 6,775	<u>Units</u> 8,208	<u>per Unit</u> 0.75	1,077	5,093	6,170	\$5.61
<u>Non-Residential</u>									
		<u>Bldg SF</u>	<u>Bldg SF</u>	<u>Bldg SF</u>	<u>per KSF</u>				
Commercial		185,778	680,434	866,212	1.49	277	1,014	1,290	\$25.24
Office		114,000	179,236	293,236	1.10	126	198	324	\$18.70
Industrial		111,111	316,246	427,357	0.43	48	136	184	\$7.29
Subtotal		410,889	1,175,916	1,586,805		450	1,348	1,798	
Total						1,528	6,440	7,968	
% of Total Trips						19.2%	80.8%	100.0%	
Total Cost Allocated between Existing and Future Development						\$25,882,957	\$109,117,043	\$135,000,000	
Average Cost per Trip							\$16,943		

/1 Adjusted to exclude estimated pass-by trips.

Source: City of Sutter Creek; Institute of Transportation Engineers Trip Generation Manual; Goodwin Consulting Group, Inc.

**Table 6
Drainage Improvements Cost Allocation**

	Average Bldg SF per Unit	Existing Dev't	Future Dev't	Total Dev't	Estimated Density	% Impervious per Acre	Imperviousness			Allocated Cost per Bldg SF
							Existing	Future	Total	
Total CIP Cost	\$70,224,000									
		<u>Units</u>	<u>Units</u>	<u>Units</u>	<u>Units/Acre /1</u>					
Residential	2,270	1,433	6,775	8,208	5.4	0.50	132.7	627.3	760.0	\$3.26
<u>Non-Residential</u>										
		<u>Bldg_SF</u>	<u>Bldg_SF</u>	<u>Bldg_SF</u>	<u>FAR</u>					
Commercial		185,778	680,434	866,212	0.25	0.90	15.4	56.2	71.6	\$6.61
Office		114,000	179,236	293,236	0.25	0.90	9.4	14.8	24.2	\$6.61
Industrial		111,111	316,246	427,357	0.40	0.90	5.7	16.3	22.1	\$4.13
Subtotal		410,889	1,175,916	1,586,805			30.5	87.4	117.9	
Total							163.2	714.7	877.9	
% of Total Imperviousness							18.6%	81.4%	100.0%	
Total Cost Allocated between Existing and Future Development							\$13,055,209	\$57,168,791	\$70,224,000	

/1 Based on average density per General Plan buildout.

Source: City of Sutter Creek; Institute of Transportation Engineers Trip Generation Manual; Goodwin Consulting Group, Inc.