AGENDA

CITY COUNCIL - SPECIAL MEETING (WORKSHOP)
CITY OF BANNING, CALIFORNIA

January 13, 2026
4:00 p.m.
In Chambers

Council Chambers
99 E. Ramsey Street
Banning, CA 92220

The following information comprises the agenda for the special meeting of the Banning City Council, a joint meeting of the City Council and Banning Utility Authority, and the Banning City Council sitting in its capacity as the Banning Successor Agency Board.

This meeting is being held via Zoom so that members of the public may observe and participate in this meeting electronically. If you participate in this meeting via Zoom, you are agreeing to abide by the City's Zoom Community Standards for Public Meetings (provided in full on the last page of the agenda). *Esta reunión se lleva a cabo en la Cámara y a través de Video/Teleconferencia en Zoom para que los miembros del público puedan observar y participar en esta reunión de manera electrónica. Si elige participar en esta reunión a través de Zoom, acepta cumplir con los Estándares comunitarios de Zoom para reuniones públicas de la ciudad (que se proporcionan en su totalidad en la última página de la agenda).*

To observe and participate in the online video portion of the meeting through your personal computer or device, follow this link:
https://us02web.zoom.us/j/82012644588?pwd=RwqtJC8xehLDKZvr3LEKOf9u8uP2pt.1

Dial in: +1 669 900 9128

Meeting ID: 820 1264 4588
Password: 92220

Per the City of Banning Manual of Procedural Guidelines, matters taken up by the Council before 10 p.m. may be concluded, but no new matters shall be taken up except upon a majority vote of the council members present and voting. Such an extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

1. CALL TO ORDER

2. WORKSHOP

2.1 Review of the Proposed Updates to the City of Banning Development Impact Fees
Recommendation: Provide direction to staff and the City's consultant

3. PUBLIC COMMENTS - *Agenda Items Only*

4. ADJOURNMENT

Zoom Community Standards for Public Meetings

By participating in this meeting on Zoom, you are agreeing to abide by the City of Banning's Community Standards for Public Meetings. Zoom attendees that fail to adhere to these standards may be removed from the meeting room.

- Your microphone must remain on mute, and you may only unmute your microphone when/if you are recognized by the Mayor.
- Your camera must be turned off unless/until you are recognized by the Mayor.
- To indicate a desire to make Public Comment, you must use the Raise Hand function. The Mayor will not recognize those who have not used the Raise Hand function.
- Public Comment from Zoom attendees will immediately follow in-person comment from members of the public in Council Chambers.
- If you fail to adhere to these community guidelines, **you may be removed** for disrupting the meeting occurring in Council Chambers. You may rejoin the meeting but may be removed for each violation of these community standards.
- The chat function will be disabled for all City Council meetings on Zoom.

Estándares comunitarios de Zoom para Reuniones Públicas

Al participar en esta reunión en Zoom, usted acepta cumplir con los Estándares Comunitarios para Reuniones Públicas de la ciudad de Banning. Los que atienden por Zoom que no cumplan con estos estándares pueden ser retirados de la sala de reuniones.

- Su micrófono debe permanecer en silencio, y solo puede reactivar su micrófono cuando / si es reconocido por el alcalde.
- Su cámara debe estar apagada a menos que sea reconocido por el alcalde.
- Para indicar el deseo de hacer un Comentario Público, debe utilizar la función Levantar la mano. El alcalde no reconocerá a quienes no hayan utilizado la función Levantar la mano.
- Los comentarios públicos de lo que atienden por Zoom seguirán inmediatamente los comentarios en persona de los miembros del público en las Cámaras del Consejo.
- Si no cumple con estas pautas de la comunidad, es posible que lo destituyan por interrumpir la reunión que tiene lugar en las Cámaras del Consejo. Puede volver a unirse a la reunión, pero es posible que lo eliminen por cada violación de estos estándares de la comunidad.
- La función de chat estará deshabilitada para todas las Reuniones del Ayuntamiento en Zoom.

AFFIDAVIT • DECLARACIÓN JURADA

IT IS HEREBY CERTIFIED under the laws of the State of California that the above agenda was posted on the City's website (www.banningca.gov) as well as the Bulletin Board at Banning City Hall, located at 99 E Ramsey Street, Banning, CA 92220, at least 24 hours in advance of the meeting.

Vickie Sellers

Vickie Sellers, Elected City Clerk
Secretaria Municipal Electa

PUBLIC NOTICE • NOTICIA PÚBLICA

Meeting Agendas and Notices

Interested in receiving email and/or text notifications of upcoming City Council meetings? Sign up for meeting notifications through the City's website. Pursuant to amended Government Code §54957.5(b), staff reports and other public records related to open session agenda items are available on the City's website (www.banningca.gov/).

Public Comment

Agenda Items

Any member of the public may address this meeting of the City Council on any item appearing on the agenda. A five-minute limitation shall apply to each member of the public and no member of the public shall be permitted to share their time with any other person.

Non-Agenda Items

Any member of the public may address this meeting of the City Council on any item which does not appear on the regular meeting agenda but is of interest to the general public and is an item upon which the City Council may act. A three-minute limitation shall apply to each member of the public and no member shall be permitted to share their time with any other person. No action shall be taken, nor discussion held by the City Council, on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of §54954.2 of the Government Code.

Special Assistance/Accessibility Requests

In compliance with the Americans with Disabilities Act, any member of the public may request that the agenda and agenda packet be mailed to them. If you need special assistance to participate in this meeting (such as translation services), please contact the City Clerk's Office. Advanced notification of at least 48 hours prior to the meeting will allow the city to make arrangements to ensure your accessibility.

¿Necesita servicios de traducción para participar? Contacto Oficina del Secretario de la Ciudad.

CONTACT • CONTACTO

City Clerk's Office | 951-922-3102 | CityClerks@banningca.gov
99 East Ramsey Street, Banning, California 92220

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Arturo Vela, Interim City Manager**
PREPARED BY:	**Nate Smith, Deputy Director of Public Works/City Engineer**
MEETING DATE:	**January 13, 2026**
SUBJECT:	**Review of the Proposed Updates to the City of Banning Development Impact Fees**

RECOMMENDATION:

Provide direction to staff and the City's consultant

BACKGROUND:

City Council approved Resolution 2024-92 on June 11th, 2024 that approved a professional services agreement with Matrix Consulting Group LTD for the Comprehensive User Fee and Impact Fee Study. This study would provide an update to both the User Fees assessed by the City of Banning for services provided to the public, as well as updates to the Development Impact Fee program. The work was split into the Comprehensive User Fees, which were adopted by City Council on November 12 with Resolution 2025-156, and the Development Impact Fee Update, which is the subject of this workshop.

The previous development impact fees were adopted with Resolution 2019-112 on September 10, 2019 in accordance with Banning Municipal Code, which was modified with Ordinance 1551 adopted September 24, 2019. The development impact fees have been at the rates set with Resolution 2019-112 since that time.

Development impact fees are regulated in the state by AB1600 which requires a reasonable relationship ("nexus") between the collection of fees and the development within the City's jurisdiction. AB602 has additional requirements that requires the adoption of a nexus study prior to adoption of the fees, that fees be proportional, and that nexus studies must be updated every 8 years. Greater detail on the legal authority and requirements are provided in the draft DIF Report.

DIF is assessed on new development for the projected impact that new development will place on the jurisdiction. Data is used from various sources from the state, region, and City to determine growth patterns and expected development. This information is provided in greater detail in the draft DIF report.
A new DIF category is proposed for Electric services. The City Council adopted a Cost of Service and Rate Study for the Electric Utility in September 2025 (NewGen Strategies and Solutions, LLC) that included a capital component to the study. This report assessed the study to determine if it met the requirements set by the State to implement a DIF and determined that it does.

The report identified that there is a discrepancy between the current DIF and the DIF that is necessary to implement the capital plans that are included with this study. As such, the DIF is proposed to be increased to the maximum justifiable amount for each development category. There are a couple of cases where the DIF is proposed to decrease slightly based on the new study.

DIF is assessed on all new development. There are some Development Agreements in effect that limit what DIF is charged and when DIF can be updated. Two of the significant projects are as follows:

- Atwell
    - Exclusion of some DIF categories
    - Limitations on when DIF can be adjusted
- Rancho San Gorgonio
    - Exclusion of some DIF categories
    - Limitation on when DIF can be adjusted
    - Limitation on the maximum adjustment of DIF

The current DIF ordinance does allow for the adjustment on DIF on an annual basis based on CPI-U for the Riverside/San Bernardino/Ontario region, however, the DIF was not adjusted since its adoption in 2019. As the Atwell development is the primary generator of DIF, and the DA for that project does not permit annual increases. In order to keep a single table of fees applicable to the entire city, the DIF was not updated annually. This practice can take place moving forward with Council direction, but does create separate DIF rates for other developments in the City.

The calculated CPI-U adjustment between July 2019 and July 2025 is 30.14%. If those fees would have been implemented, the percentage increase considered tonight would be lessened. In considering sample projects, all projects saw an increase in DIF ranging from 39% to 95% (based on the CPI-U adjusted DIF values). The major changes are in the Water and Wastewater DIF, where projects in the CIP have seen cost increases that outpace the CPI-U indexes reflected in the updated DIF. The other component is the switch of the Wastewater and Traffic DIF from a fixed cost per EDU and Landuse to a per Square Foot cost as required to comply with AB602. In some instances, the DIF was increased, and others decreased in these categories.

For single family residential, the previous DIF had an inverse relationship between purchase price and amount of DIF paid, meaning the larger the home, the smaller the percentage of DIF of the purchase price. AB602 requires proportionality in DIF assessments, and the updated methodology charges nearly equal DIF as a percentage of the purchase price of the home, meeting the intent on AB602.

This DIF report identifies the maximum justifiable fee that can be charged to the 5 development categories (Single Family Residential, Multi-Family Residential, General Commercial, Office, Industrial) for each DIF service (Police, Fire, Parks, General Facilities, Wastewater, Water, Traffic, Electric). The City Council has the authority to adopt the rates as presented, or make reductions to the rates proposed in the study. In no case, can the City Council adopt rates greater than what is presented in the DIF study.

If a reduced rate is desired, that means that the service area collecting the DIF would require some form of subsidy to fund the capital and equipment cost components to 100%. This could be through other City funds, state funds, federal funds, grants, etc., or deferment of improvements contemplated in the DIF. These are policy decisions to be made by the City Council.

Matrix Consulting and City staff are looking for direction and/or concurrence on the draft findings presented in the report. Those comments will be incorporated in the final document. Staff anticipates bringing the DIF Report to the January 27th Regular Meeting of the City Council as a Public Hearing item, but that date is subject to change based on City Council's input and direction from Council.

JUSTIFICATION:

The current DIF was established in 2019 and have not been adjusted since that time. It is necessary from time to time to update the DIF to maintain compliance with State Law and reflect changes in the capital projects and costs included with the DIF.

FISCAL IMPACT:

None at this time. Fiscal impact will depend on direction received from City Council and more detail will

be provided at the Public Hearing on January 27th.

ALTERNATIVES:
n/a

BUDGETED?:
No

CONTRACT/AGREEMENT:
No

ATTACHMENTS:
1. DRAFT DIF Study Final Report.pdf
2. CC Resolution No. 2019-112.pdf
3. Ordinance No. 1551.pdf

DEVELOPMENT IMPACT FEE (DIF) STUDY

DECEMBER 2025

BANNING, CA

MATRIX
CONSULTING GROUP

TABLE OF CONTENTS

INTRODUCTION AND EXECUTIVE SUMMARY	1
LEGAL FRAMEWORK	8
PROJECTED GROWTH AND DEVELOPMENT	10
ADMINISTRATIVE FEE	13
ELECTRIC IMPACT FEE	14
FIRE IMPACT FEE	18
GENERAL FACILITIES IMPACT FEE	24
PARKS IMPACT FEE	30
POLICE IMPACT FEE	35
TRAFFIC IMPACT FEE	40
WASTEWATER IMPACT FEE	45
WATER IMPACT FEE	51
APPENDIX A – ELECTRIC INFRASTRUCTURE COST	57
APPENDIX B – FIRE INFRASTRUCTURE COST	58
APPENDIX C – GENERAL FACILITIES INFRASTRUCTURE COST	59
APPENDIX D – PARKS INFRASTRUCTURE COST	60
APPENDIX E – POLICE INFRASTRUCTURE COST	61
APPENDIX F – TRAFFIC INFRASTRUCTURE COST	62
APPENDIX G – WASTEWATER INFRASTRUCTURE COST	63
APPENDIX H – WATER INFRASTRUCTURE COST	65

INTRODUCTION AND EXECUTIVE SUMMARY

The ***draft*** report, which follows, presents the results of the Development Impact Fee Study conducted by Matrix Consulting Group for the City of Banning.

PROJECT BACKGROUND AND SCOPE OF WORK

The City of Banning retained Matrix Consulting Group to update existing impact fees to ensure compliance with the state's nexus requirements and to explore the development of new impact fees. Within the state of California, impact fees are governed by the Mitigation Fee Act (AB1600) (Gov. Code §66000 et seq.) and AB602, which require demonstrating a reasonable relationship between the development activity and the proposed benefit. The City's last comprehensive impact fee update was in 2019; as such, the City is reevaluating the nexus for these impact fees to ensure they remain appropriate and reflect completed and new projects. The results of this study will allow the City to ensure that future development has a nexus with its proportionate impact on City infrastructure and to update the fee amounts to better reflect those impacts.

GENERAL PROJECT APPROACH AND METHODOLOGY

The California Housing and Community Development Department outlines three typical methodologies for calculating impact fees: the existing inventory method, the planned facility method, and the system plan method (a hybrid of the existing and planned methods). For this analysis, the project team used the more widely accepted and recognized 'system plan method' to calculate the fees.

The 'system plan method' utilizes the concept of a 'service level standard'. This standard is based on the recognition of the jurisdiction's existing service-level standards for its service users (i.e., residents, employees, students, etc.). As new development and growth in the community occur, there is potential for the service level standard to decline if appropriate measures are not taken to maintain it. Therefore, the 'service level standard' calculates the impact of each individual on the City's infrastructure and applies it to future individuals and growth. If the service population increases, there would be a corresponding impact on infrastructure, thereby creating a nexus for the collection of impact fees. However, if there is no increased population or use of those services, impact fees would not be justifiable or applicable.

For the purposes of calculating impact fees, the project team reviewed a variety of data elements from the state, regional organizations, county, and City staff. The following points highlight the data reviewed through the course of this analysis:

- **Ordinances and Codes:** The project team reviewed the City's ordinances and municipal code to ensure that there was the legal authority to assess and increase current impact fees.

- **General Plan, Facilities Assessment, Department Master Plans, and CIP Plans:** Data was reviewed from a variety of City-specific documents regarding the potential growth in the community, the goals for the City and the departments, as well as future capital projects.
- **Growth and Projection Data:** Population, household, dwelling unit, and employment information for current and future years was obtained from the U.S. Census Bureau, the California Department of Finance, the Southern California Association of Governments (SCAG), American Water Works Association (AWWA) and internal City General Plan projection documents.
- **Service Level Standards:** Information on police facilities, fire equipment, transportation projects, storm drain projects, and park needs was collected, reviewed, and applied to calculate future impacts.
- **Revenues and Expenses:** Revenue collected from impact fees was reviewed to ensure compliance with reporting practices and to calculate an administrative overhead percentage. Expense information was reviewed for infrastructure costs and overhead to support impact fees.

These components were used to develop and update the City's impact fees.

SUMMARY OF RESULTS

During this analysis, the project team evaluated impact fees based on projected population impacts for 2025-2040. Based on the results, the maximum justifiable impact fees were calculated for the following infrastructure: Electric, Fire, General Facilities, Parks, Police, Traffic, Wastewater, and Water.

As outlined in the Mitigation Fee Act, proportional costs associated with future infrastructure impacts, along with administrative overhead, were used to calculate the full cost of the impact fees presented. It is important to note that AB602 states that residential (single-family and multi-family) should be calculated based upon proportional square footage, rather than per dwelling unit. To comply with this regulation, all residential fees were converted to a per-square-foot calculation. The following subsections show the results of the updated impact fees calculated for the City.

ELECTRIC IMPACT FEE

The City recently completed a Cost of Service and Rate Study for its electric operations (September 2025, NewGen Strategies and Solutions, LLC). One mechanism to maintain the service standard outlined in the NewGen study is for the City to explore the feasibility of implementing an impact fee for its electrical utility infrastructure. Through this analysis, the project team calculated the full cost to be as follows:

Table 1: Proposed Electric Impact Fee

Category	Full Cost
Residential: Per Sq. Ft.	
Single Family	$1.24
Multi-Family	$1.16
Non-Residential: Per Sq. Ft.	
Commercial	$2.95

Category	Full Cost
Office	$2.77
Industrial	$1.58

The full cost fee calculated through this study represents the maximum fee that the City can charge, inclusive of an allowable administrative fee outlined in the Mitigation Fee Act.

FIRE IMPACT FEE

The City of Banning administers a Fire impact fee to ensure that new development contributes its proportional share of costs to offset the demand placed on fire facilities, vehicles, and equipment required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

Table 2: Current vs. Full Cost – Fire Impact Fee

Category	Current Fee	Full Cost	Difference	Current Cost Recovery %
Residential: Per Sq. Ft.[1]				
Single Family	$0.39	$1.26	($0.87)	31%
Multi-Family	$0.61	$2.18	($1.57)	28%
Non-Residential: Per Sq. Ft.				
Commercial	$0.49	$0.67	($0.18)	73%
Office	$0.63	$0.88	($0.25)	72%
Industrial	$0.24	$0.33	($0.09)	73%

All fire impact fees show an under-recovery, ranging from a low of $0.09 per square foot for industrial projects to a high of $1.57 per square foot for multi-family residential development. The full cost fee calculated in this study represents the maximum fee the City can charge and includes the administrative fee allowable under the Mitigation Fee Act.

GENERAL FACILITIES IMPACT FEE

The City of Banning administers a General Facilities impact fee to ensure that new development contributes its proportional share of costs to offset the demand placed on public facilities (i.e., City Hall, corporation yard, etc.), city vehicles, and equipment required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

[1] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

Table 3: Current vs. Full Cost – General Facilities Fee

Category	Current Fee	Full Cost	Difference	Current Cost Recovery %
Residential: Per Sq. Ft.[2]				
Single Family	$0.27	$1.23	($0.95)	22%
Multi-Family	$0.43	$2.13	($1.70)	20%
Non-Residential: Per Sq. Ft.				
Commercial	$0.49	$0.47	$0.02	103%
Office	$0.64	$0.62	$0.02	103%
Industrial	$0.24	$0.23	$0.01	104%

Residential fees under-recover, while non-residential fees slightly over-recover on a square footage basis. Like other impact fees, the full cost fee calculated through this study represents the maximum fee that the City can charge, inclusive of all allowable administrative costs outlined in the Mitigation Fee Act.

PARKS IMPACT FEE

The City of Banning administers a Parks impact fee to ensure that new development contributes its proportional share of costs to offset the acquisition of new land and the demand placed on park infrastructure required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

Table 4: Current vs. Full Cost – Parks Impact Fee

Category	Current Fee	Full Cost	Difference	Current Cost Recovery %
Residential: Per Sq. Ft.[3]				
Single Family	$2.02	$3.80	($1.78)	53%
Multi-Family	$3.14	$6.59	($3.45)	48%

The City under-recovers for both of its residential park-specific impact fees. The full cost fee calculated through this study represents the maximum fee that the City can charge and is inclusive of the administrative fee allowable under the Mitigation Fee Act.

POLICE IMPACT FEE

The City of Banning administers a Police impact fee to ensure that new development contributes its proportional share of costs to offset the demand placed on police facilities, vehicles, and equipment

[2] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

[3] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

Table 5: Current vs. Full Cost – Police Impact Fee

Category	Current Fee	Full Cost	Difference	Current Cost Recovery %
Residential: Per Sq. Ft.[4]				
Single Family	$0.63	$0.90	($0.27)	70%
Multi-Family	$0.98	$1.57	($0.59)	63%
Non-Residential: Per Sq. Ft.				
Commercial	$0.35	$0.48	($0.13)	72%
Office	$0.46	$0.63	($0.17)	73%
Industrial	$0.17	$0.23	($0.06)	72%

All police impact fees show an under-recovery, ranging from a low of $0.06 per square foot for industrial projects to a high of $0.59 per square foot for multi-family residential development. As with other impact fees, the full cost fee calculated through this study represents the maximum justifiable fee that the City can charge and is inclusive of the administrative fee allowable under the Mitigation Fee Act.

TRAFFIC IMPACT FEE

The City of Banning administers a Traffic impact fee to ensure that new development contributes its proportional share of costs to offset the restoration and expansion of the City's transportation infrastructure required to support growth. The city's prior traffic impact fee analysis had a different impact fee for each type of potential land use that could exist in the City. For streamlining purposes as well as consistency with the other impact fees, the categories were condensed. As such, the impact fees cannot be compared, and the following table only shows the full cost of the traffic impact fee.

Table 6: Current vs. Full Cost – Traffic Impact Fee

Category	Full Cost
Residential: Per Sq. Ft.	
Single Family	$1.23
Multi-Family	$1.03
Non-Residential: Per Sq. Ft.	
Commercial	$10.37
Office	$3.39
Industrial	$1.65

[4] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

In an effort to streamline the administration of the City's traffic-specific impact fees, it was proposed to reclassify the land-use categories. The full cost includes administrative costs and represents the maximum amount the City can charge to recover for transportation-related impacts.

WASTEWATER IMPACT FEE

The City of Banning administers a Wastewater impact fee to ensure that new development contributes its proportional share of costs to offset the restoration and expansion of the City's wastewater infrastructure (including gravity mains, force mains, lift stations, wastewater treatment plant, etc.) required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

Table 7: Current vs. Full Cost – Wastewater Impact Fee

Category	Current Fee	Full Cost	Difference	Current Cost Recovery %
Residential: Per Sq. Ft.[5]				
Single Family	$2.66	$6.82	($4.15)	39%
Multi-Family	$5.06	$4.62	$0.44	110%
Non-Residential: Per Sq. Ft.				
Commercial	Varies	$4.79	N/A	N/A
Office	Varies	$1.68	N/A	N/A
Industrial	Varies	$1.82	N/A	N/A

The single-family wastewater impact fee under-recovers, while the multi-family rate over-recovers. This rightsizing is primarily due to converting the fee from per-dwelling-unit to per-square-foot, in alignment with recent legislation. Currently, the City charges its non-residential rates based on the various development types. Going forward, it was proposed to reclassify non-residential fees into three categories to provide consistent land-use-based rates. The full cost fee calculated in this study represents the maximum fee the City can charge and includes the administrative fee allowable under the Mitigation Fee Act.

WATER IMPACT FEE

The City of Banning administers a Water impact fee to ensure that new development contributes its proportional share of costs to offset the restoration and expansion of the City's water infrastructure (including pipelines, wells, valves, pump stations, etc.) required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

[5] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

Table 8: Current vs. Full Cost – Water Impact Fee

Meter Size	Current Fee	Full Cost	Difference	Current Cost Recovery %
3/4"	$5,847	$11,251	($5,404)	52%
1"	$9,744	$18,751	($9,007)	52%
1-1/2"	$19,488	$37,503	($18,015)	52%
2"	$31,181	$60,004	($28,823)	52%
3"	$58,464	$112,508	($54,044)	52%
4"	$97,441	$187,513	($90,072)	52%
6"	N/A	$375,025	N/A	N/A
8"	N/A	$1,050,071	N/A	N/A

The City under-recover for water impact fees. The full cost fee calculated in this study represents the maximum fee the City can charge and includes the administrative fee allowable under the Mitigation Fee Act.

SUMMARY

Through this analysis, all of the City's impact fees have been reviewed and, in general, show under-recoveries. The only fees that the City will need to reduce are related to General Public Facilities non-residential properties, and Wastewater multi-family development. Overall, this report details the calculations for each impact fee and validates the nexus between the full cost identified and the proportionate impact of new development.

The updated and proposed impact fees calculated through this study represent the maximum justifiable costs associated with the proportionate share and impact of new development within Banning. It is up to City staff, management, and Council to use the information in this report to determine whether new development should bear the full cost or whether the City should subsidize it.

The City does not currently increase its impact fees annually. Due to changes in construction/infrastructure costs, it is best practice to increase these fees annually. The most appropriate factor for annual increases is the Construction Cost Index (CCI). This is considered a best practice and ensures that increases in construction costs are included in the impact fees, and a proportionate share is passed onto new development.

The annual increase is not meant to be an infinite increase in fees. Per the Mitigation Fee Act and Assembly Bill 602 the nexus for the impact fees should be reevaluated every eight years to ensure that there is still an appropriate correlation between the current fee being charged and proposed development within the City.

LEGAL FRAMEWORK

Impact Fees are a mechanism for new development to pay for their proportionate share of impact upon City owned facilities and infrastructure. The following subsections discuss the State's requirements for impact fees and the City's legal authority for assessing these fees.

STATE LEGAL AUTHORITY – AB1600

Development Impact Fees in California are governed by the Mitigation Fee Act[6], which includes AB1600 and AB602. At a high level, AB1600 specifies that there needs to be a reasonable relationship, or "nexus," between the collection of fees and the new residential and non-residential development within a City's service area. It states that revenue can only be used to expand current facilities or purchase new facilities, infrastructure, and equipment. It also states that the revenue generated cannot be used to fund staffing, maintenance, or other operational costs.

To establish a nexus between new development and the need for new facilities or infrastructure, the legislation requires that certain criteria be met. The following points highlight each of the required criteria:

- **Purpose of Fee:** Outline specific types of facilities, infrastructure, equipment, and projects for which the impact fee will be utilized.
- **Impact Relationship:** In order to establish an impact relationship there needs to be a clear and reasonable relationship between the need for the public facility or infrastructure and the type of development project upon which the fee is imposed.
- **Proportionality:** The proportionality requirement states that the impact fee established must be directly related to the proportionate impact of the type of development project.
- **Benefit Relationship:** The benefit relationship requires that the use of the impact fee revenue and the type of development project upon which it is imposed is reasonable.
- **Use of Fee Revenue:** The revenue collected from the impact fees can only be used to fund the identified facility expansions, infrastructure improvements, or to purchase new equipment.

For each of the impact fees evaluated through this study, the individual chapter will discuss how the fee is able to meet the nexus criteria identified, as well as its compliance with the "Sheets v. El Dorado County" findings of "roughly proportionate" to the impacts of the project.

[6] CA Govt Code § 66001

STATE LEGAL AUTHORITY – AB602

In January of 2022, Assembly Bill 602 (AB602) went into effect. This Bill is applicable to all impact fees adopted / implemented January 1, 2022, or later. The bill has three main criteria:

- Prior to the adoption of new impact fees, a nexus study needs be adopted.
- The nexus study needs to identify existing service levels, the new service level, and an explanation of why the new service level is appropriate.
- A fee levied on housing development must be proportionate to the square footage of proposed units unless findings are established on why square footage is not the appropriate metric. This ensures larger residential projects pay a higher portion of fees than smaller residential (i.e. ADU) projects.
- If the nexus study supports the increase of existing fees, the assumptions of the nexus study supporting the original fee must be reviewed and the amount of fees collected under the original fee.
- Large jurisdictions must adopt a capital improvement plan with the nexus study.

Along with these criteria, some other key provisions of the bill include:

- Impact fees must be posted online – along with the nexus analysis.
- All impact fees must be collected by the time of final inspection or certificate of occupancy issuance, whichever occurs later[7].
- Impact fees nexus studies must be updated every eight years.

Under directive from AB602, the State's Department of Housing and Community Development created templates for a nexus study and residential feasibility analysis. These resources establish a litmus test for cities to gauge their compliance.

This report will serve as the City's nexus analysis for its existing impact fees and will ensure that all criteria per AB602 are met and clearly outlined.

CITY LEGAL AUTHORITY FOR IMPACT FEES

The City of Banning has the legal authority to impose impact fees as outlined in the municipal code (Chapter 15.68). The municipal code outlines the components that make up each impact fee, the types of projects exempt from paying the fee, how and when the fee is collected, and how impact fee funds are to be used. The City's most recent impact fee resolutions were adopted in 2019 (Ord. No. 1551, § 8, 9-24-19). This resolution provided a list of all current impact fees based upon a prior 2019 Nexus Analysis study, with updated fee amounts. To implement the Electric Impact Fee, the City would require an update to its ordinance and resolution.

[7] Section 65940.1.(3)

PROJECTED GROWTH AND DEVELOPMENT

The projected increase in the jurisdiction's population (both residential and non-residential) is the primary criterion for determining the projected impact of new development on a jurisdiction. These population projections serve as the basis for impact fee calculations. To calculate the projected growth and development, as well as density requirements, the project team reviewed the following sources of data:

- **State of California Department of Finance:** Data from the Department of Finance were used for 2025 estimates of the total residential population within the City.
- **Southern California Association of Governments (SCAG):** This data was utilized to inform growth projections for 2040.
- **Employment Development Department Report:** The most recent report information was utilized to inform employment projections.
- **General Plan, Facilities Plans, Regional Plans, and City Projections:** General Plan and facilities master plan information was used to estimate future dwelling units, square-footage growth, employment, and facility needs.
- **US Census Bureau:** The Census Bureau's American Community Survey (ACS) information was used to calculate residential densities.

Information from these sources was used to calculate the projected population increase and the resulting population densities. The following subsections discuss the population projections calculated and the population densities used to calculate the impact fees.

POPULATION PROJECTIONS

The basis for impact fees is predicated on sufficient population growth that results in a meaningful impact on City Infrastructure. The following table shows by category, the 2025 estimates, the 2040 estimates, and the overall projected increase:

Table 9: Population Projections

Category	2025 Estimates	2040 Estimates[8]	Total Projected Increase
Residential	31,949[9]	37,600	5,651
Non-Residential	11,400[10]	14,200	2,800

Overall, the residential population is projected to grow by roughly 5,700 residents over the next 15 years, while the non-residential population is expected to grow by 2,800 employees.

[8] The 2040 estimates come SCAG Jurisdictional Forecast.
[9] The residential estimate comes from the California Department of Finance Table E-5 2025
[10] The non-residential estimate comes from 2023 Average Annual EDD Labor Report

The numbers noted in the table served as the basis for all proportionate impact calculations throughout this study, with non-residential information used for calculations associated with non-residential projected growth.

POPULATION DENSITIES

In addition to the population projection information, the other data set consistently used in the calculations is the density for residential and non-residential categories. The following subsections discuss the population density assumptions used to calculate all impact fees in this report.

RESIDENTIAL POPULATION DENSITY

Currently, Banning categorizes residential population into two categories: single-family and multi-family, both of which are administered based on the number of dwelling units. Due to changes in the regulations, residential density per unit cannot be used as the basis for impact fee calculation.

Therefore, the project team used existing information to generate density based on square footage per resident (similar to non-residential densities).

The project team used US Census data to calculate the residential density factors. The total number of people in per unit type (single-family or multi-family) was divided by the total number of units, resulting in an average persons per unit. The following graphic shows the calculation for single-family[11] and multi-family[12]:

Table 10: Single Family Per Unit Calculation

$$\frac{25{,}563 \text{ \# of ppl in units}}{9{,}155 \text{ \# of units}} = \textbf{2.79 people per unit}$$

Table 11: Multi-Family Per Unit Calculation

$$\frac{2{,}375 \text{ \# of ppl in units}}{931 \text{ \# of units}} = \textbf{2.55 people per unit}$$

To convert people per unit to a square footage per resident calculation, the calculated value was divided by the average square footage of a residential unit, resulting in an average square footage per person. The calculated value was then multiplied by 1,000, providing the average number of people per 1,000 square feet. The following graphic shows this calculation for single-family and multi-family:

Table 12: Single Family Avg. Sq. Ft. Per Person Calculation

$$\frac{2.79 \text{ people per unit}}{1{,}900^{13} \text{ average sq. ft. per unit}} \text{ X } 1{,}000 \text{ sq. ft.} = \textbf{1.47 ppl per 1,000 sq. ft.}$$

[11] The single-family data comes from the US Census data table B25033.
[12] The multi-family data comes from the US Census data table B25032.
[13] Based on discussions with City staff it was determined that 1,900 sq. ft. is fairly representative of the size of the typical single-family dwelling in Banning.

Table 13: Multi-Family Avg. Sq. Ft. Per Person Calculation

$$\frac{\text{2.55 people per unit}}{\text{1,000}^{14}\text{ avg. sq. ft. per unit}} \text{ X 1,000 sq. ft. = } \mathbf{2.55\ ppl\ per\ 1,000\ sq.\ ft.}$$

The people per 1,000 square feet, or household density factor for single-family, is 1.47, and for multi-family, it is 2.55. The density factor is then divided by the cost-per-capita calculation to derive the base impact fee.

NON-RESIDENTIAL POPULATION DENSITY

Similar to the residential density calculation, a non-residential development calculation was performed for the City. The City uses three main non-residential categories: Commercial, Office, and Industrial. The project team used City staff values for the non-residential density. The City utilized the same density factors as utilized in the 2019 nexus analysis. The following table shows the density associated with each non-residential category type:

Table 14: Non-Residential Population Densities

Category	Density (employees per 1,000 sq. ft.)
Commercial	2.39
Office	3.12
Industrial	1.16

The density (square footage per employee) is multiplied by the cost per capita calculation to derive the base impact fee.

The following chapters use the assumptions in this section to estimate the proportional impact of new development on the City's existing and proposed infrastructure.

[14] Based on discussions with City staff it was determined that 1,000 sq. ft. is fairly representative of the size of the typical multi-family dwelling in Banning.

ADMINISTRATIVE FEE

In accordance with regulations outlined in the Mitigation Fee Act, a citywide administrative fee was calculated for use in this analysis.

The project team took the four-year average[15] of actual revenue for each impact fee fund and divided the revenue by the citywide overhead cost calculated in the City's most recent cost allocation plan[16]. The results were then averaged to produce a city-specific administrative fee. The following table shows the calculation:

Table 15: Administrative Fee Calculation

Funds	4 Yr. Avg. of Actual Revenue	CAP OH	Administrative %[17]
410 Fire	$1,169,479	$186	0.00%
430 General Facilities	$454,039	$25,065	5.00%
451 Parks	$165,285	$14,044	8.00%
400 Police	$331,553	$185	0.00%
420 Traffic	$2,201,371	$699	0.00%
681 Wastewater	$8,578,218	$3,256	0.00%
661 Water	$3,197,641	$131,436	4.00%
	Average Administrative %		**2.00%**

Based on the average administrative expenses incurred across the funds, the calculated citywide administrative fee is 2%. This accounts for the support provided by City staff in the monitoring and reporting of impact fee funds and is added to the individual calculated impact fees, resulting in a maximum justifiable impact fee.

[15] The following fiscal years were averaged: FY21-22, FY22-23, FY23-24, and FY24-25.
[16] Based on FY24 information.
[17] The administrative percentage shows rounded values, which is why it shows 0.00% for certain funds.

ELECTRIC IMPACT FEE

The City recently completed a cost-of-service and rate study for its electric operations (September 2025, NewGen Strategies and Solutions, LLC). One method to support the service standards outlined in the NewGen study is to evaluate the feasibility of establishing an impact fee for electrical utility infrastructure. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of fire impact fees.

GROWTH ASSUMPTIONS

The purpose of an electric impact fee is to recover the proportionate costs associated with the increased demand placed on the electrical infrastructure by new development, which in turn necessitates the enhancement, expansion, or replacement of existing infrastructure. Electric impacts are measured in average annual kilowatt-hours per square foot (kWh/sq. ft.). For purposes of this analysis, the project team used the California Energy Commission findings for residential[18] and non-residential[19] land use types.

Once the average annual kilowatt-hours per square foot for each land use category are established, the single-family rate of 4.00 kWh/sq. ft. is used as the baseline equivalent dwelling unit (EDU), assigned a value of 1.00[20]. All other land use types are then expressed as a proportion of this baseline by dividing their respective rates by the single-family residential benchmark. This proportional conversion ensures that each land use type contributes its fair share of capital costs based on relative electrical demand. The following table shows these conversions.

Table 16: EDU Factor Calculation

Category	Avg. Annual kWh / 1,000 Sq. Ft.	SFR - Baseline	EDU Factor
Residential			
Single Family	4,000	4,000	1.00
Multi-Family	3,745	4,000	0.94
Non-Residential			
Commercial	9,500	4,000	2.38
Office	8,900	4,000	2.23
Industrial	5,100	4,000	1.28

[18] 2019 California Residential Appliance Saturation Study (RASS)
[19] 2022 California Commercial End-Use Survey (CEUS): Final Report
[20] SFR is used as the EDU baseline strictly for normalization purposes; it does not imply a greater impact, only a consistent reference unit for flow comparison.

The above EDU factors are then multiplied by the difference in dwelling units per land use type from 2025 to 2040. These calculations are shown in the table below:

Table 17: Projected Total Number of EDUs Calculation

Category	2025 KSF [21]	2040 KSF [22]	Difference	EDU Factor	Weighted 2025 DU / KSF	Weighted 2040 DU / KSF	Weighted Difference
Residential							
Single Family	19,426	28,073	8,647	1.00	19,426	28,073	8,647
Multi-Family	2,381	16,728	14,347	0.94	2,229	15,661	13,432
Total	**21,807**	**44,801**	**22,994**		**21,655**	**43,734**	**22,079**
Non-Residential							
Commercial	1,204	2,993	1,789	2.38	2,859	7,108	4,249
Office	2,234	1,895	(339)	2.23	4,970	4,216	(753)
Industrial	1,340	977	(363)	1.28	1,708	1,246	(462)
Total	**4,777**	**5,865**	**1,088**		**9,537**	**12,570**	**3,033**
			Total Number of KSF		**31,192**	**56,304**	**25,112**

The total projected growth of thousand square feet from 2025 to 2040 is roughly 25,122. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per EDU, which serves as the basis for calculating the electric impact fee.

COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in EDUs, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Electric impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 18: Total Projected Infrastructure Cost – Electric

Total Electric CIP Cost[23]	$30,600,000
Total Projected Net Infrastructure Cost	**$30,600,000**

No fund balance is removed as this is a new fee. Over the next 15 years, the City will require approximately $30.6 million to meet the needs of the City's existing and future population. The total projected net infrastructure cost is then divided by the weighted growth in EDU, resulting in a cost per EDU. The calculation is shown below:

[21] Based on Department of Finance and EDD Current projections.
[22] Based on Banning's General Plan.
[23] A detailed accounting of the CIP costs is included in Appendix A of this report.

Table 19: Electric Cost Per EDU Calculation

$$\frac{\$30,600,000 \text{ Total Projected Net Infrastructure Cost}}{25,112 \text{ Weighted Growth in EDU}} = \$1,219 \text{ Cost / EDU}$$

The $1,219 per EDU cost illustrates the amount the City should invest in electrical infrastructure per dwelling unit.

IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per EDU is $1,219. This is the cost regardless of residential or non-residential development. This value is then multiplied by the EDU factor, resulting in the Electric impact fee. The following table shows this calculation:

Table 20: Electric Impact Fee Calculation

Category	Cost Per EDU	EDU Factor	Impact Fee
Residential: Per KSF			
Single Family	$1,219	1.00	$1,219
Multi-Family	$1,219	0.94	$1,141
Non-Residential: Per KSF			
Commercial	$1,219	2.38	$2,894
Office	$1,219	2.23	$2,711
Industrial	$1,219	1.28	$1,554

The cost per unit for residential single-family development is $1,219, multi-family is $1,141, and non-residential development varies from a low of $1,554 per 1,000 square feet for industrial properties to a high of $2,894 per 1,000 square feet for commercial development. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 21: Electric Impact Fee Calculation – Including Administrative Fee

Category	Impact Fee	Admin %	Impact Fee + Admin Fee Per KSF	Impact Fee + Admin Fee per Sq. Ft.
Residential				
Single Family	$1,219	2%	$1,243	**$1.24**
Multi-Family	$1,141	2%	$1,164	**$1.16**
Non-Residential				
Commercial	$2,894	2%	$2,952	**$2.95**
Office	$2,711	2%	$2,765	**$2.77**
Industrial	$1,554	2%	$1,585	**$1.58**

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development.

NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Electric Impact fee meets the criteria.

Table 22: Impact Fee Nexus Criteria – Electric

Criteria	Meet
Purpose Of Fee	The purpose of this fee would be to upgrade existing electric infrastructure necessary to maintain services levels and enhance or replace electric-specific equipment.
Use of Fee Revenue	Revenue associated with this impact fee would be housed in a specific electric impact fee fund to help ensure that funds are appropriately accounted for and used to meet the electric infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to expand, upgrade, or replace existing electric infrastructure and equipment to accommodate increased usage proportional to grow. New residents and employees receive benefits associated with a reliable electrical system.
Impact Relationship	New development contributes additional pull on the electrical grid. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional wear would be borne by new residents or employees.
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	A capital improvement plan has been adopted to update the City's electric infrastructure and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the current standard of the electric infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment.
Original Nexus Analysis	There was no prior nexus analysis so this would serve as the basis of the nexus analysis.

As the table demonstrates, the City meets all five criteria necessary to charge an electric development impact fee, as well as the three additional criteria associated with AB602. Additionally, the electric impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate electric infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's electric infrastructure.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions. Of the surveyed jurisdictions, none assess an electric-specific impact fee.

FIRE IMPACT FEE

The City currently administers a fire impact fee to recover the proportionate costs of fire infrastructure required to serve new development. The Fire Department provides services to both residential and non-residential populations, and future growth will increase demand for fire-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current fire impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of fire impact fees.

GROWTH ASSUMPTIONS

The Fire Department serves both residential and non-residential populations (employees). Future development would require expanded Fire stations and purchasing additional vehicles and equipment. Since the Fire Department's primary goal is to provide fire prevention and suppression services within the City, its services benefit both existing and future development. To determine the proportional share of existing and future development, the project team calculated the City's future service population. In addition, since an employee working within the city does not have the same tendency to use fire services as a resident, their impact was weighted less. The weighting for employees was based on the acreage within the City zoned for non-residential use. Based on zoning, non-residential acreage accounts for 33% of the City of Banning; therefore, the non-residential population was weighted at 33%. The following table shows the current population for each category, the proportionate weight factor, and the weighted population:

Table 23: Weighted Population Calculation

Category	2025 Population	Weight Factor	Weighted 2025 Population
Residential	31,949	100%	31,949
Non-Residential	11,400	33%	3,754
Total	**43,349**		**35,703**

The total weighted 2025 population is roughly 36,000. This value is then divided by the total cost to be apportioned, as outlined in the following section, resulting in a weighted cost per capita.

COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential and non-residential populations, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Fire impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these

facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 24: Total Projected Infrastructure Cost - Fire

Total Fire Facility Cost[24]	$27,244,568
Total Fire Equipment & Vehicle Cost[25]	$4,500,000
Total Projected Infrastructure Cost	**$31,744,568**
Current Fund Balance[26]	($1,789,387)
Total Projected Net Infrastructure Cost	**$29,955,180**

Over the next 15 years, the Fire Department will require approximately $30 million to meet the needs of the City's existing and future population.

IMPACT FEE CALCULATIONS

As the previous section calculated, the total infrastructure needs for the Fire Department are approximately $30 million. This cost is then divided by the total weighted service population as shown in Table 23, resulting in the cost per capita. The figure below shows this calculation.

Table 25: Cost Per Capita Calculation

$$\frac{\$29,955,180 \text{ Total Projected Net Infrastructure Cost}}{35,703 \text{ Weighted 2025 Population}} = \textbf{\$839 Cost per Capita}$$

The $839 per capita cost illustrates the amount the City should invest in fire infrastructure per person. Again, since the non-residential population does not have the same need for fire services, the 33% weighting (based on City zoning) is applied to cost per capita for residents versus non-residential users.

Table 26: Weighted Cost Per Capita

Category	Cost / Capita	Weight Factor	Weighted Cost Per Capita
Residential	$839	100%	**$839**
Non-Residential	$839	33%	**$276**

While the residential cost per capita remains at $839, the non-residential cost per capita reduces to $276.

The weighted cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the Fire impact fee by category. The following table shows this calculation.

[24] A detailed accounting of the facility costs is included in Appendix B of this report.
[25] A detailed accounting of the equipment costs is included in Appendix B of this report.
[26] Represents the fund balance at the end of FY24-25.

Table 27: Fire Impact Fee Calculation

Category	Cost Per Capita	Density	Impact Fee
Residential: Per 1,000 Sq. Ft.			
Single Family	$839	1.47	**$1,233**
Multi-Family	$839	2.55	**$2,140**
Non-Residential: Per 1,000 Sq. Ft.			
Commercial	$276	2.39	**$660**
Office	$276	3.12	**$862**
Industrial	$276	1.16	**$320**

The cost per 1,000 square feet for residential single-family development is $1,233, multi-family is $2,140, and non-residential development varies from a low of $320 per 1,000 square feet for industrial properties to a high of $862 per 1,000 square feet for offices. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 28: Fire Impact Fee Calculation – Including Administrative Fee

Category	Impact Fee	Admin %	Impact Fee + Admin Fee Per 1,000 Sq. Ft.	Impact Fee + Admin Fee per Sq. Ft.
Residential				
Single Family	$1,233	2%	$1,258	**$1.26**
Multi-Family	$2,140	2%	$2,183	**$2.18**
Non-Residential				
Commercial	$660	2%	$674	**$0.67**
Office	$862	2%	$879	**$0.88**
Industrial	$320	2%	$327	**$0.33**

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Fire impact fee to the full cost impact fees, and the associated per unit difference:

Table 29: Current vs. Full Cost – Fire Impact Fee

Category	Current Impact Fee[27]	Full Cost Impact Fee	Difference
Residential: Per Sq. Ft.			
Single Family	$0.39	$1.26	($0.87)
Multi-Family	$0.61	$2.18	($1.57)

[27] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

Category	Current Impact Fee[27]	Full Cost Impact Fee	Difference
Non-Residential: Per Sq. Ft.			
Commercial	$0.49	$0.67	($0.18)
Office	$0.63	$0.88	($0.25)
Industrial	$0.24	$0.33	($0.09)

All impact fees show an under-recovery, ranging from a low of $0.09 per square foot for industrial to a high of $1.57 per square foot for multi-family developments.

NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Fire Impact fee meets the criteria.

Table 30: Impact Fee Nexus Criteria – Fire

Criteria	Meet
Purpose Of Fee	The purpose of this fee is to upgrade existing Fire stations, cover costs of new stations necessary to maintain services levels, and enhance or replace fire-specific vehicles and equipment.
Use of Fee Revenue	Revenue associated with this impact fee is housed in a specific fire impact fee fund to help ensure that funds are appropriately accounted for and used to meet the fire infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to rehabilitate existing fire stations and equipment to accommodate to allow for the most efficient response for service. New residents and employees receive benefits associated with more efficient response times and enhanced equipment.
Impact Relationship	The addition of new residents and employees would have an impact on the ability of the fire services to respond adequately and in an efficient manner. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for responses would be borne by new residents or employees.
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	A capital improvement plan has been adopted to update the City's fire facilities and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the current standard of the fire infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment.

Criteria	Meet
Original Nexus Analysis	The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development.

As the table demonstrates, the City meets all five criteria necessary to continue charging the fire development impact fee, as well as the three additional criteria associated with AB602. Additionally, the fire impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate fire infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's fire facilities, as it does not exceed the City's cost of providing fire services to new development.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Fire Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

Table 31: Comparative Survey – Fire Impact Fee

	Residential		Non-Residential (Per Sq. Ft.)		
Jurisdiction	Single Family	Multi-Family	Commercial	Office	Industrial
Banning - Current	**$0.39 per sq. ft**	**$0.61 per sq. ft**	**$0.49**	**$0.63**	**$0.24**
Banning - Full Cost	**$1.26 per sq. ft.**	**$2.18 per sq. ft.**	**$0.67**	**$0.88**	**$0.33**
Beaumont	$0.35 per sq. ft.	$0.35 per sq. ft.	$0.36	$0.48	$0.17
Colton	$870 per unit	$662 per unit	$0.21	$0.36	$0.08
Desert Springs	$441 Detached Dwelling $453 Attached Dwelling	$441 Detached Dwelling $453 Attached Dwelling	$0.12	$0.12	$0.09
Palm Desert	$709 Low Density	$306 Medium Density $182 High Density	$0.22	$0.21	$0.21
Redlands	$0.45 per sq. ft.	$0.45 per sq. ft.	$0.17	$2.08	$2.46
Yucaipa	$0.63 per sq. ft.	$0.63 per sq. ft.	$0.52	$0.52	$0.39

Of the surveyed jurisdictions, Palm Springs and Riverside do not assess a Fire-specific impact fee. Palm Springs does have a Canyon area-specific fire protection impact fee, assessed at $460 per acre for

single-family residential development and $1,875 per acre for commercial or multi-family development. However, since it is not a city-wide impact fee, it was not included in the comparison.

The City's current residential Fire impact fees are on the lower end when compared to surrounding jurisdictions that also charge per square foot; only Beaumont is lower. Both the single-family and multi-family residential calculated full costs are higher than all other jurisdictions.

With the exception of Redlands' office and industrial fees and Yucaipa's commercial and industrial fees, Banning's current and calculated full cost non-residential fees are higher than those of the surveyed jurisdictions.

GENERAL FACILITIES IMPACT FEE

The City currently administers a general facilities impact fee to recover the proportionate costs City Hall and other governmental infrastructure that is not covered through other impact fees (i.e. Police, Fire, Parks, Traffic, etc.). To ensure service levels are maintained as the City continues to grow, the current general facilities impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of general facilities impact fees.

GROWTH ASSUMPTIONS

City facilities are accessed by both residential and non-residential populations (employees). Future development would require expanded public facilities and the purchase of additional vehicles and equipment. Since these facilities house City staff who provide public services, they benefit both existing and future development. To determine the proportional share of existing and future development, the project team calculated the City's future service population. In addition, since an employee working within the city does not have the same tendency to use general facilities as a resident, their impact was weighted less. Non-residential access was based on a standard 40-hour work week, reflecting the typical period during which non-residents are present in the City. Based on hours per week, the non-residential population was weighted at 24%. The following table shows the current population for each category, the proportionate weight factor, and the weighted population:

Table 32: Weighted Population Calculation

Category	2025 Population	Weight Factor	Weighted 2025 Population
Residential	31,949	100%	31,949
Non-Residential	11,400	24%	2,714
Total	**43,349**		**34,663**

The total weighted 2025 population is roughly 35,000. This value is then divided by the total cost to be apportioned, as outlined in the following section, resulting in a weighted cost per capita.

COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential and non-residential populations, an impact nexus exists for the department's infrastructure needs. The planning horizon for the General Facilities impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to

new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 33: Total Projected Infrastructure Cost - General Facilities

Total General Facilities Cost[28]	$28,727,200
Total General Facilities Equipment & Vehicle Cost[29]	$320,900
Total Projected Infrastructure Cost	**$29,048,100**
Current Fund Balance[30]	($706546)
Total Projected Net Infrastructure Cost	**$28,341,551**

Over the next 15 years, the General Facilities will require approximately $28 million to meet the needs of the City's existing and future population.

IMPACT FEE CALCULATIONS

As calculated in the previous section, the total infrastructure needs for General Facilities are approximately $28 million. This cost is then divided by the total weighted service population as shown in Table 32, resulting in the cost per capita. The figure below shows this calculation.

Table 34: Cost Per Capita Calculation

$$\frac{\$28,341,551 \text{ Total Projected Net Infrastructure Cost}}{34,663 \text{ Weighted 2025 Population}} = \textbf{\$818 Cost per Capita}$$

The $818 per capita cost illustrates the amount the City should invest in infrastructure per person. Again, since the non-residential population does not require the same access, the 24% weighting (based on a 40-hour work week) is applied to the cost per capita for residents versus non-residential users.

Table 35: Weighted Cost Per Capita

Category	Cost / Capita	Weight Factor	Weighted Cost Per Capita
Residential	$818	100%	**$818**
Non-Residential	$818	24%	**$195**

While the residential cost per capita remains at $818, the non-residential cost per capita reduces to $195.

The weighted cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the General Facilities impact fee by category. The following table shows this calculation.

[28] A detailed accounting of the facility costs is included in Appendix C of this report.
[29] A detailed accounting of the equipment costs is included in Appendix C of this report.
[30] Represents the fund balance at the end of FY24-25.

Table 36: General Facilities Impact Fee Calculation

Category	Cost Per Capita	Density	Impact Fee
Residential: Per 1,000 Sq. Ft.			
Single Family	$818	1.47	**$1,202**
Multi-Family	$818	2.55	**$2,086**
Non-Residential: Per 1,000 Sq. Ft.			
Commercial	$195	2.39	**$465**
Office	$195	3.12	**$607**
Industrial	$195	1.16	**$226**

The cost per 1,000 square feet for residential single-family development is $1,202, multi-family is $2,086, and non-residential development varies from a low of $226 per 1,000 square feet for industrial properties to a high of $607 per 1,000 square feet for offices. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 37: General Facilities Impact Fee Calculation – Including Administrative Fee

Category	Impact Fee	Admin %	Impact Fee + Admin Fee Per 1,000 Sq. Ft.	Impact Fee + Admin Fee per Sq. Ft.
Residential				
Single Family	$1,202	2%	$1,226	**$1.23**
Multi-Family	$2,086	2%	$2,127	**$2.13**
Non-Residential				
Commercial	$465	2%	$475	**$0.47**
Office	$607	2%	$620	**$0.62**
Industrial	$226	2%	$230	**$0.23**

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current General Facilities impact fee to the full cost impact fees, and the associated per unit difference:

Table 38: Current vs. Full Cost – General Facilities Impact Fee

Category	Current Impact Fee	Full Cost Impact Fee	Difference
Residential: Per Sq. Ft.			
Single Family	$0.27[31]	$1.23	($0.95)
Multi-Family	$0.43[32]	$2.13	($1.70)
Non-Residential: Per Sq. Ft.			
Commercial	$0.49	$0.47	$0.02
Office	$0.64	$0.62	$0.02
Industrial	$0.24	$0.23	$0.01

All residential impact fees show an under-recovery, ranging from a low of $0.95 per square foot for single-family to a high of $1.70 per square foot for multi-family developments. Non-residential impact fees show minimal overages of $0.01 to $0.02 per square foot.

NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed General Facilities Impact fee meets the criteria.

Table 39: Impact Fee Nexus Criteria – General Facilities

Criteria	Meet
Purpose Of Fee	The purpose of the fee is to upgrade existing City Hall, Public Works Facilities, and other miscellaneous City equipment and facilities overseen by the Public Works Department.
Use of Fee Revenue	Revenue associated with this impact fee is housed in a specific general facilities impact fee fund to help ensure that funds are appropriately accounted for and used to meet the general facilities infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to rehabilitate existing facilities and equipment to maintain level of service and serve new development. New residents and employees receive benefits from improved access to infrastructure.
Impact Relationship	The addition of new residents and employees would have an impact on the ability of the City to meet all the needs. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for appropriate handling of the new growth would be borne by new residents or employees.

[31] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

[32] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

Criteria	Meet
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	As part of this impact fee analysis, a capital improvement plan has been adopted to update the City's general public facilities and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the current standard of infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities.
Original Nexus Analysis	The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development.

As the table demonstrates, the City meets all five criteria necessary to continue charging the general facilities development impact fee, as well as the three additional criteria associated with AB602. Additionally, the general facilities impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's general facilities as it does not exceed the City's cost of providing services to new development.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a General Facilities Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

Table 40: Comparative Survey – General Facilities Impact Fee

	Residential		Non-Residential (Per Sq. Ft.)		
Jurisdiction	Single Family	Multi-Family	Commercial	Office	Industrial
Banning - Current	$0.27 per sq. ft	$0.43 per sq. ft	$0.49	$0.64	$0.24
Banning - Full Cost	$1.23 per sq. ft.	$2.13 per sq. ft.	$0.47	$0.62	$0.23
Beaumont	$0.25 per sq. ft.	$0.25 per sq. ft.	$0.15	$0.18	$0.06

Jurisdiction	Residential		Non-Residential (Per Sq. Ft.)		
	Single Family	Multi-Family	Commercial	Office	Industrial
Colton	$180 per unit	$137 per unit	$0.04	$0.08	$0.02
Desert Springs	$529 Detached Dwelling $543 Attached Dwelling	$529 Detached Dwelling $543 Attached Dwelling	$0.14	$0.14	$0.11
Redlands	$0.71 per sq. ft.	$0.71 per sq. ft.	$0.26	$3.30	$3.90
Yucaipa	$1.23 per sq. ft.	$1.22 per sq. ft.	$0.26	$0.26	$0.74

Of the surveyed jurisdictions, Palm Desert, Palm Springs, and Riverside do not assess a General Facilities-specific impact fee. The City's current residential General Facilities impact fees are lower than those of surrounding jurisdictions that also charge per-square-foot fees. Yucaipa's single-family rate is aligned with the City's calculated full cost, but significantly lower than the City's multi-family rate.

With the exception of Redlands' office and industrial fees and Yucaipa's industrial fees, Banning's current and calculated full cost non-residential fees are higher than those of the surveyed jurisdictions.

PARKS IMPACT FEE

The City currently imposes a parks impact fee, which helps acquire new land and supports enhancements to existing park facilities. Park services primarily benefit the residential population, and future growth will increase demand for park-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current park impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of parks impact fees.

GROWTH ASSUMPTIONS

Park services primarily serve Banning's residents; as such non-residential people where not factored into the Parks impact fee calculations. Future development would require expanded park facilities, enhanced equipment, and the acquisition of new parkland.

The City's current standard is 2.19 acres per 1,000 residents, based on the existing parks available in the City's Park Master Plan and the current residential population. In order for the City to maintain this existing level of service and standard as the residential population increases, the City will need to acquire additional park acreage. The following table shows the proportionate number of acres needed to account for new residential growth:

Table 41: Proposed New Acres Needed based on Acreage Standard

Category	Amount
Current Acreage Standard – per resident	0.00226
Projected Residential Growth	5,651
Total # of Acres Required to Maintain Standard	**12.37**

Based upon the standard of 0.00226 acres per resident and growth of 5,651 residents, the City will need to acquire an additional 12.37 acres to retain this standard.

COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential population, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Parks impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 42: Total Projected Infrastructure Cost - Parks

Total Parks Facilities Cost[33]	$17,414,800
Total Parks CIP Cost[34]	$2,658,200
Total Parks Equipment & Vehicle Cost[35]	$385,925
Total Projected Infrastructure Cost	**$20,458,925**
Current Fund Balance[36]	($29,288)
Total Projected Net Infrastructure Cost	**$20,429,637**

Over the next 15 years, the Parks will require approximately $20 million to meet the needs of the City's existing and future population.

In addition to the $20 million in infrastructure costs, the other cost component to be considered is the parkland cost per resident. The parkland cost per resident is calculated by multiplying the cost to develop a single acre[37] by the number of acres needed to maintain the parkland standard. The following figure shows this calculation.

Table 43: Cost Parkland Cost Per Resident Calculation

12.37 # of Acres Needed To Maintain Standard X $864,537 Cost to Develop One Ace **= $1,893 Cost per Resident**

The $1,893 per resident covers the cost of acquiring and developing parkland to maintain the City's parkland standard.

Lastly, as outlined in the prior section, a citywide administrative fee of 2% was calculated to cover City staff support for monitoring and reporting impact fee funds.

IMPACT FEE CALCULATIONS

As calculated in the previous section, the total infrastructure needs for Parks are approximately $20 million. This cost is then divided by the total service population calculated in the Projected Growth and Development chapter. The figure below shows this calculation.

Table 44: Cost Per Capita Calculation

$$\frac{\$20,429,637 \text{ Total Projected Net Infrastructure Cost}}{31,949 \text{ 2025 Population}} = \textbf{\$639 Cost per Capita}$$

The $639 per capita cost is added to the parkland cost per resident ($1,893), equaling a **total residential cost per capita rate of $2,533**. This value illustrates the amount the City should invest in Parks infrastructure per person.

[33] A detailed accounting of the capital improvement costs is included in Appendix D of this report.
[34] A detailed accounting of the facility costs is included in Appendix D of this report.
[35] A detailed accounting of the equipment costs is included in Appendix D of this report.
[36] Represents the fund balance at the end of FY24-25.
[37] To remain consistent with prior assumptions land acquisitions cost was taken from the prior DIF study and a CCI inflation factor was added.

The total cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the Parks impact fee by category. The following table shows this calculation.

Table 45: Parks Impact Fee Calculation

Category	Cost Per Capita	Density	Impact Fee
Residential: Per 1,000 Sq. Ft.			
Single Family	$2,533	1.47	**$3,722**
Multi-Family	$2,533	2.55	**$6,461**

The cost per 1,000 square feet for residential single-family development is $3,722, and for multi-family is $6,461. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 46: Parks Impact Fee Calculation – Including Administrative Fee

Category	Impact Fee	Admin %	Impact Fee + Admin Fee Per 1,000 Sq. Ft.	Impact Fee + Admin Fee per Sq. Ft.
Residential				
Single Family	$3,722	2%	$3,796	**$3.80**
Multi-Family	$6,461	2%	$6,590	**$6.59**

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Parks impact fee to the full cost impact fees, and the associated per unit difference:

Table 47: Current vs. Full Cost – Parks Impact Fee

Category	Current Impact Fee[38]	Full Cost Impact Fee	Difference
Residential: Per Sq. Ft.			
Single Family	$2.02	$3.80	($1.78)
Multi-Family	$3.14	$6.59	($3.45)

All impact fees show an under-recovery, ranging from a low of $1.78 per square foot for single-family to a high of $3.45 per square foot for multi-family developments.

[38] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

NEXUS CRITERIA

As discussed in the legal framework section, in order for an impact fee to be implemented, it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Parks Impact fee meets the criteria.

Table 48: Impact Fee Nexus Criteria – Parks

Criteria	Meet
Purpose Of Fee	The purpose of this fee would be to fund the acquisition of new parkland, the development of new parks and recreation facilities and improving existing parks equipment.
Use of Fee Revenue	Revenue associated with this impact fee is housed in a specific park impact fee fund to help ensure that funds are appropriately accounted for and used to meet the ark infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to develop new facilities or expand or improve existing facilities, which would be directly proportional to the increased wear and tear and use of parks and recreation facilities as there is new residential growth in the City. The increase in residential population is related proportionally to the square footage of development as larger properties result in more population.
Impact Relationship	Based upon the current and proposed parks and recreation facility needs in the City, the addition of new residents would require the need for new and expanded facilities.
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas. The fees are calculated on a per square foot basis for residential properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	A capital improvement plan has been adopted to update the City's park facilities and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the current standard of the parks facilities servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities.
Original Nexus Analysis	The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development.

As the table demonstrates, the City meets all five criteria necessary to continue charging the parks development impact fee, as well as the three additional criteria associated with AB602. Additionally, the park impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate park infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's park infrastructure, as it does not exceed the City's cost of providing services to new development.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Parks Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

Table 49: Comparative Survey – Parks Impact Fee

	Residential	
Jurisdiction	**Single Family**	**Multi-Family**
Banning - Current	**$2.02 per sq. ft**	**$3.80 per sq. ft**
Banning - Full Cost	**$3.14 per sq. ft.**	**$6.59 per sq. ft.**
Beaumont	$0.78 per sq. ft.	$0.78 per sq. ft.
Colton	$5,714 per unit	$4,351 per unit
Desert Springs	$1,675 Detached Dwelling $1,722 Attached Dwelling	$1,675 Detached Dwelling $1,722 Attached Dwelling
Redlands	$1.18 per sq. ft.	$1.18 per sq. ft.
Riverside	$4,646 SFR Detached $4,065 SFR Attached - Duplex $2,615 Residential Condo	$3,653 MFR - Triplex or Quadplex $3,045 MFR ADU/Apt/Senior Apt
Yucaipa	$1.67 per sq. ft.	$1.67 per sq. ft.

Of the surveyed jurisdictions, Palm Desert and Palm Springs do not assess a Parks-specific impact fee.

The City's current and calculated full cost Parks impact fees for single-family development are higher than those of surrounding jurisdictions that also charge per-square-foot fees. The City's Multi-family rates are significantly higher than surrounding jurisdictions. It is important to tone that it is common to see these types of fees subsidized and occasionally jurisdictions may exclude the parkland acquisition component when assessing these fees.

POLICE IMPACT FEE

The City currently administers a police impact fee to recover the proportionate costs of fire infrastructure required to serve new development. The Police Department provides services to both residential and non-residential populations, and future growth will increase demand for fire-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current police impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of police impact fees.

GROWTH ASSUMPTIONS

The Police Department serves both residential and non-residential populations (employees). Future development would require expanded Police stations and the purchase of additional vehicles and equipment. Since the primary goal of the Police Department is to provide law enforcement and safety services within the City, its services benefit both existing and future development. To determine the proportional share of existing and future development, the project team calculated the City's future service population. In addition, since an employee working within the city does not have the same tendency to use fire services as a resident, their impact was weighted less. The weighting for employees was based on the acreage within the City zoned for non-residential use. Based on zoning, non-residential acreage accounts for 33% of the City of Banning; therefore, the non-residential population was weighted at 33%. The following table shows the current population for each category, the proportionate weight factor, and the weighted population:

Table 50: Weighted Population Calculation

Category	2025 Population	Weight Factor	Weighted 2025 Population
Residential	31,949	100%	31,949
Non-Residential	11,400	33%	3,754
Total	**43,349**		**35,703**

The total weighted 2025 population is roughly 36,000. This value is then divided by the total cost to be apportioned, as outlined in the following section, resulting in a weighted cost per capita.

COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential and non-residential populations, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Police impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth.

The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 51: Total Projected Infrastructure Cost - Police

Total Police Facility Cost[39]	$18,614,423
Total Police Equipment & Vehicle Cost[40]	$3,756,500
Total Projected Infrastructure Cost	**$22,370,923**
Current Fund Balance[41]	($860,409)
Total Projected Net Infrastructure Cost	**$21,510,514**

Over the next 15 years, the Police Department will require approximately $21.5 million to meet the needs of the City's existing and future population.

IMPACT FEE CALCULATIONS

As the previous section calculated, the total infrastructure needs for the Police Department are approximately $21.5 million. This cost is then divided by the total weighted service population as shown in Table 50, resulting in the cost per capita. The figure below shows this calculation.

Table 52: Cost Per Capita Calculation

$$\frac{\$21,510,514 \text{ Total Projected Net Infrastructure Cost}}{35,703 \text{ Weighted 2025 Population}} = \textbf{\$602 Cost per Capita}$$

The $602 per capita cost illustrates the amount the City should invest in police infrastructure per person. Again, since the non-residential population does not have the same need for police services, the 33% weighting (based on City zoning) is applied to cost per capita for residents versus non-residential users.

Table 53: Weighted Cost Per Capita

Category	Cost / Capita	Weight Factor	Weighted Cost Per Capita
Residential	$602	100%	**$602**
Non-Residential	$602	33%	**$198**

While the residential cost per capita remains at $602, the non-residential cost per capita reduces to $198.

The weighted cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the Police impact fee by category. The following table shows this calculation.

[39] A detailed accounting of the facility costs is included in Appendix E of this report.
[40] A detailed accounting of the equipment costs is included in Appendix E of this report.
[41] Represents the fund balance at the end of FY24-25.

Table 54: Police Impact Fee Calculation

Category	Cost Per Capita	Density	Impact Fee
Residential: Per 1,000 Sq. Ft.			
Single Family	$602	1.47	**$885**
Multi-Family	$602	2.55	**$1,537**
Non-Residential: Per 1,000 Sq. Ft.			
Commercial	$198	2.39	**$474**
Office	$198	3.12	**$619**
Industrial	$198	1.16	**$230**

The cost per 1,000 square feet for residential single-family development is $885, multi-family is $1,537, and non-residential development varies from a low of $230 per 1,000 square feet for industrial properties to a high of $619 per 1,000 square feet for offices. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 55: Police Impact Fee Calculation – Including Administrative Fee

Category	Impact Fee	Admin %	Impact Fee + Admin Fee Per 1,000 Sq. Ft.	Impact Fee + Admin Fee per Sq. Ft.
Residential				
Single Family	$885	2%	$903	**$0.90**
Multi-Family	$1,537	2%	$1,568	**$1.57**
Non-Residential				
Commercial	$474	2%	$484	**$0.48**
Office	$619	2%	$631	**$0.63**
Industrial	$230	2%	$235	**$0.23**

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Police impact fee to the full cost impact fees and the associated per-unit difference:

Table 56: Current vs. Full Cost – Police Impact Fee

Category	Current Impact Fee	Full Cost Impact Fee	Difference
Residential: Per Sq. Ft. [42]			
Single Family	$0.63	$0.90	($0.27)
Multi-Family	$0.98	$1.57	($0.59)

[42] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

Category	Current Impact Fee	Full Cost Impact Fee	Difference
Non-Residential: Per Sq. Ft.			
Commercial	$0.35	$0.48	($0.13)
Office	$0.46	$0.63	($0.17)
Industrial	$0.17	$0.23	($0.06)

All impact fees show an under-recovery, ranging from a low of $0.06 per square foot for industrial to a high of $0.59 per square foot for multi-family developments.

NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Police Impact fee meets the criteria.

Table 57: Impact Fee Nexus Criteria – Police

Criteria	Meet
Purpose Of Fee	The purpose of this fee is to upgrade existing Police stations, cover costs of new stations necessary to maintain services levels, and enhance or replace police-specific vehicles and equipment.
Use of Fee Revenue	Revenue associated with this impact fee is housed in a specific police impact fee fund to help ensure that funds are appropriately accounted for and used to meet the police infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to rehabilitate existing police stations and equipment to accommodate to allow for the most efficient response for service. New residents and employees receive benefits associated with more efficient response times and enhanced equipment.
Impact Relationship	The addition of new residents and employees would have an impact on the ability of the police services to respond adequately and in an efficient manner. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for responses would be borne by new residents or employees.
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	A capital improvement plan has been adopted to update the City's police facilities and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the current standard of the fire infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment.

Criteria	Meet
Original Nexus Analysis	The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development.

As the table demonstrates, the City meets all five criteria necessary to continue charging the police development impact fee, as well as the three additional criteria associated with AB602. Additionally, the police impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate police infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's police facilities, as it does not exceed the City's cost of providing fire services to new development.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Police Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

Table 58: Comparative Survey – Police Impact Fee

	Residential		Commercial (Per Sq. Ft.)		
Jurisdiction	Single Family	Multi-Family	Commercial	Office	Industrial
Banning - Current	**$0.63 per sq. ft**	**$0.98 per sq. ft**	**$0.35**	**$0.46**	**$0.17**
Banning - Full Cost	**$0.90 per sq. ft.**	**$1.57 per sq. ft.**	**$0.48**	**$0.63**	**$0.23**
Beaumont	$0.53 per sq. ft.	$0.53 per sq. ft.	$0.27	$0.36	$0.12
Colton	$1,134 per unit	$863 per unit	$0.28	$0.4	$0.10
Desert Springs	$427 Detached Dwelling $439 Attached Dwelling	$427 Detached Dwelling $439 Attached Dwelling	$0.11	$0.11	$0.09
Redlands	$0.52 per sq. ft.	$0.52 per sq. ft.	$0.19	$2.40	$2.84

Of the surveyed jurisdictions, Palm Desert, Palm Springs, Riverside, and Yucaipa do not assess a police-specific impact fee. The City's current and calculated full-cost residential fees are higher than those of all other jurisdictions that assess fees based on square footage.

With the exception of Redlands' office and industrial fees, Banning's current and calculated full cost commercial fees are higher than those of the surveyed jurisdictions.

TRAFFIC IMPACT FEE

The City currently administers a traffic impact fee to recover the proportionate costs of traffic infrastructure required to serve new development. To ensure service levels are maintained as the City continues to grow, the current traffic impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of traffic impact fees.

GROWTH ASSUMPTIONS

The purpose of a Traffic impact fee is to recover the proportionate costs of transportation improvements required to serve new development, including roadway capacity, signalization, intersection upgrades, and various pathways. Transportation demand projections are based on standardized trip generation rates, which measure the number of trips produced by residents, employees, and visitors accessing homes, jobs, services, and commercial destinations. These rates differ by land-use type and reflect each use's relative impact on the transportation network. Applying differentiated trip factors ensures that development contributes its proportional share toward the transportation improvements needed to support growth. Trip generation assumptions used in this analysis are based on the Institute of Transportation Engineers (ITE) Trip Generation Manual, 11th Edition, an industry-standard source. The trip rates are then multiplied by the change in dwelling units per land-use type from 2025 to 2040. These calculations are shown in the table below:

Table 59: Projected Total Number of Trips Calculation

Category	2025 DU / KSF [43]	2040 DU / KSF [44]	Difference	Trip Rate	Weighted 2025 DU / KSF	Weighted 2040 DU / KSF	Weighted Difference
Residential							
Single Family	10,224	14,775	4,551	0.99	10,122	14,627	4,505
Multi-Family	2,381	16,728	14,347	0.44	1,042	7,319	6,277
Total	**12,605**	**31,503**	**18,898**		**12,163**	**21,946**	**10,782**
Non-Residential							
Commercial	1,204	2,993	1,789	4.40	5,297	13,169	7,872
Office	2,234	1,895	(339)	1.44	3,216	2,729	(487)
Industrial	1,340	977	(363)	0.70	938	684	(254)
Total	**4,777**	**5,865**	**1,088**	**6.54**	**9,451**	**16,582**	**7,131**
			Total Number of Trips		**20,615**	**38,528**	**17,913**

[43] Based on Banning's General Plan.
[44] Based on Banning's General Plan.

The total projected number of trips increasing from 2025 to 2040 is roughly 18,000. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per trip, which serves as the basis for calculating the wastewater impact fee.

COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in trips, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Traffic impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 60: Total Projected Infrastructure Cost - Traffic

Total Traffic CIP Cost[45]	$91,719,613
Total Projected Infrastructure Cost	**$91,719,613**
Current Fund Balance[46]	($2,723,594)
Total Projected Net Infrastructure Cost	**$88,996,019**

Over the next 15 years, the City will require approximately $89 million to meet the needs of the City's existing and future population.

The total projected net infrastructure cost is then divided by the weighted total number of trips, resulting in a cost per trip. The calculation is shown below:

Table 61: Traffic Cost Per Trip Calculation

$$\frac{\$91,719,613 \text{ Total Projected Net Infrastructure Cost}}{38,528 \text{ \# of 2040 Total Trips}} = \textbf{\$2,310 Cost / Trip}$$

The $2,310 per-trip cost illustrates the amount the City should invest in transportation infrastructure per dwelling unit or KSF.

IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per trip is $2,310. This is the cost regardless of residential or non-residential development. This value is then multiplied by the trip rate, resulting in the Traffic impact fee. The following table shows this calculation:

[45] A detailed accounting of the capital improvement costs is included in Appendix F of this report.
[46] Represents the fund balance at the end of FY24-25.

Table 62: Traffic Impact Fee Calculation

Category	Cost Per EDU	EDU Factor	Impact Fee
Residential: Per DWU			
Single Family	$2,310	0.99	$2,287
Multi-Family	$2,310	0.44	$1,011
Non-Residential: Per KSF			
Commercial	$2,310	4.40	$10,164
Office	$2,310	1.44	$3,326
Industrial	$2,310	0.70	$1,617

The cost per dwelling unit for residential single-family development is $12,287, multi-family is $1,011, and non-residential development varies from a low of $1,617 per 1,000 square feet for industrial properties to a high of $10,164 per 1,000 square feet for commercial development. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 63: Traffic Impact Fee Calculation – Including Administrative Fee

Category	Impact Fee	Admin %	Impact Fee + Admin Fee Per DWU or KSF	Impact Fee + Admin Fee per Sq. Ft.
Residential				
Single Family	$2,287	2%	$2,333	$1.23[47]
Multi-Family	$1,011	2%	$1,031	$1.03[48]
Non-Residential				
Commercial	$10,164	2%	$10,367	$10.37
Office	$3,326	2%	$3,393	$3.39
Industrial	$1,617	2%	$1,649	$1.65

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The City's current traffic impact fees were calculated for every possible type of land use that could exist at a super granular level. To be consistent with other impact fees, the City is proposing to streamline the traffic impact fee to be based on the more general land use type. Therefore, the values in the table above reflect the maximum justifiable traffic impact fee.

NEXUS CRITERIA

As discussed in the legal framework section, in order for an impact fee to be implemented, it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Traffic Impact fee meets the criteria.

[47] The average square footage of a SFR unit (1,900 sq. ft.) in Banning was used to convert from DU to square footage.
[48] The average square footage of a MFR unit (1,000 sq. ft.) in Banning was used to convert from DU to square footage.

Table 64: Impact Fee Nexus Criteria – Traffic

Criteria	Meet
Purpose Of Fee	The purpose of the fee is to upgrade existing transportation measures or fund the construction of new transportation measures based upon the projected increase in development within the City.
Use of Fee Revenue	Revenue associated with this impact fee is housed in a specific traffic impact fee fund to help ensure that funds are appropriately accounted for and used to meet the traffic infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to enhance, upgrade, or expand existing and future transportation infrastructure. New residents and employees receive benefit from these transportation project improvements. The residential and commercial service population increase is directly applicable to square footage per development.
Impact Relationship	The addition of new residents and employees would have an impact on the ability of the city's existing transportation system to the increase in need. Therefore, the cost associated with adding additional or improving existing transportation infrastructure would be proportionately borne by new residents or employees.
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	A capital improvement plan has been adopted to update the City's fire facilities and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the trips servicing both existing and future population. Future population / growth is calculated based on their proportional need for the infrastructure.
Original Nexus Analysis	The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development.

As the table demonstrates, the City meets all five criteria necessary to continue charging the traffic development impact fee, as well as the three additional criteria associated with AB602. Additionally, the traffic impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate traffic infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's transportation systems, as it does not exceed the City's cost of providing transportation services to new development.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Traffic Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

Table 65: Comparative Survey – Traffic

Jurisdiction	Residential		Commercial (per sq. ft.)		
	Single Family	Multi-Family	Commercial	Office	Industrial
Banning - Current	**Varies**	**Varies**	**Varies**	**Varies**	**Varies**
Banning - Full Cost	**$1.23 per sq. ft.**	**$1.03 per sq. ft.**	**$10.37**	**$3.39**	**$1.65**
Beaumont	$1.66 per sq. ft.	$1.66 per sq. ft.	$10.70	$6.02	$2.82 - $0.54[49]
Colton	$1,623 per DWU	$1,236 per DWU	$0.40	$0.68	$0.15
Redlands	$1.40 per sq. ft.	$1.40 per sq. ft.	$7.15	$4.31	$2.73
Riverside	$525 per DWU	$420 per DWU	N/A	N/A	N/A
Yucaipa	$4.88 per sq. ft.	$4.88 per sq. ft.	$4.12	$4.12	$4.71

Of the surveyed jurisdictions, Desert Springs and Palm Springs do not assess a traffic-specific impact fee. Coachella Valley Association of Governments (CVAG) administers Palm Desert's traffic impact fee. Since it is a regional fee rather than a Palm Desert-specific fee, it was excluded from this comparison.

The City's calculated full-cost residential fees are lower than those of all other jurisdictions that assess fees based on square footage.

Beaumont's non-residential fees are higher than Banning's calculated full cost. With the exception of commercial rates, Redlands and Yucaipa's fees generally align with Banning's, while Colton's rates are the lowest of the surveyed jurisdictions.

[49] Colton's industrial fees range based on the type of industrial development.

WASTEWATER IMPACT FEE

The City currently administers a wastewater impact fee to recover the proportionate costs of wastewater infrastructure required to serve new development. These wastewater systems serve both residential and non-residential populations, and future growth will increase demand for wastewater-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current wastewater impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of wastewater impact fees.

GROWTH ASSUMPTIONS

The purpose of a wastewater impact fee is to recover the proportionate costs associated with the increased demand placed on the wastewater system by new development, which in turn necessitates the enhancement, expansion, or replacement of existing infrastructure. Wastewater impacts are measured through flow generation in gallons per day per acre (GPD/A). Flow estimates are then converted using standardized density factors to determine average daily flow per 1,000 square feet (KSF). This conversion establishes a consistent baseline for comparing flow impacts across land uses and allocating costs proportionally to new development. The following table shows this calculation.

Table 66: Average Flow Generation per KSF by Land Use Type

Category	Flow Generation (GPD / A)	Density[50]	Average Flow Generation / DU or KSF
Residential			
Single Family	1,020	5.00	204.00
Multi-Family	800	11.00	72.73
Non-Residential			
Commercial	1,150	15.25	75.41
Office	1,150	43.56	26.40
Industrial	750	26.14	28.69

Once average flow generation per DU or KSF is established for each land use category, the single-family residential flow rate of 204 gallons per day per dwelling units is used as the baseline equivalent dwelling unit (EDU), assigned a value of 1.00[51]. All other land use types are then expressed as a proportion of this baseline by dividing their respective flow generation rates by the single-family residential benchmark.

[50] Densities align with values represented in the General Plan and other City documents.
[51] SFR is used as the EDU baseline strictly for normalization purposes; it does not imply a greater impact, only a consistent reference unit for flow comparison.

This proportional conversion ensures that each land use type contributes its fair share of capital costs based on relative wastewater demand. The following table shows these conversions.

Table 67: EDU Factor Calculation

Category	Average Flow Generation / DU or KSF	SFR - Baseline	EDU Factor
Residential			
Single Family	204.00	204.00	1.00
Multi-Family	72.73	204.00	0.36
Non-Residential			
Commercial	75.41	204.00	0.37
Office	26.40	204.00	0.13
Industrial	28.69	204.00	0.14

The above EDU factors are then multiplied by the difference in dwelling units per land use type from 2025 to 2040. These calculations are shown in the table below:

Table 68: Projected Total Number of EDUs Calculation

Category	2025 DU / KSF [52]	2040 DU / KSF [53]	Difference	EDU Factor	Weighted 2025 DU / KSF	Weighted 2040 DU / KSF	Weighted Difference
Residential							
Single Family	10,224	14,775	4,551	1.00	10,224	14,775	4,551
Multi-Family	2,381	16,728	14,347	0.36	849	5,964	5,115
Total	**12,605**	**31,503**	**18,898**		**11,073**	**20,739**	**9,666**
Non-Residential							
Commercial	1,204	2,993	1,789	0.37	445	1,106	661
Office	2,234	1,895	(339)	0.13	289	245	(44)
Industrial	1,340	977	(363)	0.14	188	137	(51)
Total	**4,777**	**5,865**	**1,088**		**923**	**1,489**	**567**
			Total Number of EDUs		**11,995**	**22,228**	**10,232**

The total projected growth of dwelling units from 2025 to 2040 is roughly 10,000. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per EDU, which serves as the basis for calculating the wastewater impact fee.

COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in EDUs, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Wastewater impact fee is 15 years (2025 to 2040). Over this period,

[52] Based on Banning's General Plan.
[53] Based on Banning's General Plan.

the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 69: Total Projected Infrastructure Cost - Wastewater

Total Wastewater CIP Cost Allocated to New Development[54]	$140,903,401
Total Projected Infrastructure Cost	**$140,903,401**
Current Fund Balance[55]	($10,976,585)
Total Projected Net Infrastructure Cost	**$129,926,817**

Over the next 15 years, the City will require approximately $130 million to meet the needs of the City's existing and future population.

The total projected net infrastructure cost is then divided by the weighted growth in EDU, resulting in a cost per EDU. The calculation is shown below:

Table 70: Wastewater Cost Per EDU Calculation

$$\frac{\$129,926,817 \text{ Total Projected New Development Cost}}{10,232 \text{ Weighted Growth in EDU}} = \textbf{\$12,698 cost / EDU}$$

The $12,698 per EDU cost illustrates the amount the City should invest in wastewater infrastructure per dwelling unit.

IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per EDU is $12,888. This is the cost regardless of residential or non-residential development. This value is then multiplied by the EDU factor, resulting in the Wastewater impact fee. The following table shows this calculation:

Table 71: Wastewater Impact Fee Calculation

Category	Cost Per EDU	EDU Factor	Impact Fee
Residential: Per DWU			
Single Family	$12,698	1.00	**$12,698**
Multi-Family	$12,698	0.36	**$4,527**
Non-Residential: Per KSF			
Commercial	$12,698	0.37	**$4,694**
Office	$12,698	0.13	**$1,643**

[54] A detailed accounting of the capital improvement costs is included in Appendix G of this report.
[55] Represents the fund balance at the end of FY24-25.

Industrial	$12,698	0.14	**$1,786**

The cost per EDU for residential single-family development is $12,698 , multi-family is $4,527, and non-residential development varies from a low of $1,643 per 1,000 square feet for office properties to a high of $4,694 per 1,000 square feet for commercial development. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 72: Wastewater Impact Fee Calculation – Including Administrative Fee

Category	Impact Fee	Admin %	Impact Fee + Admin Fee Per DWU or KSF	Impact Fee + Admin Fee per Sq. Ft.
Residential				
Single Family	$12,698	2%	$12,698	**$6.82**[56]
Multi-Family	$4,527	2%	$4,617	**$4.62**[57]
Non-Residential				
Commercial	$4,694	2%	$4,788	**$4.79**
Office	$1,643	2%	$1,676	**$1.68**
Industrial	$1,7886	2%	$1,822	**$1.82**

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Wastewater impact fee to the full cost impact fees and the associated per-unit difference:

Table 73: Current vs. Full Cost – Wastewater Impact Fee

Category	Current Impact Fee[58]	Full Cost Impact Fee	Difference
Residential: Per Sq. Ft.			
Single Family	$2.66	$6.82	($4.15)
Multi-Family	$5.06	$4.62	$0.44
Non-Residential: Per Sq. Ft.			
Commercial	Varies	$4.32	N/A
Office	Varies	$1.51	N/A
Industrial	Varies	$1.64	N/A

The single-family rate shows an under-recovery of $4.15 per square foot, while the multi-family rate shows an overage of $0.44 per square foot. Currently, the City calculates a different impact fee each

[56] The average square footage of a SFR unit (1,900 sq. ft.) in Banning was used to convert from DU to square footage.
[57] The average square footage of a MFR unit (1,000 sq. ft.) in Banning was used to convert from DU to square footage.
[58] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

time, depending on the non-residential development. To streamline fee administration, it was proposed to reclassify fees into three categories: commercial, office, and industrial.

NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Wastewater Impact fee meets the criteria.

Table 74: Impact Fee Nexus Criteria – Wastewater

Criteria	Meet
Purpose Of Fee	The purpose of this fee is to upgrade existing wastewater systems necessary to maintain services levels and enhance or replace wastewater-specific vehicles and equipment.
Use of Fee Revenue	Revenue associated with this impact fee is housed in a specific wastewater impact fee fund to help ensure that funds are appropriately accounted for and used to meet the wastewater infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to expand, upgrade, or replace existing wastewater systems and equipment to accommodate increased usage proportional to grow. New residents and employees receive benefits associated safe and reliable wastewater systems.
Impact Relationship	New development contributes additional wastewater flow to the City's collection and treatment system. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional wear would be borne by new residents or employees.
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	A capital improvement plan has been adopted to update the City's wastewater infrastructure and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the current standard of the wastewater infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment.
Original Nexus Analysis	The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development.

As the table demonstrates, the City meets all five criteria necessary to continue charging the wastewater development impact fee, as well as the three additional criteria associated with AB602. Additionally, the wastewater impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate wastewater infrastructure to serve the new development, and the fee has been calculated to be

roughly proportionate to the development's impact on the City's wastewater systems, as it does not exceed the City's cost of providing wastewater services to new development.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Wastewater impact fee. The following table compares the City's current fee and full cost to other surveyed jurisdictions in the region:

Table 75: Comparative Survey – Wastewater

	Residential		Non-Residential (Per Sq. Ft.)		
Jurisdiction	**Single Family**	**Multi-Family**	**Commercial**	**Office**	**Industrial**
Banning - Current	**$2.66 per sq. ft**	**$5.06 per sq. ft**	**Varies**	**Varies**	**Varies**
Banning - Full Cost	**$6.82 per sq. ft.**	**$4.62 per sq. ft.**	**$4.79**	**$1.68**	**$1.82**
Beaumont	$0.54 per sq. ft.	$0.54 per sq. ft.	$0.25	$0.39	$0.38
Palm Springs	$1,006 per EDU	$1,006 per EDU	$100 per fixture unit	$100 per fixture unit	$100 per fixture unit
Redlands	$0.27 per sq. ft.	$0.27 per sq. ft.	$0.45	$0.45	$0.48

Of the surveyed jurisdictions, Desert Springs, Palm Desert, Riverside, and Yucaipa do not assess a wastewater-specific impact fee.

The City of Colton does assess a combined water & wastewater fee based on meter size. Residential fees are $2,968 for a 3/4-inch meter and $4,956 for a 1-inch meter. Non-residential fees range from a low of $2,968 for a 3/4-inch meter to a high of $333,893 for a 12-inch meter.

The City's current and calculated full-cost residential fees are higher than those of all other jurisdictions that assess fees based on square footage. The City's full cost or commercial fees are much higher than the other surveyed jurisdictions. It is important to note that this only reflects the adopted impact fees and does not reflect that many jurisdictions have not reviewed or updated their impact fees in many years.

WATER IMPACT FEE

The City currently administers a water impact fee to recover the proportionate costs of water infrastructure required to serve new development. These water systems serve both residential and non-residential populations, and future growth will increase demand for water-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current water impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of water impact fees.

GROWTH ASSUMPTIONS

The purpose of a water impact fee is to recover the proportionate costs associated with the increased demand placed on the water system by new development, which in turn necessitates the enhancement, expansion, or replacement of existing infrastructure. Water impacts are measured through flow generation[59] in gallons per day per acre (GPD/A). Flow estimates are then converted using standardized density factors to determine average daily flow per 1,000 square feet (KSF). This conversion establishes a consistent baseline for comparing flow impacts across land uses and allocating costs proportionally to new development. The following table shows this calculation.

Table 76: Average Flow Generation per KSF by Land Use Type

Category	Flow Generation (GPD / A)	Density[60]	Average Flow Generation / DU or KSF
Residential			
Single Family	2,300	5.00	460.00
Multi-Family	1,553	11.00	141.14
Non-Residential			
Commercial	5,300	15.25	347.54
Office	5,300	43.56	121.67
Industrial	1,700	26.14	65.03

Once average flow generation per DU or KSF is established for each land use category, the single-family residential flow rate of 460 gallons per day per KSF is used as the baseline equivalent dwelling unit (EDU), assigned a value of 1.00[61]. All other land use types are then expressed as a proportion of this baseline by dividing their respective flow generation rates by the single-family residential benchmark. This proportional conversion ensures that each land use type contributes its fair share of capital costs based on relative water demand. The following table shows these conversions.

[59] Flow generation is a term that translates to water demands.
[60] Densities align with values represented in the General Plan and other City documents.
[61] SFR is used as the EDU baseline strictly for normalization purposes; it does not imply a greater impact, only a consistent reference unit for flow comparison.

Table 77: EDU Factor Calculation

Category	Average Flow Generation / KSF	SFR - Baseline	EDU Factor
Residential			
Single Family	460.00	460.00	1.00
Multi-Family	141.14	460.00	0.31
Non-Residential			
Commercial	347.54	460.00	0.76
Office	121.67	460.00	0.26
Industrial	65.03	460.00	0.14

The above EDU factors are then multiplied by the difference in dwelling units per land use type from 2025 to 2040. These calculations are shown in the table below:

Table 78: Projected Total Number of Trips Calculation

Category	2025 DU / KSF [62]	2040 DU / KSF [63]	Difference	EDU Factor	Weighted 2025 DU / KSF	Weighted 2040 DU / KSF	Weighted Difference
Residential							
Single Family	10,224	14,775	4,551	1.00	10,224	14,775	4,551
Multi-Family	2,381	16,728	14,347	0.31	731	5,132	4,402
Total	**12,605**	**31,503**	**18,898**		**10,955**	**19,907**	**8,953**
Non-Residential							
Commercial	1,204	2,993	1,789	0.76	910	2,261	1,352
Office	2,234	1,895	(339)	0.26	591	501	(90)
Industrial	1,340	977	(363)	0.14	189	138	(51)
Total	**4,777**	**5,865**	**1,088**		**1,690**	**2,901**	**1,211**
			Total Number of EDUs		**12,644**	**22,808**	**10,164**

The total projected growth of equivalent growth factors from 2025 to 2040 is roughly 10,000. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per EDU, which serves as the basis for calculating the water impact fee.

COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in EDUs, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Water impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an

[62] Based on Banning's General Plan.
[63] Based on Banning's General Plan.

appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

Table 79: Total Projected Infrastructure Cost - Water

Total Wastewater CIP Cost Attributed to New Development[64]	$190,324,683
Total Projected Infrastructure Cost	**$190,324,683**
Current Fund Balance[65]	($3,477,270)
Total Projected Net Infrastructure Cost	**$186,847,413**

Over the next 15 years, the City will require approximately $187 million to meet the needs of the City's future population.

The total projected infrastructure cost is then divided by the weighted growth in EDU, resulting in a cost per EDU. The calculation is shown below:

Table 80: Water Cost Per EDU Calculation

$$\frac{\$186,847,413 \text{ Total Projected Net Infrastructure Cost}}{10,164 \text{ Weighted Growth in EDU}} = \textbf{\$18,384 cost / EDU}$$

The $18,38 per EDU cost illustrates the amount the City should invest in water infrastructure per dwelling unit.

IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per EDU is $18,384. Water impact fees are typically administered based on the size of the water meter. This cost per EDU is then multiplied by a standard water meter equivalency factor[66], resulting in the Water impact fee. The following table shows this calculation:

Table 81: Water Impact Fee Calculation

Meter Size	Cost Per EDU	Water Meter Equivalency Factor	Impact Fee
3/4"	$18,384	0.60	**$11,030**
1"	$18,384	1.00	**$18,384**
1-1/2"	$18,384	2.00	**$36,767**
2"	$18,384	3.20	**$58,828**
3"	$18,384	6.00	**$110,302**
4"	$18,384	10.00	**$183,836**
6"	$18,384	20.00	**$367,672**
8"	$18,384	56.00	**$1,029,482**

[64] A detailed accounting of the capital improvement costs is included in Appendix H of this report.
[65] Represents the fund balance at the end of FY24-25.
[66] American Water Works Association (AWWA) water meter equivalency factors – M1 Principles of Water Rates, Fees, and Charges 7th Edition.

The cost per meter size ranges from a low of $11,096 for a 3/4-inch meter to a high of $1,035,670 for an 8-inch meter. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

Table 82: Water Impact Fee Calculation – Including Administrative Fee

Meter Size	Impact Fee	Admin %	Impact Fee + Admin Fee
3/4"	$11,030	2%	**$11,251**
1"	$18,384	2%	**$18,751**
1-1/2"	$36,767	2%	**$37,503**
2"	$58,828	2%	**$60,004**
3"	$110,302	2%	**$112,508**
4"	$183,836	2%	**$187,513**
6"	$367,672	2%	**$375,025**
8"	$1,029,482	2%	**$1,050,071**

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current water impact fee to the full cost impact fees and the associated per-unit difference:

Table 83: Current vs. Full Cost – Water Impact Fee

Meter Size	Current Impact Fee	Full Cost Impact Fee	Difference
3/4"	$5,847	$11,251	($5,404)
1"	$9,744	$18,751	($9,007)
1-1/2"	$19,488	$37,503	($18,015)
2"	$31,181	$60,004	($28,823)
3"	$58,464	$112,508	($54,044)
4"	$97,441	$187,513	($90,072)
6"	N/A	$375,025	N/A
8"	N/A	$1,050,071	N/A

Currently, the City does not charge fees for 6-inch or 8-inch meters; therefore, no comparison is available. All remaining water impact fees under-recover from a low of $5,404 to a high of $90,000.

NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Water Impact fee meets the criteria.

Table 84: Impact Fee Nexus Criteria – Water

Criteria	Meet
Purpose Of Fee	The purpose of this fee is to upgrade existing water systems necessary to maintain services levels and enhance or replace water -specific vehicles and equipment.
Use of Fee Revenue	Revenue associated with this impact fee is housed in a specific water impact fee fund to help ensure that funds are appropriately accounted for and used to meet the water infrastructure needs of the City's growth.
Benefit Relationship	The use of the impact fee revenue would be to expand, upgrade, or replace existing water systems and equipment to accommodate increased usage proportional to grow. New residents and employees receive benefits associated with reliable water systems.
Impact Relationship	New development contributes additional water distribution through the City's water tanks, mains, and facilities. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional impacts to the system would be borne by new residents or employees.
Proportionality	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a meter size basis for both residential and commercial properties as the concept is that the larger the meter size, the greater the population that accesses that system and therefore the greater the impact on the City's infrastructure.
Capital Improvement Plan	A capital improvement plan has been adopted to update the City's water infrastructure and is presented as an appendix.
Level of Service	The proposed impact fees are based on the existing level of service as they are based on the current standard of the water infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment.
Original Nexus Analysis	The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development.

As the table demonstrates, the City meets all five criteria necessary to continue charging the water development impact fee, as well as the three additional criteria associated with AB602. Additionally, the water impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate water infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's water systems, as it does not exceed the City's cost of providing water services to new development.

COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Water impact fee. Of the surveyed jurisdictions, Beaumont, Desert Springs, Palm Desert, Palm Springs, Riverside, and Yucaipa do not assess a water-specific impact fee.

The City of Redland does assess a water impact fee; however, it's based on land use type. Residential fees are $2.37 per square foot, while non-residential fees range from a low of $190 per 1,000 square feet for Warehousing – Standard and High Cube to a high of $3,139 for Institutional and Health Care.

The City of Colton's impact fees are a combined water & wastewater fee based on meter size. Its rates are lower than Banning's current and full-cost calculations.

APPENDIX A – ELECTRIC INFRASTRUCTURE COST

The following table provides information on capital improvement costs related to Electric. All information was provided and confirmed by the City of Banning's Public Works Department staff.

Project Name	Total CIP Cost	Allocated to Existing Development	Allocated to New Development
Capital Maintenance Projects			
Underground Conversion Livingston to Hargrave (Backbone/Fiber loop at Ramsey/Livingston/Alola)	$150,000	$150,000	$0
Underground Conductor Replacement Barbour St E/O Hathaway	$275,000	$275,000	$0
Underground Conductor Replacement at Mockingbird Lane and Hillside Dr	$750,000	$750,000	$0
Underground Conductor Replacement at Westward Ave from 4th St to 8th St	$625,000	$625,000	$0
Fiber Extension to Stagecoach Substation (UG and OH)	$360,000	$360,000	$0
Midway Substation Upgrades (breaker replacement and SCADA-ready upgrades and future full replacement)	$6,125,000	$0	$6,125,000
34.5 kV/12.47 kV (Cir 77)/fiber UG and OH Extension to Sunset Ave	$2,000,000	$1,200,000	$800,000
SoCalGas Reimbursement for Feeder Circuits to Cottonwood Ave	$0	$0	$0
Underground Conductor Replacement at Vista Serena Ave	$350,000	$175,000	$175,000
Fire Mitigation Tier 2/3 High Threat Area (Various)	$450,000	$450,000	$0
Mias Canyon Line Hardening	$2,100,000	$2,100,000	$0
34.5 kV/12.47 kV/fiber Underground Circuits Hathaway St from Williams St to Hoffer St	$2,000,000	$2,000,000	$0
34.5 kV/12.47 kV/fiber Underground Circuits Hathaway St from Lincoln St to John St	$150,000	$150,000	$0
Install Two (2) Engineered baseplate pole at Sunset and Lincoln	$850,000	$850,000	$0
Install Reclosers on 34.5 kV and 12.47 kV system	$250,000	$250,000	$0
Robertson's Ready Mix Circuit Reroute	$425,000	$425,000	$0
Sun Lakes Blvd Extension - Electric Relocation	$3,500,000	$3,500,000	$0
SCE WDAT Upfront Capital Costs	$500,000	$0	$500,000
Electrical Substation Projects			
Ivy Substation (15 MVA) (FY 2022)	$5,585,429	$5,585,429	$0
Stagecoach Substation (10MVA) (FY 2023)	$4,192,813	$4,192,813	$0
San Gorgonio Substation (20 MVA) (FY 2024)	$6,275,426	$6,275,426	$0
Smith Creek Substation (40 MVA) (FY TBD)	$14,000,000	$7,000,000	$7,000,000
Banning Substation Upgrade (WDAT) (FY 27-28)	$16,000,000	$0	$16,000,000
Total CIP Costs	**$41,843,168**	**$34,243,168**	**$30,600,000**

APPENDIX B – FIRE INFRASTRUCTURE COST

The following tables provide information on facility and equipment costs related to Fire. All information was provided and confirmed by the City of Banning's Fire Department staff.

Category	Quantity (sq. ft.)	Cost / Sq. Ft.	Total Cost
Facilities Inventory			
Fire Station (89) No.1 - 172 N Murray Street	6,000	$620	$3,722,885
Fire Station No. 20 - 1550 E 6th Street	-	$620	$0
Fire Station - 5261 W. Wilson	9,190	$620	$5,702,218
Fire Services/ Fire Chief - 3900 W Wilson Street	4,544	$620	$2,819,465
New Fire Station (located south of the freeway)			$15,000,000
Total Facility Cost			**$27,244,568**

Category	Count	Purchase Cost	Total Value
Equipment Inventory			
2005 Smeal Custom Multi Funct. Engine	1	$2,800,000	$2,800,000
2005 Smeal Gen 1 Pumper	1	$1,700,000	$1,700,000
Total Equipment Cost			**$4,500,000**

APPENDIX C – GENERAL FACILITIES INFRASTRUCTURE COST

The following tables provide information on facility and equipment costs related to General Facilities. All information was provided and confirmed by the City of Banning's Public Works Department staff.

Category	Quantity (sq. ft.)	Cost / Sq. Ft.	Total Cost
Facilities Inventory			
City Hall - 99 E Ramsey St	21,500	$400	$8,600,000
Animal Shelter - 2242 E Charles St	5,143	$400	$2,057,200
Corporation Yard - 176 E Lincoln St	6,400	$400	$2,560,000
Corporation Yard - Warehouse	26,200	$400	$10,480,000
Corporation Yard - Fleet Garage	9,242	$400	$3,696,800
Chamber of Commerce Bld 58 E. Ramsey	3,333	$400	$1,333,200
Total Facility Cost			**$28,727,200**

Category	Count	Purchase Cost	Total Value
Equipment Inventory			
Ford F-250 w/ equipment rack and tool boxes (2)	2	$55,000	$94,800
F-550 Super Duty Aerial Boom Lift	1		$128,000
John Deere Ride of Mower	1		$15,500
John Deere Flair Mower	1		$12,300
Miller Tow Behind Welder	1		$66,300
14' Utility Trailer	1		$4,000
Total Equipment Cost			**$320,900**

APPENDIX D – PARKS INFRASTRUCTURE COST

The following tables provide information on capital improvement, facilities, and equipment costs related to Parks. All information was provided and confirmed by the City of Banning's Public Works and Parks Department staff.

Category	Total Value
Park Improvements	
Roosevelt Williams Park	$556,200
Budgeted in FY 2026	
Replacement Playground - Repplier Park	$150,000
Replacement Playground - Sylvan Park	$150,000
Enclosed Skidsteer with bucket & Auger	$70,000
Irrigation System replacement& Fencing project - Non-potable Lions Park	$1,012,000
Budget for FY 2027	
Sylvan Restroom demo and Replacement	$450,000
Lion's Park Playground replacement	$200,000
Ray Pak - Commercial Pool Heaters (Two)	$70,000
Total Improvement Cost	**$2,658,200**

Category	Quantity (sq. ft.)	Cost / Sq. Ft.	Total Value
Facilities Inventory			
Community Center / Gym - 769 N San Gorgonio Ave	12,046	$400	$4,818,400
Senior Center - 769 N San Gorgonio Ave	6,029	$400	$2,411,600
Aquatics Center - 749 N San Gorgonio Ave	5,697	$400	$2,278,800
Lions Park Concessions Building	1,350	$400	$540,000
Roosevelt Williams Park Recreation Center	2,215	$400	$886,000
Repplier Park Amphitheatre Bldg - 769 N. San Gorgonio	3,200	$400	$1,280,000
Dysart Park Offices	2,200	$400	$880,000
Armory	10,800	$400	$4,320,000
Total Facility Cost			**$17,414,800**

Category	Count	Purchase Cost	Total Value
Equipment Inventory			
Black Widow Arena Groomer	1	$12,200	$12,200
MDF 440 Drinking Fountains - 10	10	$34,550	$345,500
200 Gal Tow Behind Commercial Sprayer	1	$13,900	$13,900
Alkota Trailer Mounted Pressure Washer	1	$14,325	$14,325
Total Equipment Cost			**385,925**

APPENDIX E – POLICE INFRASTRUCTURE COST

The following tables provide information on facilities and equipment costs related to Police. All information was provided and confirmed by the City of Banning's Police Department staff.

Category	Quantity (sq. ft.)	Cost / Sq. Ft.	Total Cost
Facilities Inventory			
125 E. Ramsey Street - PD Station	30,000	$620	$18,614,423
Total Facility Cost			**$18,614,423**

Category	Count	Purchase Cost	Total Value
Equipment Inventory			
Motorola APX NEXT radios (50)	50		$500,000
Getac BC02 Body Worn Cameras (40)	40		$28,000
Unit 52 2006 Ford E350 Motorhome (Mobile Command Center)	1	$200,000	$300,000
Unit 15 1992 Ford F700 Armored Vehicle	1	$10,000	$250,000
Unit 25 2003 Ford E350 Box Van (Evidence Van)	1	$10,000	$75,000
Unit 26 2004 Ford F250 4x4	1	$60,000	$67,500
Unit 80 2021 Ford F250 (ACO Truck)	1	$60,000	$67,500
Unit 81 2015 Ford F350 (ACO Truck)	1	$30,000	$67,500
Unit 02 2023 HDK Forester 4 Golf Cart	1	$9,000	$14,000
1996 E-Z Go Golf Cart (x2)	2	$2,500	$28,000
2015 Ford Fusion (x2)	2	$8,000	$54,000
2018 Ford Fusion (x2)	2	$15,000	$54,000
Unit 16 2006 Ford Expedition	1	$8,000	$66,000
Unit 46 2017 Ford Taurus	1	$10,000	$32,000
2024 Ford Explorer Admin Units (x2)	2		$88,000
Unit 47 2024 Chevrolet Silverado Admin	1	$58,595	$48,500
2020 (1) & 2023 Chevrolet Tahoe (13) (14 total units)	14		$882,000
Unit 13 2020 Kia Sorento	1	$20,000	$37,000
Unit 21 2024 Chevrolet Blazer	1	$52,116	$40,000
Unit 23 2025 Chevrolet Traverse	1	$51,919	$43,500
2024 Ford F150 (x3)	3		$202,500
2017 & 2020 Ford Explorer Police Interceptor(x10)	10		$560,000
Unit 39 2015 Ford Taurus	1	$25,000	$32,000
2018 Ford Taurus (x3)	3		$96,000
BMW R1200RTP Motorcycles (x3)	3	$4,500	$78,000
Unit 40 2024 Ford Escape	1		$34,000
Mobile Speed Trailer	1		$11,500
Total Equipment Cost			**$3,756,500**

APPENDIX F – TRAFFIC INFRASTRUCTURE COST

The following table provides information on capital improvement costs related to Traffic. All information was provided and confirmed by the City of Banning's Public Works Department staff.

Project Name	2025 Total Cost
Int: 1 Highland Springs Avenue/16th Street-Cougar Way	$2,490,094
Int: 2 Highland Springs Avenue/F Street	$1,649,243
Int: 6 Highland Springs Avenue/Ramsey Street	$699,012
Int: 9 Highland Springs Avenue/Sun Lakes Boulevard	$809,312
Int: 10 Highland Springs Avenue/Potrero Boulevard	$364,699
Int: 12 Highland Home Road/Beaumont Road-G Street	$3,538,969
Int: 13 Highland Home Road/F Street	$3,101,067
Int: 14 Highland Home Road/D Street	$2,681,517
Int: 16 Highland Home Road/Ramsey Street	$492,344
Int: 17 Highland Home Road/Sun Lakes Boulevard–Westward Avenue	$3,181,943
Int: 18 Sunset Avenue/Wilson Street	$2,944,786
Int: 19 Sunset Avenue/Ramsey Street	$1,380,051
Int: 20 Sunset Avenue/I-10 Westbound Ramps	$232,561
Int: 21 Sunset Avenue/I-10 Eastbound Ramps	$788,042
Int: 24 Sunrise Avenue/Wilson Street	$685,430
Int: 25 16th St/Wilson Street	$884,790
Int: 26 8th St/Wilson Street	$890,596
Int: 27 8th St/Ramsey Street	$336,151
Int: 28 8th St/I-10 Westbound Ramps	$867,984
Int: 29 8th St/I-10 Eastbound Ramps	$1,809,944
Int: 30 8th Street/Lincoln Street	$3,582,893
Int: 31 4th St/Wilson Street	$364,699
Int: 32 San Gorgonio Avenue/Wilson Street	$1,012,843
Int: 33 Hargrave Street/Ramsey Street	$2,362,201
Int: 34 Hargrave Street/I-10 Westbound Ramps	$1,056,125
Int: 35 Hargrave Street/I-10 Eastbound Ramps	$1,163,566
Int: 36 Hargrave Street/Lincoln Street	$3,112,154
I-10/Highland Springs Avenue Interchange	$49,236,594
Total Improvement Cost	**$91,719,613**

APPENDIX G – WASTEWATER INFRASTRUCTURE COST

The following table provides information on capital improvement costs related to Wastewater. All information was provided and confirmed by the City of Banning's Public Works Department staff.

Project Name	Total CIP Cost[67]	Allocated to Existing Development[68]	Allocated to New Development[69]
Gravity Mains			
WWGM-1 Gravity Main along Williams Street	$434,722	$434,722	$0
WWGM-2 Northern Segment of Gravity Main along Hathaway Street	$459,521	$459,521	$0
WWGM-3A Casing Under I-10	$665,212	$665,212	$0
WWGM-3B Gravity Main along Hathaway Street	$1,522,984	$1,522,984	$0
WWGM-4 Gravity Main along Ramsey Street	$459,521	$459,521	$0
WWGM-5 Gravity Main along Charles Street	$688,552	$688,552	$0
WWGM-6 Gravity Main along Livingston Street	$459,521	$459,521	$0
WWGM-7 Gravity Main along Fourth Street	$229,031	$229,031	$0
WWGM-8 Gravity Main along Charles Street	$688,552	$495,991	$192,561
WWGM-9 Gravity Main along Porter Street	$465,356	$186,726	$278,630
WWGM-10 Gravity Main along Porter Street	$3,838,095	$1,150,991	$2,687,104
WWGM-11 Gravity Main, Porter Street to WWTP	$2,248,006	$697,305	$1,550,701
WWGM-12 Gravity Main south of Charles Street to WWTP	$344,276	$131,292	$212,984
WWGM-13 Gravity Main along Wilson Street	$211,526	$175,056	$36,470
New Service Related Improvements			
Gravity Mains			
WWGM-15 Butterfield-Loma Linda Offsite Trunk	$1,269,154	$0	$1,269,154
WWGM-16 Westward Lift Station Bypass	$1,088,263	$468,274	$619,989
WWGM-17 RSG Main Trunk	$9,593,050	$0	$9,593,050
WWGM-18 Gravity Main along Wilson Street	$846,102	$0	$846,102
WWGM-19 Gravity Main for RMG	$634,577	$0	$634,577
WWGM-20 Gravity Main along Lincoln Street	$42,305	$0	$42,305
WWGM-21 Gravity Main along Cottonwood Road	$1,692,205	$0	$1,692,205
WWGM-22 Gravity Main along Fountain Street	$2,326,782	$0	$2,326,782
WWGM-23 Gravity Main along Longhorn Road	$8,462,483	$0	$8,462,483
WWGM-24 Gravity Main along Bobcat Road	$3,215,189	$0	$3,215,189
WWGM-25 Gravity Main along Sunset Avenue	$11,256,079	$0	$11,256,079
WWGM-26 Gravity Main along Westward Avenue	$1,269,154	$0	$1,269,154
WWGM-27 Gravity Main along Mias Canyon Road and Bluff Street	$5,289,599	$0	$5,289,599

[67] Represents the estimated CIP costs at 2025 prices.
[68] Represents the costs already identified to existing development, so that it is not factored into future development allocations.
[69] Represents the costs of projects assigned / associated with new development.

Project Name	Total CIP Cost[67]	Allocated to Existing Development[68]	Allocated to New Development[69]
WWGM-28 Gravity Main along Florida Street	$634,577	$0	$634,577
WWGM-29 Gravity Main along Almond and Blanchard Street	$634,577	$0	$634,577
WWGM-30 Casing for Gravity Main Crossing I-10	$1,245,813	$0	$1,245,813
WWGM-31 Gravity Main along Lincoln Street	$1,269,154	$0	$1,269,154
WWGM-32 Gravity Main along Ramsey Street	$634,577	$0	$634,577
Force Mains			
WWFM-2 Force Main along Westward Avenue	$1,692,205	$0	$1,692,205
WWFM-3 Force Main along Porter Street	$1,903,730	$0	$1,903,730
WWFM-4 Force Main along Roadrunner Trail	$423,051	$0	$423,051
WWFM-5 Force Main Creek Crossing	$423,051	$0	$423,051
Lift Stations			
WWLS-2 Distribution Center Lift Station	$3,787,038	$0	$3,787,038
WWLS-3 Business Park Lift Station	$2,131,303	$0	$2,131,303
WWLS-4 Porter Street Lift Station	$1,569,666	$0	$1,569,666
WWLS-5 Roadrunner Trail Lift Station	$1,787,027	$0	$1,787,027
WWLS-6 Bluff Street Lift Station	$1,859,966	$0	$1,859,966
Rehabilitation and Replacement Projects			
Gravity Mains			
WWRR-1 Annual Sewer Replacement	$4,784,855	$4,784,855	$0
Lift Stations			
WWRR-2 Caltrans Lift Station Site Improvements	$215,902	$58,352	$157,550
WWRR-3 Westward Lift Station Site Improvements	$125,457	$125,457	$0
Treatment Plant Related Improvements			
WWTP-1 Digestor Cleaning	$218,820	$218,820	$0
WWTP-2 Heat Exchanger Repairs	$87,528	$87,528	$0
WWTP-3 Boiler Gas Control Valves	$116,704	$116,704	$0
WWTP-4 Digestor Gas Pipeline	$43,764	$43,764	$0
WWTP-5 WWTP Upgrade	$85,000,000	$15,725,000	$69,275,000
Total Costs	**$170,288,578**	**$29,385,177**	**$140,903,401**

APPENDIX H – WATER INFRASTRUCTURE

The following table provides information on capital improvement costs related to Water. All information was provided and confirmed by the City of Banning's Public Works Department staff.

Project Name	Total CIP Cost[70]	Allocated to Existing Development[71]	Allocated to New Development[72]
Potable Water Facilities			
Pipelines			
PWP-1 New Transmission Main for Proposed Lower Main Well C-9	$603,942	$0	$603,942
PWP-2 New Transmission Main for Upper Main Reservoir 1 (RSG)	$7,466,124	$5,897,917	$1,568,207
PWP-4 New Transmission Main for Proposed Development in Main Zone (RSG	$12,090,511	$0	$12,090,511
PWP-6 New Transmission Main from Mountain Booster PS to Existing Mounta	$2,115,256	$0	$2,115,256
PWP-7 New Transmission Main for Proposed Development in Mountain North	$2,720,657	$0	$2,720,657
PWP-8 New Transmission Main for Proposed Upper Main Well C-10	$603,942	$0	$603,942
PWP-9 New Transmission Main for Mountain North Reservoir 1 & PS (Butterfie	$5,893,541	$2,828,608	$3,064,933
PWP-10 New Transmission Main for Upper Main Reservoir 2	$574,766	$0	$574,766
PWP-11 New Transmission Main for Proposed Development in Upper Butterfield (Zone1)	$603,942	$0	$603,942
PWP-12 New Transmission Main for Proposed Upper Butterfield Reservoir (Butte (Zone 1)	$2,720,657	$0	$2,720,657
PWP-13 Water Canyon Pipe Phase 2 (City's Existing CIP)	$4,741,091	$4,741,091	$0
PWP-14 New Transmission Main for Proposed Upper Main Well C-10	$1,209,343	$0	$1,209,343
PWP-15 New Transmission Main for Proposed Foothill West Well C-8	$603,942	$0	$603,942
PWP-16 New Transmission Main for Proposed Upper Main Well C-12	$603,942	$0	$603,942
PWP-17 New Transmission Main for Foothill West Reservior 2	$4,533,942	$0	$4,533,942
PWP-18 New Transmission Main for Upper Main Reservoir 3	$6,045,256	$0	$6,045,256
PWP-20 New Transmission Main for (Lorna) Loma Linda Reservoir 1 & PS	$4,533,942	$0	$4,533,942
Booster Pump Stations			
PWPU-1.a Upgrade Existing Mountain Booster Pump Station	$3,282,294	$3,282,294	$0

[70] Represents the estimated CIP costs at 2025 prices.
[71] Represents the costs already identified to existing development, so that it is not factored into future development allocations.
[72] Represents the costs of projects assigned / associated with new development.

Project Name	Total CIP Cost[70]	Allocated to Existing Development[71]	Allocated to New Development[72]
PWPU-1.b Demolish Existing Mountain Booster Pump Station	$242,160	$242,160	$0
PWPU-2 New Foothill West Pump Station	$4,500,000	$0	$4,500,000
PWPU-3 New Mountain 2 Booster Pump Station	$2,340,000	$1,123,200	$1,216,800
PWPU-5 Add VFD to Well C-5	$0	$0	$0
PWPU-6 New Upper Butterfield Zone Pump Station (Zone 1)	$4,000,000	$0	$4,000,000
PWPU-7 New Loma Linda Pump Station	$4,500,000	$0	$4,500,000
Storage			
PWS-1 Proposed Upper Main Reservoir 1	$19,343,651	$15,280,901	$4,062,750
PWS-3 Proposed Mountain North Reservoir 1	$8,160,512	$3,916,870	$4,243,641
PWS-4 Proposed Upper Main Reservoir 2	$19,343,651	$0	$19,343,651
PWS-5 Proposed Upper Butterfield Reservoir (Zone 1)	$5,439,855	$0	$5,439,855
PWS-6 Proposed Foothill West Reservoir 2	$8,160,512	$0	$8,160,512
PWS-7 Proposed Upper Main Reservoir 3	$38,083,360	$0	$38,083,360
PWS-9 Proposed Loma (Lorna) Linda Reservoir 1	$5,439,855	$0	$5,439,855
Wells			
PWW-1 Proposed Main Zone Well C-9	$4,992,004	$0	$4,992,004
PWW-2 Convert Well M-7 to Supply the Upper Main Pressure Zone	$278,630	$0	$278,630
PWW-3 Convert Well M-'12 to Supply the Upper Main Pressure Zone	$278,630	$0	$278,630
PWW-4 Proposed Upper Main Well C-10	$6,202,806	$0	$6,202,806
PWW-5 Proposed Upper Main Well C-11	$6,201,347	$0	$6,201,347
PWW-7 Proposed Upper Main Well C-12	$6,201,347	$0	$6,201,347
Valves			
PWV-2 New Pressure Reducing Valve for Rancho San Gorgonio	$497,450	$0	$497,450
PWV-3 Foothill West to Upper Main Zone Pressure Reducing Station	$993,441	$0	$993,441
PWV-4 C2 PRVs'I& 2	$993,441	$0	$993,441
PWRZ-1 New Pressure Reducing Valves for Re-Zoning	$4,994,922	$4,994,922	$0
Wateryard			
Wateryard	$5,403,822	$2,437,796	$2,966,026
Recycled Water Facilities			
Pipelines			
RWP-3 Banning High School Lateral	$750,000	$0	$750,000
RWP-4 Rancho San Gorgonio Lateral	$301,971	$0	$301,971
RWP-5 Neighborhood Park Lateral	$211,526	$0	$211,526
RWP-6 Dysart Park Lateral	$1,480,679	$0	$1,480,679
RWP-7 Five Bridges Development Lateral	$290,301	$0	$290,301
RWP-9 Five Bridges Basin Pipeline	$2,393,886	$1,076,592	$1,317,294
RWP-10 WWTP Basin Pipeline	$797,962	$358,864	$439,098
Valves			

Project Name	Total CIP Cost[70]	Allocated to Existing Development[71]	Allocated to New Development[72]
RWV-1 BCVWD Co-Owned Wells and Interconnect Buildings (2)	$8,000,000	$0	$8,000,000
Other			
RWO-1 Five Bridges Site Improvements	$4,659,398	$4,659,398	$0
RWO-2 WWTP Basin Site Improvements	$599,566	$599,566	$0
RWO-3 Hydrogeological Study	$218,820	$218,820	$0
RWO-4 Monitoring Wells and Lysimeters	$4,353,051	$4,353,051	$0
RWO-5 404 Permitting	$291,759	$291,759	$0
RWO-6 Recycled Water Master Plan Update	$194,020	$194,020	$0
Title 22 Improvements	$4,741,091	$0	$4,741,091
Total Costs	**$246,822,511**	**$56,497,829**	**$190,324,683**

RESOLUTION NO. 2019-112

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE DEVELOPMENT IMPACT FEE UPDATE STUDY DATED AUGUST 7, 2019, APPROVING THE UPDATE OF [THE] TRAFFIC FEE COMPONENT OF THE DEVELOPMENT FEE PROGRAM DATED MAY 2019, ADOPTING NEW AND AMENDED DEVELOPMENT IMPACT FEES, MAKING A FINDING OF EXEMPTION UNDER CEQA, AND REPEALING RESOLUTION NOS. 2006-75 IN ITS ENTIRETY

WHEREAS, in adopting Chapter 12.08, Article II of Chapter 13.08, Chapter 15.68, and Chapter 15.72 of the Banning Municipal Code (the "Municipal Code"), the City Council of the City of Banning (the "City Council" of the "City") established the requirement for the payment of development impact fees by new development within the City, to ensure that certain public facilities or capital improvements are constructed and made available consistent with build-out of the City, in accordance with the City's General Plan and concurrent with the need caused by new development; and

WHEREAS, proposed Ordinance No. 1551, once adopted, will add a new Chapter 15.68 ("Development Impact Fees") to the Municipal Code, which will provide that the City Council shall, by resolution, adopt a schedule setting forth the specific amount of development impact fees that will be levied on upon new development in the City;

WHEREAS, Willdan Financial Services has prepared the *Development Impact Fee Update Study* dated August 7, 2019, and LSA Associates, Inc. has prepared the *Update of [the] Traffic Fee Component of the Development Fee Program* prepared by LSA Associates, Inc. and dated May 2019 (collectively, the "Studies"). The Studies, together with an Integrated Master Plan (water, sewer and recycled water systems), identify capital infrastructure, equipment, and other physical needs necessary to accommodate build out of the community under the City's General Plan;

WHEREAS, the Studies describe the benefit and impact areas on which development impact fees are to be imposed and collected, describing the reasonable relationship between the development impact fees and the various types of new development, analyzing the need for new public facilities and improvements which will be necessitated by new development, setting forth a methodology for determining the relationship between new development, the needed public facilities, and the estimated cost of those improvements, and otherwise satisfying the requirements of the law, and Government Code Sections 66000 *et seq.* (the "Mitigation Fee Act"), with regard to the imposition and collection of development impact fees; and

WHEREAS, the Studies project developmental growth in the City through years 2035 for traffic control facilities and 2040 for fire protection, police, general city, parkland and park, wastewater, and water facilities, based on the City's General Plan, adopted

specific plans and other development approvals, and provides the basis for calculating and adopting development impact fees in the following categories: (1) fire protection facilities, (2) police facilities, (3) general City facilities, (4) traffic control facilities, (5) parkland and park facilities, (6) wastewater facilities, and (7) water facilities; and

WHEREAS, the analysis of facilities and improvement costs contained in the Studies, taken together with the methodology established by the Studies, demonstrate the specific costs associated with providing adequate public facilities commensurate with projected levels of new development in the City; and

WHEREAS, the Studies provide the documentation, detail, and other information required by the Mitigation Fee Act as the basis for the adoption and imposition of the development impact fees for fire protection, police, general city, traffic control, parkland and park, wastewater, and water facilities, and describes the benefit and impact area on which the development impact fees are to be imposed, lists the specific public improvements to be financed through the imposition and collection of the development impact fees, describes the estimated cost of providing the improvements and facilities, describes the reasonable relationship between the development impact fees and the various types of new development; and otherwise satisfies the requirements of the law with regard to the imposition and collection of development impact fees; and

WHEREAS, pursuant to the Mitigation Fee Act, the City Council finds that there is a reasonable relationship between the need for park land and park improvements and residential development that does not involve the subdivision of land for which a corresponding fee is charged because future residential development will increase the City's population and will require additional park space and improvements to adequately serve the athletic and recreational needs of these new residents; and

WHEREAS, pursuant to the Mitigation Fee Act, the City Council finds that there is a reasonable relationship between the development and improvement of parks and residential development that does not involve the subdivision of land for which the fee is imposed, because the additional parks and improvements will improve and expand the City's park system and thus reduce the risk that the City's increasing population will overuse or overcrowd the City's parks; and

WHEREAS, pursuant to the Mitigation Fee Act, the City Council finds that the proposed fees for traffic control facilities does not duplicate fees collected under the Western Riverside County Traffic Uniform Mitigation Fee (TUMF) Ordinance because the items listed in the *Update of [the] Traffic Fee Component of the Development Fee Program* only include costs for transportation improvements at intersections, and other costs, that are not included in the TUMF, but would require improvements due to background growth and new development in the City; and

WHEREAS, the facts and evidence presented to the City Council have established that there is a reasonable relationship between the need for new facilities or improvements and the impacts of new development for which a corresponding fee is charged, and also that there is a reasonable relationship between the fees' use and the

type of development for which the fee is imposed; and

WHEREAS, the City has complied with the notice and hearing requirements of state law and the Mitigation Fee Act prior to adopting this Resolution, and a notice of public hearing on the development impact fees was mailed as required by law to any interested party who filed a written request with the City Clerk for mailed notice of a meeting on new or increased fees; and

WHEREAS, the City Council held a duly noticed public hearing at the August 27, 2019 Regular City Council meeting, at which time further testimony was presented and the public hearing was closed; and

WHEREAS, the City Council finds that the record of these proceedings, including the Studies, the City's General Plan, ordinances and resolutions, the staff report, written correspondence received by the City, and the testimony received at the hearing prior to the adoption of this Resolution, held on August 27, 2019, contains substantial evidence to support the imposition and collection of the development impact fees established herein; and

WHEREAS, the City Council has reviewed and considered the development impact fees established herein, and finds that the fees will mitigate some of the impacts associated with additional capital and infrastructure needs necessitated by new residential and non-residential development in the City.

NOW, THEREFORE, the City Council of the City of Banning hereby finds, resolves and determines as follows:

SECTION 1: ADOPTION AND INCORPORATION OF RECITALS

The findings and recitals set forth above are true and correct, and are incorporated herein.

SECTION 2: ADOPTION OF THE STUDIES

The City Council hereby approves the *Development Impact Fee Update Study* prepared by Willdan Financial Services and dated August 7, 2019, and the findings contained therein, and the *Update of [the] Traffic Fee Component of the Development Fee Program* prepared by LSA Associates, Inc. and dated May 2019, and the findings contained therein. The City Council further adopts the methodology set forth in the Studies, for calculating and collecting the development impact fees adopted herein. A copy of the Studies shall be on file with the City Clerk and available during regular City business hours for public inspection.

SECTION 3: ADOPTION OF DEVELOPMENT IMPACT FEES

The City Council hereby approves and adopts the development impact fees for fire protection facilities, police facilities, general City facilities, traffic control facilities, parkland and park facilities, wastewater facilities, and water facilities in accordance with the schedule set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION 4: METHODOLOGY FOR CALCULATION, ADJUSTMENT, AND COLLECTION OF DEVELOPMENT IMPACT FEES

The development impact fees established in Exhibit A are hereby adopted, and shall be calculated, adjusted, and collected in accordance with City ordinances and the Studies. The amount of the development impact fees may be adjusted annually for inflation on July 1st by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index. The calculation shall be made using the month of April over the month of April in the prior year.

SECTION 5: IMPOSITION AND DEFERRAL OF DEVELOPMENT IMPACT FEES

The development impact fees established herein shall be due and payable in accordance with Government Code Section 66007, upon the issuance of a building permit; provided, however, that development impact fees imposed on residential development may be deferred until the date of the final inspection, or the date the certificate of occupancy is issued, whichever occurs first, pursuant to a written agreement, entered into and recorded in accordance with Government Code Section 66007(c).

SECTION 6: EFFECTIVE DATE OF NEW DEVELOPMENT IMPACT FEES

The development impact fees established by Section 4 of this Resolution shall be effective on the sixtieth (60th) day following the adoption of this Resolution.

SECTION 7: EXCEPTIONS

The development impact fees established herein shall not include fees established and collected pursuant to Chapter 12.52 ("Western Riverside County Multiple Species Habitat Conservation Plan") or Chapter 15.76 ("The Western Riverside County Transportation Uniform Mitigation Fee") of the Municipal Code.

SECTION 8: APPEAL OF FEE IMPOSITION

Any applicant who is subject to payment of the development impact fees established herein may file an appeal in accordance with Chapter 15.68 of the Municipal Code, as that Chapter may be amended from time to time.

SECTION 9: REPEAL OF PRIOR DEVELOPMENT IMPACT FEES ADOPTED BY RESOLUTION NOS. 2006-75 AND CONFLICTING RESOLUTIONS

Any and all provisions of Resolution Nos. 2006-75 and any other prior resolutions of the City Council establishing or modifying development impact fees in the categories established in the Studies and set forth in Exhibit A, which duplicate or conflict with the provisions of this Resolution and Exhibit A, are hereby repealed and replaced with the fees set forth in Exhibit A and the terms and conditions established by this Resolution upon the effective date of the new development impact fees as provided for in Section 6 of this Resolution.

SECTION 10: ENVIRONMENTAL EXEMPTION

The adoption of the Studies and the development impact fees specified in this Resolution, was reviewed in accordance with the criteria contained in the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines. The City Council finds that adoption of the Studies and the development impact fees specified in this Resolution will not have a significant impact on the environment and are exempt from CEQA pursuant to Section 15061(b)(3) of State CEQA Guidelines because these actions involve the amendment of development impact fees and no specific development is authorized by the adoption of the Studies or the adoption of new and amended development impact fees. Therefore, the adoption of the Studies and the development impact fees does not have the potential for causing a significant effect on the environment. In addition, the adoption of this Resolution approves and sets forth a procedure for determining fees for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas and is statutorily exempt from CEQA pursuant to State CEQA Guidelines 15273(a)(4).

SECTION 11: SEVERABILITY

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Resolution or any part hereof is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portion of this Resolution or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause, or phrase be declared invalid or unconstitutional.

SECTION 12: CERTIFICATION

The City Clerk shall certify to the adoption of this resolution and shall cause a certified copy of this resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 10th day of September 2019.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Daryl Betancur, Deputy City Clerk
City of Banning

APPROVED AS TO FORM AND LEGAL CONTENT:

Kevin L Ennis

Kevin Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

Laurie Sampson
I, ~~Daryl A. Betancur~~, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2019-112 was duly adopted at a regular meeting of the City Council of the City of Banning held on the 10th day of September 2019, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Laurie L. Sampson
~~Daryl Betancur~~, Deputy City Clerk
City of Banning, California

EXHIBIT A
SCHEDULE OF DEVELOPMENT IMPACT FEES
Effective 60 Days After Adoption

Adopted on September 10, 2019, and Effective on November 9, 2019

CITY OF BANNING

DEVELOPMENT IMPACT FEE UPDATE STUDY

FINAL

AUGUST 7, 2019

WILLDAN Financial Services

Oakland Office
1700 Broadway
6th Floor
Oakland, CA 94612
Tel: (510) 832-0899
Fax: (510) 832-0898

Corporate Office
27368 Via Industria
Suite 110
Temecula, CA 92590
Tel: (800) 755-MUNI (6864)
Fax: (909) 587-3510

Other Regional Offices
Lancaster, CA
Memphis, TN
Orlando, FL
Phoenix, AZ
Sacramento, CA
Seattle, WA

www.willdan.com

This page intentionally left blank.

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

Background and Study Objectives 1
Facility Standards and Costs 1
Use of Fee Revenues 2
Development Impact Fee Schedule Summary 2
Other Funding Needed 5

1. INTRODUCTION 6

Public Facilities Financing in California 6
Study Objectives 6
Banning Impact Fee Program 7
Fee Program Maintenance 7
Study Methodology 7
Types of Facility Standards 8
New Development Facility Needs and Costs 8
Organization of the Report 9

2. GROWTH FORECASTS 11

Land Use Types 11
Existing and Future Development 11
Occupant Densities 12

3. POLICE FACILITIES 14

Service Population 14
Facility Inventories and Standards 14
Existing Inventory 14
Planned Facilities 15
Revenue Projection 16
Use of Fee Revenue 16
Fee Schedule 16

4. FIRE PROTECTION FACILITIES 18

Service Population 18
Facility Inventory 18
Facility Standards 19
Revenue Projection 20
Fee Schedule 20

5. PARKLAND AND PARKS 22

Service Population 22
Existing Parkland and Parks Inventory 22
Parkland and Parks Unit Costs 23
Parkland and Parks Standards 24

Mitigation Fee Act 24
City of Banning Parkland and Parks Standards 24
Facilities Needed to Accommodate New Development 25
Parks Cost per Capita 25
Use of Fee Revenue 26
Fee Schedule 26

6. GENERAL CITY FACILITIES 27

Service Population 27
Facility Inventories and Standards 27
Existing Inventory 27
Planned Facilities 28
Cost Allocation 29
Revenue Projection 29
Use of Fee Revenue 30
Fee Schedule 30

7. WASTEWATER FACILITIES 31

Wastewater Demand 31
Equivalent Dwelling Unit Growth 31
Planned Facilities 32
Cost per EDU 34
Alternative Funding Sources 35
Fee Schedule 35

8. WATER FACILITIES 36

Water Demand 36
Equivalent Dwelling Unit Growth 36
Facility Needs and Costs 37
Fee Schedule 41

9. IMPLEMENTATION 42

Impact Fee Program Adoption Process 42
Inflation Adjustment 42
Reporting Requirements 42
Programming Revenues and Projects with the CIP 42

10. MITIGATION FEE ACT FINDINGS 43

Purpose of Fee 43
Use of Fee Revenues 43
Benefit Relationship 43
Burden Relationship 43
Proportionality 44

APPENDIX A-1

Executive Summary

This report summarizes an analysis of the maximum justified development impact fees allowable to support future development in Banning through 2040. It is the City's intent that the costs representing future development's share of public facilities and capital improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis are divided into the fee categories listed below:

- Police Facilities;
- Fire Facilities;
- Parks and Recreation Facilities;
- General City Facilities;
- Wastewater Facilities; and,
- Water Facilities.

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. Although growth also imposes operating costs, there is no similar system to generate revenue from new development for services. The primary purpose of this report is to calculate and present fees that will enable the City to expand its inventory of public facilities as new development creates increases in service demands.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act (*the *Act)*, contained in *California Government Code* Sections 66000 *et seq*. This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein.

All development impact fee-funded capital projects should be programmed through the City's five-year Capital Improvement Plan (CIP). Using a CIP can help the City identify and direct its fee revenue to public facilities projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City can help ensure a reasonable relationship between new development and the use of fee revenues as required by the *Mitigation Fee Act*.

Facility Standards and Costs

There are three approaches typically used to calculate facilities standards and allocate the costs of planned facilities to accommodate growth in compliance with the *Mitigation Fee Act* requirements.

The **existing inventory** approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. This approach is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through the City's annual capital improvement plan and budget process and/or completion of a new facility master plan. This approach is used for the fire, police, general city facilities and parkland and parks fees in this study.

The **planned facilities** approach allocates costs based on the ratio of planned facilities that serve new development to the increase in demand associated with new development. This approach is appropriate when specific planned facilities that only benefit new development can be identified,

or when the specific share of facilities benefiting new development can be identified. Examples include street improvements to avoid deficient levels of service or a wastewater trunk line extension to a previously undeveloped area. This approach is used for the wastewater facilities and water facilities fees in this report.

The **system plan** approach is based on a master facilities plan in situations where the needed facilities serve both existing and new development. This approach allocates existing and planned facilities across existing and new development to determine new development's fair share of facility needs. This approach is used when it is not possible to differentiate the benefits of new facilities between new and existing development. Often the system plan is based on increasing facility standards, so the City must find non-impact fee revenue sources to fund existing development's fair share of planned facilities. This approach is not used in this report.

Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new development, including but not limited to: land acquisition, construction of buildings and infrastructure, the acquisition of vehicles or equipment, information technology, software licenses and equipment.

Development Impact Fee Schedule Summary

Table E.1 summarizes the maximum justified development impact fees that meet the City's identified needs and comply with the requirements of the *Mitigation Fee Act*. Table E.2 summarizes the City's existing impact fee schedule.

Table E.1: Maximum Justified Impact Fee Summary

Land Use	Police Facilities	Fire Protection Facilities	Parkland and Parks	General City Facilities	Wastewater Facilities[1]	Water Facilities[1]	Total - Maximum Justified Impact Fees
Residential - Fee per Dwelling Unit							
Single Family	$ 1,200	$ 746	$ 3,840	$ 521	$ 5,061	$ 9,744	$ 21,112
Multifamily	982	610	3,142	426	5,061	9,744	19,965
Nonresidential - Fee per 1,000 Sq. Ft.							
Commercial	$ 351	$ 486	$ -	$ 493	See notes	See notes	$ 1,330
Office	458	633	-	643	See notes	See notes	1,734
Industrial	170	236	-	239	See notes	See notes	645

[1] Fee charged by EDU. Refer to Chapter 13.08 of the City's municipal code for the amount of EDUs associated with various types of development.

Sources: Tables 3.6, 4.5, 5.8, 6.6, 7.5 and 8.5.

Table E.2: Existing Fee Schedule Summary

Land Use	Police Facilities	Fire Protection Facilities	Parkland and Parks[1]	General City Facilities	Wastewater Facilities[2]	Water Facilities[2]	Total
Residential - Fee per Dwelling Unit[3]							
Single Family	$ 823	$ 1,335	$ 1,955	$ 478	$ 2,786	$ 7,232	$ 14,609
Multifamily	913	1,335	2,168	530	2,786	7,232	14,964
Nonresidential - Fee per 1,000 Sq. Ft.[4]							
Commercial	$ 472	$ 579	See notes	$ 208	See notes	See notes	$ 1,259
Office	192	841	See notes	302	See notes	See notes	1,335
Industrial	73	468	See notes	168	See notes	See notes	709

[1] Nonresidential fees charged per at $1,233 per acre.
[2] Nonresidential fees depend on project and are not listed in fee schedule.
[3] Single family detached fee shown for single family and multifamily fee shown for multifamily. Refer to fee schedule for full listing of current fees.
[4] Commercial/Shopping Center 50,000 SF or less fee shown for commercial, Office/Institutional 25,000 SF or less fee shown for office and light industrial fee shown for industrial. Refer to fee schedule for full listing of current fees.

Source: City of Banning Fee Schedule.

Other Funding Needed

Impact fees may only fund the share of public facilities related to new development in Banning. They may not be used to fund the share of facility needs generated by existing development or by development outside of the City. As shown in **Table E.2,** approximately $56 million in additional funding will be needed to complete the projects the City currently plans to develop. Non-fee funding is needed because these facilities are needed partially to remedy existing deficiencies and partly to accommodate new development.

The City will need to develop alternative funding sources to fund existing development's share of the planned facilities. Potential sources of revenue include but are not limited to: existing or new general fund revenues, existing or new taxes, special assessments, grants and future rate increases.

Table E.3: Non-Impact Fee Funding Required

Fee Category	Net Project Cost	Projected Impact Fee Revenue	Additional Funding Required
Police Facilities[1]	$ 11,324,544	$ 15,903,000	$ -
Fire Protection Facilities[1]	10,972,000	10,972,000	-
Parkland and Parks	15,180,030	15,180,030	-
General City Facilities	12,022,191	5,151,000	6,871,191
Wastewater Facilities[2]	82,944,919	73,712,000	9,232,919
Water Facilities[2]	210,351,986	165,829,200	44,522,786
Total	$ 342,795,670	$ 286,747,230	$ 56,048,440

[1] Additional facilities will need to be identified to maintain existing facility standard as growth occurs.
[2] Exsting fund balances applied to existing development's share of total project costs.

Sources: Tables 3.5, 4.4, 5.6, 6.5, 7.3 and 8.3.

1. Introduction

This report presents an analysis of the need for public facilities to accommodate new development in Banning. This chapter provides background for the study and explains the study approach under the following sections:

- Public Facilities Financing in California;
- Study Objectives;
- Banning Impact Fee Program;
- Fee Program Maintenance;
- Study Methodology; and
- Organization of the Report.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 40 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing ratepayers and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require the approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development impact fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development impact fees need only a majority vote of the legislative body for adoption.

Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. Program 2.C under Policy 2 of the Banning General Plan states that the City will "Investigate and identify the broad range of sources of financing and operating revenue, including Development Impact Fees, Mello Roos special districts, public/private ventures, state and federal grant opportunities, developer fees and inter-agency joint use agreements to supplement revenues collected for parks and recreation purposes" The primary purpose of this report is to update the City's impact fees based on the most current available facility plans and growth projections. The proposed fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands.

The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. This report provides the necessary findings required by the Act for adoption of the fees presented in the fee schedules presented in this report.

Banning is forecast to experience moderate growth through this study's planning horizon of 2040. This growth will create an increase in demand for public services and the City facilities required to deliver them. Given the revenue challenges described above, Banning has decided to use a development impact fee program to ensure that new development funds the share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to update the City's existing fee program to ensure that the City's fee program is representative of the facility needs resulting from new development.

Banning Impact Fee Program

Banning currently charges impact fees to fund the expansion of fire, police, traffic control, parkland and parks, general city, water and wastewater facilities to serve new development. The fees were established in 2006. This study provides the documentation needed for a comprehensive update of the City's impact fee program.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. To avoid collecting inadequate revenue, the inventories of existing facilities and costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established indices for each facility included in the inventories (land, buildings, and equipment), such as the *Engineering News-Record*, is necessary to accurately adjust the impact fees. For a list of recommended indices, see Chapter 9.

While fee updates using inflation indices are appropriate for annual or periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 9.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new

development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for city office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the City's facility design standards.
- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value), and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs: the **system plan method**, the **planned facilities method,** and the **existing inventory method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method new development funds the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual capital improvement plan and budget process, possibly after completion of a new facility master plan. This approach is used for the fire, police, general city facilities and parkland and parks fees in this study.

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$/\text{unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a wastewater trunk line extension to a previously undeveloped area. An example of the latter is expansion of an existing library building and book collection, which will be needed only if new development occurs, but which, if built, will in part benefit existing development, as well. Under this method new development funds the expansion of facilities at the standards used in the applicable planning documents. This approach is used for the wastewater facilities and water facilities fees in this report.

System Plan Method

This method calculates the fee based on: the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities + Cost of Planned Facilities}}{\text{Existing + New Development Demand}} = \$/\text{unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in General Plans are higher than existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. This method is not used in this report.

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of growth projections for population and employment. These projections are used throughout the analysis of different facility categories and are summarized in Chapter 2.

Chapters 3 through 9 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and existing development, and identify the maximum justified development impact fee for each of the following facility categories:

- Police Facilities;
- Fire Facilities;
- Parks and Recreation Facilities;
- General City Facilities;
- Wastewater Facilities; and,
- Water Facilities.

Chapter 9 details the procedures that the City must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code* Sections 66016 through 66018.

The five statutory findings required for adoption of the proposed public facilities fees in accordance with the Mitigation Fee Act are documented in Chapter 10.

2. Growth Forecasts

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2018 base year and a planning horizon of 2040.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2018 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2040 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2018 through 2040 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities. The service population for police, fire and general city facilities includes residents and workers. The service population for parks and libraries includes only residents. Demand for wastewater and water facilities is based on flow generation factors that vary by land use. Wastewater, water and storm drain demand factors are provided per dwelling unit, per thousand building square feet of nonresidential space and per hotel room.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types that impact fees have been calculated for are defined below.

- **Single family:** Detached and attached one-unit dwellings on individually owned lots.
- **Multi-family:** All attached multi-family dwellings including duplexes and condominiums.
- **Commercial:** All commercial and retail development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All business park, manufacturing and other industrial development.

Some developments may include more than one land use type, such as a mixed-use development with both multi-family and commercial uses. In those cases, the facilities fee would be calculated separately for each land use type.

The City has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use.

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in banning, both in 2018 and in 2040. The base year estimates of residents and dwelling units comes from the California Department of Finance. Future resident and dwelling unit

are based on draft Growth Figures from SCAG's Integrated Growth Forecast from the 2016-2040 Regional Transportation Plan (RTP).

Base year employees identified by the U.S. Census Bureau, OnTheMap Application for 2015, the latest data available. Total projected workers in 2040 identified by SCAG, allocated to land use categories using current proportions.

Table 2.1: Demographic Assumptions

	2018	2040	Increase
Residents[1]	29,917	60,988	31,071
Dwelling Units[2]			
Single Family	9,679	19,500	9,821
Multifamily	2,473	4,991	2,518
Total	12,152	24,491	12,339
Building Square Feet (000s)[3]			
Commercial	887	2,993	2,106
Office	562	1,895	1,333
Industrial	290	977	687
Total	1,739	5,865	4,126
Employment[4]			
Commercial	2,121	7,154	5,033
Office	1,753	5,913	4,160
Industrial	336	1,133	797
Total	4,210	14,200	9,990

Note: Figures have been rounded to the hundreds.

[1] Current population from California Department of Finance (DOF). Projection total for 2040 from City's 2018 Integrated Master Plan

[2] Current values from DOF. Total units projected from Integrated Master Plan.

[3] Equivalent building square footage estimated by dividing employees by occupancy density factors.

[4] Total, less local government (public administration) w orkers identified by the U.S. Census Bureau, OnTheMap Application, http://onthemap.ces.census.gov for 2015, the latest data available. Total projected w orkers in 2040 identified by SCAG, allocated to land use categories using current proportions.

Sources: California Department of Finance (DOF), Table E-5, 2018; 2016-2040 RTP/SCS Final Grow th Forecast by Jurisdiction; U.S. Census Bureau, OnTheMap Application, http://onthemap.ces.census.gov; Willdan Financial Services.

Occupant Densities

The police facilities, library facilities, and parkland and parks fees are based on allocating a cost per resident or employee to new development. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee.

Occupant densities (residents per dwelling unit or workers per building square foot or hotel room) are the most appropriate characteristics to use for these impact fees. The fee imposed should be based on the land use type that most closely represents the probable occupant density or impervious surface (for storm drain fees) of the development.

The average occupant density factors used in this report are shown in **Table 2.2**. The residential density factors are based on data for Banning from the U.S. Census' American Community Survey. The nonresidential occupancy factors are based on occupancy factors found in the *Employment Density Study Summary Report*, prepared for the Southern California Association of Governments by The Natelson Company. Though not specific to Banning, the Natelson study covered employment density over a wide array of land use and development types, making it reasonable to apply these factors to other areas.

Table 2.2: Occupant Density

Residential		
Single Family	2.53	Residents Per Dwelling Unit
Multifamily	2.07	Residents Per Dwelling Unit
Nonresidential		
Commercial	2.39	Employees per 1,000 square feet
Office	3.12	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Tables B25024 and B25033; The Natelson Company, Inc., Employment Density Study Summary Report, prepared for the Southern California Association of Governments, October 31, 2001, SCAG region data; Willdan Financial Services.

3. Police Facilities

This chapter documents the impact fee for police facilities. A fee schedule is presented based on the existing facilities standard of general government facilities in the City of Banning to ensure that new development provides adequate funding to meet its needs.

Service Population

Police facilities are used to provide services to both residents and businesses. The service population used to determine the demand for police facilities includes both residents and workers.

Table 3.1 shows the existing and future projected service population for police facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for these services, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for police facilities.

Table 3.1: Police Facilities Service Population

	A	*B*	*C = A + (B x 0.31)*
	Residents	**Workers**	**Service Population**
Existing (2018)	29,917	4,210	31,200
New Development (2018-2040)	31,071	9,990	34,200
Total (2040)	60,988	14,200	65,400
Weighting factor[1]	1.00	0.31	

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Source: Table 2.1; Willdan Financial Services.

Facility Inventories and Standards

This section describes the City's police facility inventory, the cost of planned facilities and facility standards.

Existing Inventory

Table 3.2 shows the existing inventory of police facilities, along with the facilities' estimated replacement value. The estimated land value was developed based an analysis of recently sold land, as reported by Zillow.com, and is used consistently throughout this report to value City-owned land. The present value of debt service payments made to date on the police headquarters building is also listed as an owned asset. Likewise, the present value of remaining payments is subsequently listed as a planned facility in the next table.

Table 3.2: Existing Police Facilities Land and Building Inventory

	Inventory	Units	Unit Cost	Value
Police Station - 125 E Ramsey St				
Land[1]	1.90	acres	$ 29,000	$ 55,100
Police Headquarters Building - Present Value of Debt Payments[2]				14,447,000
Subtotal				$ 14,502,100
Total Value of Existing Facilities				$14,502,100

[1] Total acreage is 3.26 acres. Parcel is shared w ith City Hall. Proportional share of land included here based on police station size relative to size of City Hall.
[2] See Appendix Table A.1. Figure has been rounded to the thousands.

Sources: City of Banning; zillow .com; Willdan Financial Services.

Planned Facilities

Table 3.3 shows the additional police facilities the City plans to develop through the 2040 planning horizon. The City plans to pay the remaining debt of the police headquarters that will serve existing and new development. The City also acknowledges that additional facilities will need to be identified to serve new development.

Table 3.3: Planned Police Facilties

Project Name	Total Project Cost
Total Debt Outstanding - Police Headquarters[1]	$ 11,345,169
Less Existing Fund Balance	20,625
Net Cost	$ 11,324,544

[1] Discounted to 2018$. Discount rate assumed to be 3.5% per year. See Appendix Table A.1.

Source: City of Banning.

Table 3.4 calculates the City's existing per capita investment in police facilities. This value is calculated by dividing value of the City's existing facility inventory by the existing service population. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker.

Table 3.4: Police Facilities Existing Standard

Value of Existing Facilities	$	14,502,100
Existing Service Population		31,200
Cost per Capita	$	465
Facility Standard per Resident	$	465
Facility Standard per Worker[1]		144

[1] Based on a weighing factor of 0.31.

Sources: Tables 3.1 and 3.2; City of Banning; Willdan Financial Services.

Revenue Projection

The City plans to use police facilities fee revenue to construct improvements to add to the system of police facilities to serve new development. **Table 3.5** details a projection of fee revenue, based on the service population growth increment identified in Table 3.1. The City will have to identify $4.6 million of additional police facilities to maintain the existing facility standard through the planning horizon.

Table 3.5: Revenue Projection - Existing Standard

Cost per Capita	$	465
Growth in Service Population (2018- 2040)		34,200
Fee Revenue	$	15,903,000
Net Cost of Planned Facilities		11,324,544
Additional Facilities to Be Identified	$	4,578,456

Sources: Tables 3.1, 3.3 and 3.4.

Use of Fee Revenue

The City can use this fee revenue to pay for the debt service on the existing police headquarters. The City can also use police facilities fee revenues for the construction or purchase of buildings, equipment and land that are part of the system of police facilities serving new development. The City plans to use the fee revenues to fund the facilities shown in Table 3.3.

Fee Schedule

Table 3.6 shows the maximum justified police facilities fee schedule. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities

(persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two percent (2%) percent administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 3.6: Police Facilities Fee - Existing Standard

	A	*B*	*C = A x B*	*D = C x 0.02*	*E = C + D*	*F = E / 1,000*
Land Use	**Cost Per Capita**	**Density**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.**
Residential						
Single Family	$ 465	2.53	$ 1,176	$ 24	$ 1,200	
Multi-family	465	2.07	963	19	982	
Nonresidential						
Commercial	$ 144	2.39	$ 344	$ 7	$ 351	$ 0.35
Office	144	3.12	449	9	458	0.46
Industrial	144	1.16	167	3	170	0.17

[1] Persons per dwelling unit or per 1,000 square feet of nonreside

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 3.4; Willdan Financial Services.

4. Fire Protection Facilities

The purpose of the fire impact fee is to fund the fire protection facilities needed to serve new development. An impact fee is presented based on the existing facilities standard of fire protection facilities per capita.

Service Population

Fire protection facilities are used to provide services to both residents and businesses in the City of Banning. The service population used to determine the demand for fire protection facilities includes both residents and workers. **Table 4.1** shows the current fire protection facilities service population and the estimated service population at the planning horizon of 2040.

Table 4.1: Fire Facilities Service Population

	A	*B*	*C = A + (B x 0.69)*
	Residents	**Workers**	**Service Population**
Existing (2018)	29,917	4,210	32,822
New Development (2018-2040)	31,071	9,990	37,964
Total (2040)	60,988	14,200	70,800
Weighting factor[1]	1.00	0.69	

[1] Service population w orker demand factor based on City of Phoenix service call data w eighted by the relative proportions of residential and nonresidential land use in the City.

Source: Table 2.1; City of Banning; Willdan Financial Services.

To calculate service population for fire protection facilities, residents are weighted at 1.00. A worker is weighted at 0.69 of one resident to reflect the lower per capita need for fire services associated with businesses.

The specific 0.69 per worker weighting used here is derived from an extensive study carried out by planning staff in the County of Phoenix. Data from that study is used to calculate a per capita factor that is independent of land use patterns. It is reasonable to assume that relative demand for fire service between residents and workers does not vary substantially on a per capita basis across communities, enabling the use of this data in other communities in the documentation of a fire protection facilities impact fee.

Facility Inventory

Table 4.2 presents an inventory of existing fire protection facilities, including land, buildings, vehicles and technology equipment in Banning. Replacement cost estimates for buildings, vehicles and equipment were provided by the City, based on recent assessments of their owned facility inventories. In total, the City has invested approximately $9.5 million in fire protection facilities.

Table 4.2: Existing Fire Facilities Land and Building Inventory

	Inventory	Units	Unit Cost	Value
Land (acres)				
Fire Station (89) No.1 - 172 N Murray Street	1.61	acres	$ 29,000	$ 46,690
Fire Station No. 20 - 1550 E 6th Street[1]	-	acres	29,000	-
Fire Station - 5261 W. Wilson[2]	1.14	acres	29,000	33,060
Fire Services/ Fire Chief - 3900 W Wilson Street	0.48	acres	29,000	13,920
Subtotal	3.23			$ 93,670
Buildings (square feet)				
Fire Station (89) No.1 - 172 N Murray Street	6,000	Sq. Ft.	$ 420	$ 2,520,000
Fire Station No. 20 - 1550 E 6th Street[1]	-	Sq. Ft.	420	-
Fire Station - 5261 W. Wilson[2]	9,190	Sq. Ft.	420	3,859,800
Fire Services/ Fire Chief - 3900 W Wilson Street	4,544	Sq. Ft.	420	1,908,480
Subtotal	19,734	Sq. Ft.		$ 8,288,280
Vehicles and Apparatus				
2005 Smeal Custom Multi Funct. Engine				$ 550,000
2005 Smeal Gen 1 Pumper				550,000
2007 Ford Ranger				18,000
Subtotal				$ 1,118,000
Total Value of Existing Facilities				$ 9,499,950

[1] No value for this facility because it is owned by the City of Beaumont.

[2] Facility is currently used for storage.

Source: zillow.com; City of Banning; Willdan Financial Services.

Facility Standards

Table 4.4 calculates the City's existing per capita investment in fire protection facilities. This value is calculated by dividing value of the City's existing facility inventory by the existing service population. The value per capita is multiplied by the worker weighting factor of 0.69 to determine the value per worker.

Table 4.3: Fire Protection Facilities Existing Standard

Value of Existing Facilities	$	9,499,950
Existing Service Population		32,822
Cost per Capita	$	289
Facility Standard per Resident	$	289
Facility Standard per Worker[1]		199

[1] Based on a weighing factor of 0.69.

Sources: Tables 4.1 and 4.2; Willdan Financial Services.

Revenue Projection

The City plans to use fire facilities fee revenue to construct improvements to add to the system of fire protection facilities to serve new development. **Table 4.4** details a projection of fee revenue, based on the service population growth increment identified in Table 4.1. This fee will generate $10.97 million through 2040.

Table 4.4: Revenue Projection - Existing Standard

Cost per Capita	$	289
Growth in Service Population (2018 - 2040)		37,964
Fee Revenue	$	10,972,000

Sources: Tables 4.1 and 4.3.

Fee Schedule

Table 4.5 shows the maximum justified fire protection facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two-percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two-percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the

charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 4.5: Fire Protection Facilities Fee - Existing Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 2.5% Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / 1,000 Fee per Sq. Ft.
Residential						
Single Family	$ 289	2.53	$ 731	$ 15	$ 746	
Multifamily	289	2.07	598	12	610	
Nonresidential						
Commercial	$ 199	2.39	$ 476	$ 10	$ 486	$ 0.49
Office	199	3.12	621	12	633	0.63
Industrial	199	1.16	231	5	236	0.24

[1] Persons per dwelling unit or per 1,000 square feet of nonresidential.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 4.3; Willdan Financial Services.

5. Parkland and Parks

The purpose of the parkland and parks impact fee is to fund the parkland and parks facilities needed to serve new development. The maximum justified impact fee is presented based on the existing plan standard of parkland and parks per capita.

Service Population

Park and recreation facilities in Banning primarily serve residents. Therefore, demand for services and associated facilities is based on the City's residential population. **Table 5.1** shows the existing and future projected service population for parkland and parks. Note that the growth in service population excludes 20,865 residents associated with the Rancho San Gorgonio (3,385 dwelling units) and Pardee (4,862 dwelling units) development projects, who will be dedicating and improving parkland per existing development agreements and are exempt from this fee.

Table 5.1: Parkland and Parks Service Population

	Residents
Existing (2018)	29,917
Growth (2018 - 2040)[1]	10,206
Total (2040)[1]	40,123

[1] Excludes 20,865 residents associated with RSG (3,385 dwelling units) and Pardee (4,862 dwelling units) development projects, who will be dedicating and improving parkland per existing development agreements and are exempt from this fee.

Source: Table 2.1.

Existing Parkland and Parks Inventory

The City of Banning maintains several parks throughout the city. **Table 5.2** summarizes the City's existing parkland and parks inventory in 2018. All facilities are located within the City limits. In total, the inventory includes a total of 67.46 acres of developed parkland and parks.

Table 5.2: Park Land Inventory

Name	Acreage
Dysart Equestrian Park - 2101 W Victory Ave	20.00
Lions Park - 955 S Hargrave St	16.12
Repplier Park - 671 N. San Gorgonio Ave.[1]	14.39
Sylvan Park - 2801 W. Nicolet Street	7.80
Roosevelt Williams Park - 1101 E George St	5.50
Richard Sanchez Park - 3758 Cypress St	3.32
Carpenter Hamilton Park - 99 E Ramsey St	0.33
Total - Parkland	67.46

[1] Includes skateboard park.

Source: City of Banning.

Table 5.3 displays the City's inventory of special use facilities. The total replacement value of the special use facilities is divided by the existing parkland acres to determine a special use facility cost per acre.

Table 5.3: Special Use Facilities Inventory

	Quantity	Units	Unit Cost	Total Value
Community Center / Gym - 769 N San Gorgonio Ave	12,046	Sq. Ft.	$ 150	$ 1,806,900
Senior Center - 769 N San Gorgonio Ave	6,029	Sq. Ft.	150	904,350
Aquatics Center - 749 N San Gorgonio Ave	5,697	Sq. Ft.	150	854,550
Recreation Office - 789 N San Gorgonio Avenue	N/A			-
Lions Park Concessions Building	1,350	Sq. Ft.	150	202,500
Roosevelt Williams Park Recreation Center	2,215	Sq. Ft.	150	332,250
Repplier Park Amphitheatre Bldg - 769 N. San Gorgonio	3,200	Sq. Ft.	150	480,000
Dysart Park Offices	2,200	Sq. Ft.	150	330,000
Total				$ 4,910,550
Total Parkland Acres				67.46
Special Use Facilities Cost per Acre				$ 72,800

Source: City of Banning; Willdan Financial Services.

Parkland and Parks Unit Costs

Table 5.4 displays the unit costs necessary to develop parkland in Banning. This analysis assumes that it costs $556,220 per acre to develop an acre of parkland in Banning based on the cost to develop Roosevelt Park. A value of $29,000 per acre for land acquisition is also included and is consistent with other land assumptions used in this analysis. The cost per acre for special use facilities calculated in Table 3 is also included in the estimate. In total, this analysis assumes that it costs $658,500 to acquire and develop an acre of parkland in Banning.

Table 5.4: Parkland and Parks Unit Costs

	Cost Per Acre	Share of Total Costs
Special Use Facilities	$ 72,800	
Standard Park Improvements[1]	556,200	
Subtotal - Improvements	$ 629,000	96%
Land Acquisition	$ 29,000	4%
Total Cost per Acre	$ 658,000	4%

[1] Based on cost to improve Roosevelt Williams Park.

Sources: City of Banning; zillow .com; Willdan Financial Services.

Parkland and Parks Standards

Park facility standards establish a reasonable relationship between new development and the need for expanded parkland and parks. Information regarding the City's existing inventory of existing parks was obtained from City staff.

The most common measure in calculating new development's demand for parks is the ratio of park acres per resident. In general, facility standards may be based on the Mitigation Fee Act (using a city's existing inventory of parkland and parks), or an adopted policy standard contained in a master facility plan or general plan.

Mitigation Fee Act

The Mitigation Fee Act does not dictate use of a particular type or level of facility standard for public facilities fees. To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development.[1] A simple and clearly defensible approach to calculating a facility standard is to use the City's existing ratio of park acreage per 1,000 residents. Under this approach, new development is required to fund new parkland and parks at the same level as existing residents have provided those same types of facilities to date.

City of Banning Parkland and Parks Standards

Table 5.4 shows the existing standard for improved park acreage per 1,000 residents based on the type of parkland. In total the City has an existing parkland standard of 2.26 acres per 1,000 residents. The fee analysis in this report will be based on maintaining a 2.26 acre per 1,000 service population standard as new development adds demand for parks in Banning.

[1] See the *Benefit* and *Burden* findings in *Chapter 10, Mitigation Fee Act Findings.*

Table 5.5: Existing Parkland and Parks Standard

Total Park Acreage	67.46
Fund Balance Developed Park Acreage Equivalent[1]	0.20
Total Park Acre Equivalent	67.66
Service Population (2018)	29,917
Existing Standard (Acres per 1,000 Residents)	2.26

[1] Existing fund balance of $130,767 converted to equivalent developed park acreage by dividing fund balance by the cost per developed park acre developed in Table 5.4 ($658,000).

Sources: Tables 5.1 and 5.2; Willdan Financial Services.

Facilities Needed to Accommodate New Development

Table 5.6 shows the parkland and parks needed to accommodate new development at the existing standard. To maintain the standard by the planning horizon new development must fund the purchase and improvement of 23.07 parkland acres, at a total cost of $15.2 million.

Table 5.6: Parkland and Parks to Accommodate New Development

		Land	Improvements	Total
Facility Needs				
Facility Standard (acres/1,000 capita)	*A*	2.26	2.26	2.26
Service Population Growth (2018-2040)[1]	*B*	10,206	10,206	10,206
Facility Needs (acres)	*C =(B/1,000) x A*	23.07	23.07	23.07
Parkland				
Average Unit Cost (per acre)	*D*	$ 29,000	$ 629,000	$ 658,000
Total Cost of Facilities	*E = C x D*	**$ 669,030**	**$ 14,511,000**	**$ 15,180,030**

Note: Totals have been rounded to the thousands.

[1] Excludes 20,865 residents associated with RSG (3,385 dwelling units) and Pardee (4,862 dwelling units) development projects, who will be dedicating and improving parkland per existing development agreements and are exempt from this fee.

Sources: Tables 5.1, 5.4, and 5.5; Willdan Financial Services.

Parks Cost per Capita

Table 5.7 shows the cost per capita of providing new parkland and parks at the existing facility standard. The cost per capita is shown separately for land and improvements. First, the per acre unit costs are multiplied by the acreage standards to determine the total amount of costs needed to serve 1,000 residents. Then, those costs are divided by 1,000 to determine the cost needed to serve one resident.

Table 5.7: Parkland and Parks Investment Per Capita

	Land	Improvements	Total
Investment (per acre)	$ 29,000	$ 629,000	$ 658,000
Facility Standard (acres per 1,000 capita)	2.26	2.26	2.26
Total Investment Per 1,000 capita	$ 66,000	$ 1,422,000	$ 1,488,000
	1,000	1,000	1,000
Investment Per Capita	$ 66	$ 1,422	$ 1,488

Sources: Tables 5.4, and 5.5; Willdan Financial Services.

Use of Fee Revenue

The City plans to use parkland and parks fee revenue to purchase parkland or construct improvements to add to the system of park facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development.

Fee Schedule

In order to calculate fees by land use type, the investment in parkland and parks is determined on a per resident basis for both land acquisition and improvements. These investment factors (shown in Table 5.7) are investment per capita based on the unit cost estimates and facility standards.

Table 5.8 shows the parkland and parks impact fee for based on the existing standard. The investment per capita is converted to a fee per dwelling unit based on the occupancy density factors in Table 2.2. The total fee includes an administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

Table 5.8: Parkland and Parks Impact Fee

Land Use	*A* Cost Per Capita	*B* Density	*C = A x B* Base Fee[1]	*D = C x 2.5%* Admin Charge[1, 2]	*E = C + D* Total Fee[1]
Residential					
Single Family	$ 1,488	2.53	$ 3,765	$ 75	$ 3,840
Multifamily	1,488	2.07	3,080	62	3,142

[1] Fee per dw elling unit.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 5.7; Willdan Financial Services.

6. General City Facilities

The purpose of the fee is to ensure that new development funds its fair share of general government facilities. A fee schedule is presented based on the planned facilities standard of general government facilities in the City of Banning to ensure that new development provides adequate funding to meet its needs.

Service Population

General government facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents and workers.

Table 6.1 shows the existing and future projected service population for general government facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for general government facilities.

Table 6.1: General City Facilities Service Population

	A	*B*	*C = A + (B x 0.31)*
	Residents	**Workers**	**Service Population**
Existing (2018)	29,917	4,210	31,200
New Development (2018-2040)	31,071	9,990	34,200
Total (2040)	60,988	14,200	65,400
Weighting factor[1]	1.00	0.31	

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Source: Table 2.1; Willdan Financial Services.

Facility Inventories and Standards

This section describes the City's general government facility inventory and facility standards.

Existing Inventory

This study uses the existing standard methodology to calculate fees for general government facilities. The City's general government facilities inventory consists of administrative space at City Hall, a corporation yard, an animal shelter and is listed in **Table 6.2**. The unit cost for the land value assumption of $29,000 per acre is consistent with other chapter in this report. Building

valuations are not shown for facilities that will be replaced by planned facilities. The total value of the City's existing inventory of general government facilities is $6.3 million.

Table 6.2: Existing General City Facilities Inventory

	Inventory	Units	Unit Cost	Value
Land (acres)				
City Hall - 99 E Ramsey St[1]	1.36	acres	$ 29,000	$ 39,468
Animal Shelter - 2242 E Charles St	1.24	acres	29,000	35,950
Corporation Yard - 176 E Lincoln Street	11.08	acres	29,000	321,320
Subtotal	13.68			$ 396,739
Buildings (square feet)				
City Hall - 99 E Ramsey St[2]	21,500	Sq. Ft.	$ -	$ -
Animal Shelter - 2242 E Charles St	5,143	Sq. Ft.	150	771,450
Corporation Yard - 176 E Lincoln Street[2]	32,566	Sq. Ft.	-	-
Corporation Yard - Warehouse	26,200	Sq. Ft.	150	3,930,000
Corporation Yard - Fleet garage	8,040	Sq. Ft.	150	1,206,000
Subtotal	93,449	Sq. Ft.		$ 5,907,450
Total Value of Existing Facilities				$ 6,304,189

[1] Total acreage is 3.26 acres. Parcel is shared with police station. Proportional share of land included here based on City Hall size relative to size of police station.

[2] No value shown for these facilities because planned facilities will replace them.

Source: zillow.com; City of Banning; Willdan Financial Services.

Planned Facilities

Table 6.3 shows the additional general city facilities the City plans to develop through the 2040 planning horizon. Project costs were provided by the City.

Table 6.3: Planned General City Facilities

Project Name	Total Project Cost
City Hall	$ 6,906,500
Corporate Yard - SD-214	5,342,300
Total Cost of Planned Facilities	$ 12,248,800
Less Existing Impact Fee Fund Balance	$ 226,609
Net Cost of Planned Facilities	$ 12,022,191

Sources: City of Banning; Willdan Financial Services.

Cost Allocation

Table 6.4 calculates the City's existing per capita investment in general government facilities. This value is calculated by dividing value of the City's existing facility inventory by the existing service population. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker.

Table 6.4: Planned General City Facilities - Existing Standard

Value of Existing Facilities	$	6,304,189
Existing Service Population		31,200
Cost per Capita	$	202
Facility Standard per Resident	$	202
Facility Standard per Worker[1]		63

[1] Based on a weighing factor of 0.31.

Sources: Tables 6.1 and 6.2, Willdan Financial Services.

Revenue Projection

The City plans to use general facilities fee revenue to construct improvements to add to the system of general city facilities to serve new development. **Table 6.5** details a projection of fee revenue, based on the service population growth increment identified in Table 6.1. The City will have to identify $6.9 million of alternative funding to fully fund the planned facilities.

Table 6.5: Revenue Projection - Existing Standard

Cost per Capita	$	202
Growth in Service Population (2018- 2040)[1]		25,500
Fee Revenue	$	5,151,000
Net Cost of Planned Facilities		12,022,191
Non-Fee Revenue to Be Identified	$	(6,871,191)

[1] Growth in service population excludes 8,700 capita associated with RSG development, which is exempt from paying this fee under its development agreement with the City.

Sources: Tables 6.1 and 6.4.

Use of Fee Revenue

The City can use general city facilities fee revenues for the construction or purchase of buildings, equipment and land that are part of the system of general city facilities serving new development. The City plans to use the fee revenues to fund the facilities shown in Table 6.3.

Fee Schedule

Table 6.6 shows the maximum justified general city facilities fee schedule. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two percent (2%) percent administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 6.6: General City Facilities Fee - Existing Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 2.0% Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / 1,000 Fee per Sq. Ft.
Residential						
Single Family Unit	$ 202	2.53	$ 511	$ 10	$ 521	
Multifamily Unit	202	2.07	418	8	426	
Nonresidential						
Commercial	$ 202	2.39	$ 483	$ 10	$ 493	$ 0.49
Office	202	3.12	630	13	643	0.64
Industrial	202	1.16	234	5	239	0.24

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 6.4; Willdan Financial Services

7. Wastewater Facilities

This chapter summarizes an analysis of the need for wastewater facilities to accommodate growth within the City of Banning. It documents a reasonable relationship between new development and an impact fee to fund wastewater facilities that serve new development.

Wastewater Demand

Estimates of new development and its consequent increased wastewater demand provide the basis for calculating the wastewater facilities fee. The need for wastewater facilities improvements is based on the wastewater demand placed on the system by development. A reasonable measure of demand is a flow generation rate, expressed as the number of gallons per day generated by a specific type of land use. Flow generation rates are a reasonable measure of demand on the City's system of wastewater improvements because they represent the average rate of demand that will be placed on the system per land use designation.

Table 7.1 shows the calculation of wastewater demand flow generation factors by land use category. Wastewater demand for a given land use is related to the demand for a residential dwelling unit to calculate equivalent dwelling units (EDU).

Table 7.1: Wastewater Demand by Land Use

Land Use Type	Flow Generation (GPD/A)[1]	Density[2]	Average Flow Generation/ DU & KSF	Equivalent Dwelling Unit (EDU)
Residential Dwelling Unit	1,020	5.00	204.00	1.00
Nonresidential				
Commercial	1,150	15.25	75.43	0.37
Office	1,150	43.56	26.40	0.13
Industrial	750	26.14	28.70	0.14

[1] Gallons per day per acre.

[2] Dw elling units per acre for residential, thousand square feet per acre for nonresidential. Nonresidential based upon the maximum floor area ratio (FAR) assumption of 0.35 for commercial, 1.0 for office and 0.6 for industrial.

Sources: City of Banning General Plan; City of Banning Integrated Master Plan, 2018 Table 3.19; Willdan Financial Services.

Equivalent Dwelling Unit Growth

Table 7.2 calculates the existing and projected equivalent dwelling units (EDU) based on each land use's wastewater demand factors displayed in Table 7.1. An equivalent dwelling unit represents the demand of all other land uses relative to one single family unit. Also displayed is the total existing and future EDUs for wastewater facilities by land use.

Table 7.2: Wastewater Facilities Equivalent Dwelling Units

	EDU Factor[1]	Existing (DU/KSF)	Projected Growth (DU/KSF)	Existing EDUs	Growth in EDUs	Total
Residential	1.00	12,152	12,339	12,152	12,339	24,491
Nonresidential						
Commercial	0.37	2,121	5,033	785	1,862	2,647
Office	0.13	1,753	4,160	228	541	769
Industrial	0.14	336	797	47	112	159
Subtotal		4,210	9,990	1,060	2,515	3,575
Total				13,212	14,854	28,066
Percent of Total				47.1%	52.9%	100.0%

[1] Per dw elling unit (residential) or thousand building square feet (nonresidential).

Sources: Tables 2.1 and 7.1, Willdan Financial Services.

Planned Facilities

The City recently completed a wastewater system master plan that identified necessary improvements to its wastewater system. The Banning Integrated Master Plan also identified the share of improvements needed to serve existing development, and the share needed to serve new development. **Table 7.3** lists the wastewater projects, costs and allocation to existing and new development, based on the Integrated Master Plan.

Table 7.3: Wasterwater Facilities Allocation to New Development

Project No.	Description	Total CIP Cost Estimate	Allocation to Existing Development	Allocation to New Development
Gravity Mains				
WWGM-1	Gravity Main along Williams Street	$ 298,000	$ 298,000	$ -
WWGM-2	Northern Segment of Gravity Main along Hathaway Street	315,000	315,000	-
WWGM-3A	Casing Under I-10	456,000	456,000	-
WWGM-3B	Gravity Main along Hathaway Street	1,044,000	1,044,000	-
WWGM-4	Gravity Main along Ramsey Street	315,000	315,000	-
WWGM-5	Gravity Main along Charles Street	472,000	472,000	-
WWGM-6	Gravity Main along Livingston Street	315,000	315,000	-
WWGM-7	Gravity Main along Fourth Street	157,000	157,000	-
WWGM-8	Gravity Main along Charles Street	472,000	340,000	132,000
WWGM-9	Gravity Main along Porter Street	319,000	128,000	191,000
WWGM-10	Gravity Main along Porter Street	2,631,000	789,000	1,842,000
WWGM-11	Gravity Main,Porter Street to WWTP	1,541,000	478,000	1,063,000
WWGM-12	Gravity Main south of Charles Street to WWTP	236,000	90,000	146,000
WWGM-13	Gravity Main along Wilson Street	145,000	120,000	25,000
Subtotal		$ 8,716,000	$ 5,317,000	$ 3,399,000
Force Mains				
WWFM-1	Interim Westward Lift Station Force Main Upgrade	$ 485,000	$ 485,000	$ -
Lift Stations				
WWLS-1	Interim Westward Lift Station Upgrade	$ 5,088,000	$ 5,088,000	$ -
New Service Related Improvements				
Gravity Mains				
WWGM-14	Butterfield Offsite Trunk	$ 2,611,000	$ -	$ 2,611,000
WWGM-15	Butterfield-Loma Linda Offsite Trunk	870,000	-	870,000
WWGM-16	Westward Lift Station Bypass	746,000	321,000	425,000
WWGM-17	RSG Main Trunk	6,576,000	-	6,576,000
WWGM-18	Gravity Main along Wilson Street	580,000	-	580,000
WWGM-19	Gravity Main for RMG	435,000	-	435,000
WWGM-20	Gravity Main along Lincoln Street	29,000	-	29,000
WWGM-21	Gravity Main along Cottonwood Road	1,160,000	-	1,160,000
WWGM-22	Gravity Main along Fountain Street	1,595,000	-	1,595,000
WWGM-23	Gravity Main along Longhorn Road	5,801,000	-	5,801,000
WWGM-24	Gravity Main along Bobcat Road	2,204,000	-	2,204,000
WWGM-25	Gravity Main along Sunset Avenue	7,716,000	-	7,716,000
WWGM-26	Gravity Main along Westward Avenue	870,000	-	870,000
WWGM-27	Gravity Main along Mias Canyon Road and Bluff Street	3,626,000	-	3,626,000
WWGM-28	Gravity Main along Florida Street	435,000	-	435,000
WWGM-29	Gravity Main along Almond and Blanchard Street	435,000	-	435,000
WWGM-30	Casing for Gravity Main Crossing I-10	854,000	-	854,000
WWGM-31	Gravity Main along Lincoln Street	870,000	-	870,000
WWGM-32	Gravity Main along Ramsey Street	435,000	-	435,000
Subtotal		$ 37,848,000	$ 321,000	$ 37,527,000

Source: City of Banning, Integrated Master Plan, Wastewater Capital Improvement Plan Summary.

Table 7.3: Wasterwater Facilities Allocation to New Development Continued

Project No.	Description	Total CIP Cost Estimate	Allocation to Existing Development	Allocation to New Development
Force Mains				
WWFM-2	Force Main along Westward Avenue	$ 1,160,000	$ -	$ 1,160,000
WWFM-3	Force Main along Porter Street	1,305,000	-	1,305,000
WWFM-4	Force Main along Roadrunner Trail	290,000	-	290,000
WWFM-5	Force Main Creek Crossing	290,000	-	290,000
Subtotal		$ 3,045,000	$ -	$ 3,045,000
Lift Stations				
WWLS-2	Distribution Center Lift Station	$ 2,596,000	$ -	$ 2,596,000
WWLS-3	Business Park Lift Station	1,461,000	-	1,461,000
WWLS-4	Porter Street Lift Station	1,076,000	-	1,076,000
WWLS-5	Roadrunner Trail Lift Station	1,225,000	-	1,225,000
WWLS-6	Bluff Street Lift Station	1,275,000	-	1,275,000
Subtotal		$ 7,633,000	$ -	$ 7,633,000
Rehabilitation and Replacement Projects				
Gravity Mains				
WWRR-1	Annual Sewer Replacement	$ 3,280,000	$ 3,280,000	$ -
Lift Stations				
WWRR-2	Caltrans Lift Station Site Improvements	$ 148,000	$ 40,000	$ 108,000
WWRR-3	Westward Lift Station Site Improvements	86,000	86,000	-
Subtotal		$ 234,000	$ 126,000	$ 108,000
Treatment Plant Related Improvements				
WWTP-1	Digestor Cleaning	$ 150,000	$ 150,000	$ -
WWTP-2	Heat Exchanger Repairs	60,000	60,000	-
WWTP-3	Boiler Gas Control Valves	80,000	80,000	-
WWTP-4	Digestor Gas Pipeline	30,000	30,000	-
WWTP-5	WWTP Upgrade	27,000,000	5,000,000	22,000,000
Subtotal		$ 27,320,000	$ 5,320,000	$ 22,000,000
Total		$ 93,649,000	$ 19,937,000	$ 73,712,000

Source: City of Banning, Integrated Master Plan, Wastew ater Capital Improvement Plan Summary.

Cost per EDU

The cost of planned facilities allocated to new development in Table 7.3 is divided by the total growth in EDUs to determine a cost per EDU. **Table 7.4** displays the calculation.

Table 7.4: Cost per EDU

Net Cost of Planned Facilities	$73,712,000
Growth in EDUs	14,854
Cost per EDU	$ 4,962

Sources: Tables 7.2 and 7.3.

Alternative Funding Sources

The City will use existing revenue sources or develop new sources to fund future facilities not required to accommodate growth, to improve existing facility standards, or to fund existing development's fair share of facilities. The City must raise $19.9 million needed to fund the wastewater facilities representing existing development's existing deficiencies identified in the master plan with non-fee revenue sources. Potential sources of revenue include existing or new rates or existing or new taxes. Any new special tax would require two-thirds voter approval. Any new assessments or property-related charge would require majority property owner approval.

Fee Schedule

The maximum justified fee for wastewater facilities is shown in **Table 7.5**. The cost per EDU is the basis of the fee. Refer to Chapter 13.08 of the City's municipal code for the amount of EDUs associated with various types of development. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the facilities fee, and (3) fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 7.5: Wastewater Facilities Impact Fee

	A	*B = A x 0.02*	*C = A + B*
	Cost Per EDU	**Admin Charge[1, 2]**	**Total Fee[1]**
Equivalent Dwelling Unit	$ 4,962	$ 99	$ 5,061

[1] Fee per equivalent dwelling unit.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 7.1 and 7.4; Willdan Financial Services.

8. Water Facilities

This chapter summarizes an analysis of the need for water facilities to accommodate growth within the City of Banning. It documents a reasonable relationship between new development and an impact fee to fund water facilities that serve new development.

Water Demand

Estimates of new development and its consequent increased water demand provide the basis for calculating the water facilities fee. The need for water facilities improvements is based on the water demand placed on the system by development. A reasonable measure of demand is a flow generation rate, expressed as the number of gallons per day generated by a specific type of land use. Flow generation rates are a reasonable measure of demand on the City's system of water improvements because they represent the average rate of demand that will be placed on the system per land use designation.

Table 8.1 shows the calculation of water demand factors by land use category. The data is based the *City of Banning Integrated Plan (2018)*. Water demand for a given land use is related to the demand for a residential dwelling unit to calculate equivalent dwelling units (EDU).

Table 8.1: Water Demand by Land Use

Land Use Type	Water Demand Factors (GDP/NA)[1]	Density[2]	Average Flow Generation/ DU & KSF	Equivalent Dwelling Unit (EDU)
Residential	2,300	5.00	460.00	1.00
Nonresidential				
Commercial	5,300	15.25	347.63	0.76
Office	5,300	43.56	121.67	0.26
Industrial	1,700	26.14	65.04	0.14

[1] Gallons per day per acre per net acre.

[2] Dw elling units per acre for residential, thousand square feet per acre for nonresidential. Nonresidential based upon the maximum floor area ratio (FAR) assumption of 0.35 for commercial, 1.0 for office and 0.6 for industrial.

Sources: City of Banning General Plan; City of Banning Integrated Master Plan, 2018 Table 3.5; Willdan Financial Services.

Equivalent Dwelling Unit Growth

Table 8.2 calculates the existing and projected equivalent dwelling units (EDU) based on each land use' water demand factors displayed in Table 8.1. An equivalent dwelling unit represents the demand of all other land uses equivalent to one single family unit. Also displayed is the total existing and future EDUs for water facilities by land use.

Table 8.2: Water Facilities Equivalent Dwelling Units

	EDU Factor[1]	Existing (DU/KSF)	Projected Growth (DU/KSF)	Existing EDUs	Growth in EDUs	Total
Residential	1.00	12,152	12,339	12,152	12,339	24,491
Nonresidential						
Commercial	0.76	2,121	5,033	1,612	3,825	5,437
Office	0.26	1,753	4,160	456	1,082	1,538
Industrial	0.14	336	797	47	112	159
Subtotal		4,210	9,990	2,115	5,019	7,134
Total				14,267	17,358	31,625
Percent of Total				45.1%	54.9%	100.0%

[1] Per dw elling unit (residential) or thousand building square feet (nonresidential).

Sources: Tables 2.1 and 8.1, Willdan Financial Services.

Facility Needs and Costs

The City recently completed a water system master plan that identified necessary improvements to its water system. The Banning Integrated Master Plan (2018) also identified the share of improvements needed to serve existing development, and the share needed to serve new development. **Table 8.3** lists the water projects, costs and allocation to existing and new development, based on the Integrated Master Plan.

Table 8.3: Water Facilities Cost to Serve New Development

Project No.	Description	Total CIP Cost Estimate	Allocation to Existing Development	Allocation to New Development
Potable Water Facilities				
Pipelines				
PWP-1	New Transmission Main for Proposed Lower Main Well C-8	$ 414,000	$ -	$ 414,000
PWP-2	New Transmission Main for Upper Main Reservoir 1 (RSG)	5,118,000	4,043,000	1,075,000
PWP-3	New Transmission Main for Proposed Development in Foothill West Z	3,522,000	-	3,522,000
PWP-4	New Transmission Main for Proposed Development in Main Zone (RS	8,288,000	-	8,288,000
PWP-5	New Transmission Main for Foothill West Reservoir 1 & PS (Butterfie	3,730,000	-	3,730,000
PWP-6	New Transmission Main from Mountain Booster PS to Existing Moun	1,450,000	-	1,450,000
PWP-7	New Transmission Main for Proposed Development in Mountain North	1,865,000	-	1,865,000
PWP-8	New Transmission Main for Proposed Upper Main Well C-9	414,000	-	414,000
PWP-9	New Transmission Main for Mountain North Reservoir 1 & PS (Butterf	4,040,000	1,939,000	2,101,000
PWP-10	New Transmission Main for Upper Main Reservoir 2	394,000	-	394,000
PWP-11	New Transmission Main for Proposed Development in Upper Butterfie	414,000	-	414,000
PWP-12	New Transmission Main for Proposed Upper Butterfield Reservoir (Bu	1,865,000	-	1,865,000
PWP-13	Water Canyon Pipe Phase 2 (City's Existing CIP)	3,250,000	3,250,000	-
PWP-14	New Transmission Main for Proposed Upper Main Well C-10	829,000	-	829,000
PWP-15	New Transmission Main for Proposed Foothill West Well C-11	414,000	-	414,000
PWP-16	New Transmission Main for Proposed Upper Main Well C-1.2	414,000	-	414,000
PWP-17	New Transmission Main for Foothill West Reservior 2	3,108,000	-	3,108,000
PWP-18	New Transmission Main for Upper Main Reservoir 3	4,144,000	-	4,144,000
PWP-19	New Transmission Main for Black Bench Reservoir 1 & PS	3,108,000	-	3,108,000
PWP-20	New Transmission Main for Lorna Linda Reservoir 1 & PS	3,108,000	-	3,108,000
Subtotal		$ 49,889,000	$ 9,232,000	$ 40,657,000
Booster Pump Stations				
PWPU-1.a	Upgrade Existing Mountain Booster Pump Station	$ 729,000	$ 729,000	$ -
PWPU-1.b	Demolish Existing Mountain Booster Pump Station	166,000	166,000	-
PWPU-2	New Foothill West Pump Station	1,044,000	-	1,044,000
PWPU-3	New Mountain 2 Booster Pump Station	696,000	334,000	362,000
PWPU-4	Add VFD to Well C-6	166,000	166,000	-
PWPU-5	Add VFD to Well C-S	166,000	166,000	-
PWPU-6	New Upper Butterfield Zone Pump Station	456,000	-	456,000
PWPU-7	New Loma Linda Pump Station	729,000	-	729,000
PWPU-S	New Black Bench Pump Station	729,000	-	729,000
Subtotal		$ 4,881,000	$ 1,561,000	$ 3,320,000

Source: City of Banning, Integrated Master Plan, Potable Water Capital Improvement Plan Summary.

Table 8.3: Water Facilities Cost to Serve New Development Continued

Project No.	Description	Total CIP Cost Estimate	Allocation to Existing Development	Allocation to New Development
Storage				
PWS-1	Proposed Upper Main Reservoir 1	$ 13,260,000	$ 10,475,000	$ 2,785,000
PWS-2	Proposed Foothill West Reservoir 1	5,594,000	-	5,594,000
PWS-3	Proposed Mountain North Reservoir 1	5,594,000	2,685,000	2,909,000
PWS-4	Proposed Upper Main Reservoir 2	13,260,000	-	13,260,000
PWS-s	Proposed Upper Butterfield Reservoir	3,729,000	-	3,729,000
PWS-6	Proposed Foothill West Reservoir 2	5,594,000	-	5,594,000
PWS-7	Proposed Upper Main Reservoir 3	26,106,000	-	26,106,000
PWS-S	Proposed Black Bench Reservoir 1	5,594,000	-	5,594,000
PWS-9	Proposed Loma Linda Reservoir 1	3,729,000	-	3,729,000
Subtotal		$ 82,460,000	$ 13,160,000	$ 69,300,000
Wells				
PWW-1	Proposed Main Zone Well C-8	$ 3,422,000	$ -	$ 3,422,000
PWW-2	Convert Well M-7 to Supply the Upper Main Pressure Zone	191,000	-	191,000
PWW-3	Convert Well M-'12 to Supply the Upper Main Pressure Zone	191,000	-	191,000
PWW-4	Proposed Upper Main Well C-9	4,252,000	-	4,252,000
PWW-5	Proposed Upper Main Well C-10	4,251,000	-	4,251,000
PWW-6	Proposed Foothill West Well C-11	4,251,000	-	4,251,000
PWW-7	Proposed Upper Main Well C-12	4,251,000	-	4,251,000
Subtotal		$ 20,809,000	$ -	$ 20,809,000
Valves				
PWV-1	Altitude Valves (City's Existing CIP)	$ 250,000	$ 250,000	$ -
PWV-2	New Pressure Reducing Valve for Rancho San Gorgonio	341,000	-	341,000
PWV-3	Foothill West to Upper Main Zone Pressure Reducing Station	681,000	-	681,000
PWV-4	C2 PRVs'1& 2	681,000		681,000
PWRZ-1	New Pressure Reducing Valves for Re-Zoning	3,424,000	3,424,000	-
Subtotal		$ 5,377,000	$ 3,674,000	$ 1,703,000
Water Yard[1]		$ 3,704,300	$ 1,671,100	$ 2,033,200
Total Potable Water Facilities		$ 167,120,300	$ 29,298,100	$ 137,822,200

[1] Allocated to existing and new development based on share of water EDUs in 2040.

Source: City of Banning, Integrated Master Plan, Potable Water Capital Improvement Plan Summary.

Table 8.3: Water Facilities Cost to Serve New Development Continued

Project No.	Description	Total CIP Cost Estimate	Allocation to Existing Development	Allocation to New Development
Recycled Water Facilities				
Pipelines				
RWP-1	Recycled Water Backbone System	$ 14,172,000	$ 6,378,000	$ 7,794,000
RWP-2	Lion's Park Lateral	435,000	-	435,000
RWP-3	Banning High School Lateral	435,000	-	435,000
RWP-4	Rancho San Gorgonio Lateral	207,000	-	207,000
RWP-5	Neighborhood Park Lateral	145,000	-	145,000
RWP-6	Dysart Park Lateral	1,015,000	-	1,015,000
RWP-7	Five Bridges Development Lateral	199,000	-	199,000
RWP-8	Well R-1 Pipeline	1,036,000	466,000	570,000
RWP-9	Five Bridges Basin Pipeline	1,641,000	738,000	903,000
RWP-10	WWTP Basin Pipeline	547,000	246,000	301,000
Subtotal		$ 19,832,000	$ 7,828,000	$ 12,004,000
Booster Pump Stations				
RWPS-1	WWTP Recycled Water Pump	$ 5,801,000	$ 2,610,000	$ 3,191,000
Wells				
RWW-1	Equip Well R-1	$ 1,707,000	$ -	$ 1,707,000
Storage				
RWS-1	Well R-1 Forebay	$ 3,729,000	$ 1,678,000	$ 2,051,000
Valves				
RWV-1	BCVWD Co-Owned Wells and Interconnect Buildings (2)	$ 5,804,000	$ -	$ 5,804,000
Other				
RWO-1	Five Bridges Site Improvements	$ 3,194,000	$ 3,194,000	$ -
RWO-2	WWTP Basin Site Improvements	411,000	411,000	-
RWO-3	Hydrogeological Study	150,000	150,000	-
RWO-4	Monitoring Wells and Lysimeters	2,984,000	2,984,000	-
RWO-5	404 Permitting	200,000	200,000	-
RWO-6	Recycled Water Master Plan Update	133,000	133,000	-
	Title 22 Improvments	3,250,000	-	3,250,000
Subtotal		$ 10,322,000	$ 7,072,000	$ 3,250,000
Total Recycled Water Facilities		$ 47,195,000	$ 19,188,000	$ 28,007,000
Grand Total - All Water Facilities		$ 214,315,300	$ 48,486,100	$ 165,829,200

Source: City of Banning, Table 9.12 Integrated Master Plan, Recycled Water Capital Improvement Plan.

Table 8.4 calculates a cost per EDU associated by dividing the total cost of projects allocated to new development identified in Table 8.3, by the growth in EDUs identified in Table 8.2

Table 8.4: Cost per EDU

Net Cost of Planned Facilities	$ 165,829,200
Growth in EDUs	17,358
Cost per EDU	$ 9,553

Sources: Tables 8.2 and 8.3.

Fee Schedule

The maximum justified fee for water facilities is shown in **Table 8.5**. The cost per EDU is converted to a fee connection size using American Water Works Association water meter equivalency factors. Refer to Chapter 13.08 of the City's municipal code for the amount of EDUs associated with various types of development. The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and citywide administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the facilities fee, and (3) fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 8.5: Water Facilities Impact Fee Schedule

Meter Size	Cost per EDU	EDU Factor	Base Fee	Admin Charge (2.0%)	Total Fee
3/4"	$ 9,553	0.60	$ 5,732	$ 115	$ 5,847
1"	9,553	1.00	9,553	191	9,744
1-1/2"	9,553	2.00	19,106	382	19,488
2"	9,553	3.20	30,570	611	31,181
3"	9,553	6.00	57,318	1,146	58,464
4"	9,553	10.00	95,530	1,911	97,441

Sources: AWWA; Table 8.4, Willdan Financial Services.

9. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code* section 66016. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public hearing. Data, such as an impact fee report, must be made available at least 10 days prior to the public hearing. The City's legal counsel should be consulted for any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect.

Inflation Adjustment

The City can keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the following indices be used for adjusting fees for inflation:

- Buildings – Engineering News-Record's Construction Cost Index (CCI)
- Equipment – Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

The indices recommended can be found for local jurisdictions (state, region), and for the nation. With the exception of land, we recommend that the national indices be used to adjust for inflation, as the national indices are not subject to frequent dramatic fluctuations that the localized indices are subject to.

Due to the highly variable nature of land costs, there is no particular index that captures fluctuations in land values. We recommend that the City adjust land values based on recent land purchases, sales or appraisals at the time of the update.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available.

Reporting Requirements

The City complies with the annual and five-year reporting requirements of the *Mitigation Fee Act*. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

Programming Revenues and Projects with the CIP

The City maintains a five-year Capital Improvement Program (CIP) to plan for future infrastructure needs. The CIP identifies costs and phasing for specific capital projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The City may decide to alter the scope of the planned projects or to substitute new projects if those new projects continue to represent an expansion of the City's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

10. Mitigation Fee Act Findings

Public facilities fees are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act,* contained in *California Government Code* Sections 66000 through 66025, establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the public facilities fees documented in this report are presented in this chapter and supported in detail by the preceding chapters. All statutory references are to the *Act.*

Purpose of Fee

- *Identify the purpose of the fee (§66001(a)(1) of the Act).*

Development impact fees are designed to ensure that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to provide a funding source from new development for capital improvements to serve that development. The fees advance a legitimate City interest by enabling the City to provide municipal services to new development.

Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the City, would be used to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City's sphere of influence. Fees addressed in this report have been identified by the City to be restricted to funding the following facility categories: police facilities, fire facilities, parkland and parks, general city facilities, wastewater facilities and water facilities.

Benefit Relationship

- *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

The City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. Under *the Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

- *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. For most facility categories service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted less than one resident based on an analysis of the relative use demand between residential and non-residential development.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Chapter 2, Growth Forecasts provides a description of how service population and growth forecasts are calculated. Facility standards are described in the *Facility Standards* sections of each facility category chapter.

Proportionality

- *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 2, Growth Forecasts,* or the *Service Population, or Equivalent Dwelling Units* sections in each facility category chapter for a description of how service populations or other factors are determined for different types of land uses. See the *Fee Schedule* section of each facility category chapter for a presentation of the maximum justified facilities fees.

Appendix

Table A.1: Police: Debt Service Payments for Police Building from Water Bonds

Date	Total Payment (nom. dollars)	Police Share[1] (nom. dollars)	Discount Factor[2]	Police Share (real dollars)
Past Payments				
2006	$ 2,308,086	$ 896,436	1.511	$ 1,354,576
2007	2,309,513	896,990	1.460	1,309,578
2008	2,307,813	896,329	1.411	1,264,361
2009	2,310,413	897,339	1.363	1,222,981
2010	2,307,138	896,067	1.317	1,179,949
2011	2,309,738	897,077	1.272	1,141,333
2012	2,306,138	895,679	1.229	1,101,018
2013	2,306,538	895,834	1.188	1,063,970
2014	2,310,738	897,465	1.148	1,029,862
2015	2,309,513	896,990	1.109	994,509
2016	2,308,838	896,728	1.071	960,597
2017	2,308,838	896,728	1.035	928,113
2018	2,307,438	896,184	1.000	896,184
	$ 30,010,736	$ 11,655,846		$ 14,447,031
Future Payments				
2019	$ 2,308,456	$ 896,579	0.966	$ 866,260
2020	2,305,950	895,606	0.934	836,058
2021	2,309,700	897,063	0.902	809,099
2022	2,310,710	897,455	0.871	782,080
2023	2,308,950	896,771	0.842	755,057
2024	2,309,450	896,965	0.814	729,682
2025	2,308,825	896,723	0.786	704,816
2026	2,309,788	897,096	0.759	681,265
2027	2,307,075	896,043	0.734	657,454
2028	2,310,688	897,446	0.709	636,216
2029	2,310,100	897,218	0.685	614,546
2030	2,310,313	897,300	0.662	593,818
2031	2,306,063	895,650	0.639	572,682
2032	2,307,350	896,150	0.618	553,625
2033	2,308,650	896,655	0.597	535,205
2034	2,309,700	897,063	0.577	517,341
2035	2,310,238	897,271	0.557	499,963
	$ 39,252,004	$ 15,245,054		$ 11,345,169

[1] Police building share of annual debt service payment assumed to be 38.84% based on facility cost of $13,840,249 relative to total principal of $35,635,000.
[2] Discount rate assumed to be 3.5% per year.

Sources: City of Banning; Willdan Financial Services.

ORDINANCE NO. 1551

AN ORDINANCE OF THE CITY OF BANNING, CALIFORNIA, UPDATING THE CITY'S DEVELOPMENT IMPACT FEE PROGRAM, AMENDING THE BANNING MUNICIPAL CODE, MAKING FINDINGS PURSUANT TO CEQA, AND REPEALING PROVISIONS OF ORDINANCE NOS. 1320 AND 1321 ESTABLISHING OR MODIFYING CERTAIN DEVELOPMENT IMPACT FEES

The City Council of the City of Banning does hereby ordain as follows:

Section 1. The City Council makes the following findings in connection with the adoption of this Ordinance:

A. On September 10, 2019, the City Council held a duly noticed open and public meeting regarding the proposed adoption of the proposed updated Development Impact Fee program, as required by Government Code Section 66016.

B. On September 10, 2019, the City Council held a duly noticed public hearing regarding the adoption of the proposed updated Development Impact Fee program, as required by Government Code Section 66018. Following the receipt of all staff reports, public testimony and other evidence, the public hearing was closed.

C. All other prerequisites to the adoption of this Ordinance, the approval of the *Development Impact Fee Update Study* prepared by Willdan Financial Services and dated August 7, 2019, the *Update of [the] Traffic Fee Component of the Development Fee Program* prepared by LSA Associates, Inc. and dated May 2019, and the proposed updated fire protection, police, general city, traffic control, parkland and park, wastewater, and water facilities development impact fees, as specified by the Mitigation Fee Act (Cal. Gov. Code, § 66000 *et seq.*) and other applicable laws, have been satisfied.

Section 2. The City Council makes the following California Environmental Quality Act findings in connection with the adoption of this Ordinance:

A. City staff has evaluated the potential environmental impacts of the adoption of this Ordinance, the approval of the *Development Impact Fee Update Study* prepared by Willdan Financial Services and dated August 7, 2019, the *Update of [the] Traffic Fee Component of the Development Fee Program* prepared by LSA Associates, Inc. and dated May 2019, and the proposed updated fire protection, police, general city, traffic control, parkland and park, wastewater, and water facilities development impact fees pursuant to the California Environmental Quality Act ("CEQA"). City staff has determined that these actions do not constitute a "project" under CEQA pursuant to State CEQA Guidelines Section 15378(b)(4) because these actions involve the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. In addition, City Staff has determined that these actions are statutorily exempt from CEQA under CEQA Guidelines Section 15273(a)(4) because these actions and documents are

merely establishing a fee to obtain funds for those capital projects necessary to maintain service within existing service areas and these actions do not provide for the creation of new service areas. The capital projects described in the *Development Impact Fee Update Study* and the *Update of [the] Traffic Fee Component of the Development Fee Program* will maintain the level of service currently provided by the City's existing fire protection, police, general city, traffic control, parkland and park, wastewater, and water facilities systems by ensuring that the impacts of new development will not negatively impact existing service levels.

B. The City Council concurs with City staff's determination that the adoption of this Ordinance, the approval of the *Development Impact Fee Update Study* and the *Update of [the] Traffic Fee Component of the Development Fee Program*, and the adoption of the proposed updated fire protection, police, general city, traffic control, parkland and park, wastewater, and water facilities development impact fees do not constitute a project under CEQA pursuant to CEQA Guidelines Section 15378(b)(4). The City Council additionally concurs with City staff's determination that the adoption of this Ordinance, the approval of the *Development Impact Fee Update Study* and the *Update of [the] Traffic Fee Component of the Development Fee Program*, and the adoption of the proposed updated fire protection, police, general city, traffic control, parkland and park, wastewater, and water facilities development impact fees are statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273(a)(4).

C. The City Council hereby directs City staff to prepare and file a Notice of Exemption with the County Clerk pursuant to CEQA Guidelines Section 15062 within five (5) days of the date that this Ordinance is adopted.

Section 3. The definition of "Multispecies habitat conservation plan fee" in Section 3.36.020 (Definitions) of Chapter 3.36 (Fee and Service Charge Revenue/Cost Comparison) of Title 3 (Revenue and Finance) of the Banning Municipal Code is hereby amended to read as follows:

"'Multispecies habitat conservation plan fee' means the impact fee imposed and levied under Ordinance 1305, as codified in Chapter 15.72 of this Code adopting the "Multispecies Habitat Conservation Plan" (MSHCP). The MSHCP establishes a fee known as the MSHCP fee, the purpose of which is to mitigate the incidental take of listed, threatened, and protected species and their habitats within areas of Western Riverside County, including the City of Banning. The city has decided to participate in the MSHCP through the adoption of Ordinance No. 1305, as codified in Chapter 15.72."

Section 4. Chapter 12.08 (Bridge and Major Thoroughfare Fees) of Title 12 (Streets, Sidewalks and Public Places) of the Banning Municipal Code is hereby deleted in its entirety and amended to read as follows:

"Chapter 12.08 - RESERVED".

Section 5. Sections 13.08.050 (Water System Connection Fee) and 13.08.060 (Sewer System Connection Fee) of Article II (Water and Sewer Rates and Fees) of

Chapter 13.08 (Water, Sewer and Electricity Rates) of Title 13 (Public Services) of the Banning Municipal Code are hereby deleted in their entirety.

Section 6. Section 13.08.070 (Wastewater Rate Schedule) of Article II (Water and Sewer Rates and Fees) of Chapter 13.08 (Water, Sewer and Electricity Rates) of Title 13 (Public Services) of the Banning Municipal Code is hereby renumbered Section 13.08.050.

Section 7. Chapter 15.68 (Open Space and Park Fees) of Title 15 (Buildings and Construction) of the Banning Municipal Code is hereby deleted in its entirety.

Section 8. A new Chapter 15.68 (Development Impact Fees) is hereby added to Title 15 (Buildings and Construction) of the Banning Municipal Code to read as follows:

"**Chapter 15.68**

DEVELOPMENT IMPACT FEES

Sections:

15.68.010 Fire protection facilities development impact fee.

15.68.020 Police facilities development impact fee.

15.68.030 General city facilities development impact fee.

15.68.040 Traffic control facilities development impact fee.

15.68.050 Parkland and park facilities development impact fee.

15.68.060 Wastewater facilities development impact fee.

15.68.070 Water facilities development impact fee.

15.68.010 Fire protection facilities development impact fee.

A. Findings and Intent.

1. New residential and non-residential development in the city has attracted and will continue to attract employees and residents to the city, and there is a causal connection between such development projects and the increased need for fire protection facilities.

2. Failure to enhance the ability of the city's fire protection facilities system to accommodate additional service calls will make it more difficult for residents, employers, and employees to obtain the fire services they need.

3. Sources of city revenue other than fire protection facilities development impact fees, including tax revenues that will be paid by new residential and non-residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on fire facilities created by new development.

4. It is the intent of the city to require every person or organization that develops land to mitigate the impacts of that development on the city's fire facilities system. The city may therefore require developers to mitigate fire protection facilities impacts caused by their development and to pay a fire protection facilities development impact fee that will be used to mitigate those impacts by constructing fire facilities pursuant to the most current fire facilities plan, the most current capital improvement plan, or the annual budget process, as applicable.

5. The amount of fire protection facilities development impact fees collected pursuant to this section shall be limited to the cost of fire protection facilities necessary to mitigate the impact attributable to new development. The amount of fire protection facilities development impact fees collected shall not include the cost of fire protection facilities necessary to address the impacts of existing development.

B. Residential Fire Protection Facilities Fee Required.

1. Except as provided in subsection D of this section, the required fire protection facilities development impact fee for a residential building shall be paid in an amount established by resolution of the city council. The required fire protection facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the fire protection facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the fire protection facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection B, "final building inspection" shall mean the physical inspection of the building by the Building and Safety Division of the Community Development Department of the city for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.

4. For the purposes of this subsection B, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms with all the applicable provisions of this Code, ordinances, and conditions of approval.

C. Nonresidential Fire Protection Facilities Fee Required.

1. Except as provided in subsection D of this section, the required fire protection facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the city council. The required fire protection facilities

development impact fee shall be due and paid on a lump-sum basis upon issuance of the building permit.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the fire protection facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the fire protection facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection C, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms to all the applicable building codes, this Code, and conditions of approval.

D. Fire Protection Facilities Fee - Exemption or Reduction.

1. The following uses and types of developments may be exempted from the payment of fire protection facilities development impact fees:

a. Any residential development that does not increase the number of permanent housing units on the parcel where the construction takes place, such as remodeling or rebuilding existing units.

b. Accessory dwelling units and second units as defined in Section 17.04.070.

c. The remodeling or rebuilding of an existing non-residential structure, provided the remodeling or rebuilding does not do any of the following:

i. Increase the square footage of the structure by more than 50 percent above that of the previously existing structure;

ii. Change the use to which the property or structure is to be put; or

iii. Increase the average daily trips generated from the property above the amount generated by the prior use of the property.

d. Publicly owned facilities, including, without limitation, public libraries, public administration facilities, public parks, public utilities, schools, and related facilities.

e. Facilities serving the health and safety of the public, including, without limitation, hospitals, police, fire, and safety facilities.

2. A developer may be exempted or allowed a reduction in fees from the fire protection facilities development impact fee requirements of subsections B and C of this section if the developer enters into a development agreement with the city pursuant to which fire protection facilities development impact fees are assessed to the developer, or

equivalent or comparable fire protection facilities improvements are implemented by the developer.

3. A developer may be entitled to a reduction in the amount of the fire protection facilities development impact fee required by subsections B and C of this section if the developer constructs fire protection facilities improvements pursuant to the most current fire facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The fire protection facilities development impact fee may be reduced by the amount of fire protection facilities improvement costs that would be reasonably incurred by the city in building those same fire protection facilities improvements. The amount of such reduction shall be subject to the approval of the Community Development Director, with concurrence from the fire chief, prior to construction of the fire protection facilities improvement.

4. A developer may be entitled to a reduction in the amount of the fire protection facilities development impact fee required by subsections B and C of this section if the development is located in an assessment district that has been formed to construct facilities pursuant to the most current fire facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The fire protection facilities development impact fee may be reduced by the amount of the total assessment placed upon the development for the costs of fire protection facilities improvements. The amount of such reduction shall not exceed the amount of the fire protection facilities development impact fee required by subsections B and C of this section.

5. If a fee exemption or a fee reduction is granted pursuant to this subsection D, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the fire protection facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

E. Appeals.

1. A developer subject to the fire protection facilities development impact fee required by this section for a particular project may apply to the city manager, or his or her designee, for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the fire protection facilities level of service; or (b) a land use category adjustment based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The application shall be made in writing and filed with the city manager, or his or her designee, prior to the issuance of building permit. If a development review is not required for the development, then the application shall be made in writing and filed not later than the time at which the building permit is issued. The application shall state in detail the factual basis for the request for reduction.

2. The city manager, or his or her designee, shall make a decision on the application for adjustment within thirty (30) calendar days after the application has been filed. Notice of the city manager's, or his or her designee's, decision shall be mailed to the applicant.

3. The decision of the city manager, or his or her designee, may be appealed to the city council by filing an application for appeal with the city clerk. The application must be filed within fifteen (15) calendar days after notice of the city manager's, or his or her designee's, decision has been mailed to the applicant.

4. The city council shall consider the appeal at a public hearing to be held within sixty (60) calendar days after the appeal application has been filed. The decision of the city council shall be final. The decision of the city council shall be in writing and shall be mailed to the applicant.

5. If a fee exemption, a fee reduction or a land use category adjustment is granted pursuant to this subsection E., any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption, fee reduction or land use category adjustment, and the applicant shall be subject to the fire protection facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

6. If a fee exemption, fee reduction or land use category adjustment is not granted pursuant to this subsection E., then upon the payment of the required fees, the city shall, pursuant to Government Code Section 66020, provide the applicant a written notice of the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun.

F. Use of Funds. Pursuant to California Government Code Section 66006, all fire protection facilities development impact fees paid and collected pursuant to this section shall be placed into one (1) or more separate account(s) established for such fee and used solely for the purpose of constructing fire protection facilities improvements pursuant to the most current fire facilities plan, the most current capital improvement plan, or the annual budget process, as applicable; provided, however, that if the Community Development Director authorizes minor alterations, with the concurrence of the fire chief, to such plans or budget, then those alterations shall not affect the ability of the city to use fire protection facilities development impact fees collected pursuant to this section for the purpose of constructing fire protection facilities improvements in accordance with the most current fire facilities plan, the most current capital improvement plan, or the annual budget process, as applicable, and as altered or amended.

G. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the fire protection facilities development impact fee amount, an applicant subject to the payment of fire protection facilities development impact fees required by subsections B or C of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection B.1. of this section for residential fire protection facilities development impact fees or subsection C.1. of this section for non-residential fire facilities development impact fees. The amount of the fee is the amount specified by resolution of the city council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights

became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

H. Periodic Adjustment to Fee Amount. The amount of the fire protection facilities development impact fee may be adjusted annually for inflation on July 1st of each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index), as specified in the resolution that adopts the fee amount or by the periodic preparation of a new fire facilities plan, capital improvement plan, or city budget, as applicable, and required studies prepared and adopted pursuant to the Mitigation Fee Act (Gov. Code, § 66000 *et seq.*).

15.68.020 Police facilities development impact fee.

A. Findings and Intent.

1. New residential and non-residential development in the city has attracted and will continue to attract employees and residents to the city, and there is a causal connection between such development projects and the increased need for police facilities.

2. Failure to enhance the ability of the city's police facilities system to accommodate additional service calls will make it more difficult for residents, employers, and employees to obtain the police services they need.

3. Sources of city revenue other than police facilities development impact fees, including tax revenues that will be paid by new residential and non-residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on police facilities created by new development.

4. It is the intent of the city to require every person or organization that develops land to mitigate the impacts of that development on the city's police facilities system. The city may therefore require developers to mitigate police facilities impacts caused by their development and to pay a police facilities development impact fee that will be used to mitigate those impacts by constructing police facilities pursuant to the most current police facilities plan, the most current capital improvement plan, or the annual budget process, as applicable.

5. The amount of police facilities development impact fees collected pursuant to this section shall be limited to the cost of police facilities necessary to mitigate the impact attributable to new development. The amount of police facilities development impact fees collected shall not include the cost of police facilities necessary to address the impacts of existing development.

B. Residential Police Facilities Fee Required.

1. Except as provided in subsection D of this section, the required police facilities development impact fee for a residential building shall be paid in an amount established by resolution of the city council. The required police facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the

development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the police facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the police facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection B, "final building inspection" shall mean the physical inspection of the building by the Building and Safety Division of the Community Development Department of the city for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.

4. For the purposes of this subsection B, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms with all the applicable provisions of this Code, ordinances, and conditions of approval.

C. Nonresidential Police Facilities Fee Required.

1. Except as provided in subsection D of this section, the required police facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the city council. The required police facilities development impact fee shall be due and paid on a lump-sum basis upon issuance of the building permit.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the police facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the police facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection C, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms to all the applicable building codes, this Code, and conditions of approval.

D. Police Facilities Fee - Exemption or Reduction.

1. The following uses and types of developments may be exempted from the payment of police facilities development impact fees:

a. Any residential development that does not increase the number of permanent housing units on the parcel where the construction takes place, such as remodeling or rebuilding existing units.

b. Accessory dwelling units and second units as defined in Section 17.04.070.

c. The remodeling or rebuilding of an existing non-residential structure, provided the remodeling or rebuilding does not do any of the following:

i. Increase the square footage of the structure by more than 50 percent above that of the previously existing structure;

ii. Change the use to which the property or structure is to be put; or

iii. Increase the average daily trips generated from the property above the amount generated by the prior use of the property.

d. Publicly owned facilities, including, without limitation, public libraries, public administration facilities, public parks, public utilities, schools, and related facilities.

e. Facilities serving the health and safety of the public, including, without limitation, hospitals, police, fire, and safety facilities.

2. A developer may be exempted or allowed a reduction in fees from the police facilities development impact fee requirements of subsections B and C of this section if the developer enters into a development agreement with the city pursuant to which police facilities development impact fees are assessed to the developer, or equivalent or comparable police facilities improvements are implemented by the developer.

3. A developer may be entitled to a reduction in the amount of the police facilities development impact fee required by subsections B and C of this section if the developer constructs police facilities improvements pursuant to the most current police facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The police facilities development impact fee may be reduced by the amount of police facilities improvement costs that would be reasonably incurred by the city in building those same police facilities improvements. The amount of such reduction shall be subject to the approval of the Community Development Director, with concurrence from the police chief, prior to construction of the police facilities improvement.

4. A developer may be entitled to a reduction in the amount of the police facilities development impact fee required by subsections B and C of this section if the development is located in an assessment district that has been formed to construct facilities pursuant to the most current police facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The police facilities development impact fee may be reduced by the amount of the total assessment placed upon the development for the costs of police facilities improvements. The amount of such reduction shall not exceed the amount of the police facilities development impact fee required by subsections B and C of this section.

5. If a fee exemption or a fee reduction is granted pursuant to this subsection D, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the police facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

E. Appeals.

1. A developer subject to the police facilities development impact fee required by this section for a particular project may apply to the city manager, or his or her designee, for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the police facilities level of service; or (b) a land use category adjustment based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The application shall be made in writing and filed with the city manager, or his or her designee, prior to the issuance of building permit. If a development review is not required for the development, then the application shall be made in writing and filed not later than the time at which the building permit is issued. The application shall state in detail the factual basis for the request for reduction.

2. The city manager, or his or her designee, shall make a decision on the application for adjustment within thirty (30) calendar days after the application has been filed. Notice of the city manager's, or his or her designee's, decision shall be mailed to the applicant.

3. The decision of the city manager, or his or her designee, may be appealed to the city council by filing an application for appeal with the city clerk. The application must be filed within fifteen (15) calendar days after notice of the city manager's, or his or her designee's, decision has been mailed to the applicant.

4. The city council shall consider the appeal at a public hearing to be held within sixty (60) calendar days after the appeal application has been filed. The decision of the city council shall be final. The decision of the city council shall be in writing and shall be mailed to the applicant.

5. If a fee exemption, a fee reduction or a land use category adjustment is granted pursuant to this subsection E., any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption, fee reduction or land use category adjustment, and the applicant shall be subject to the police facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

6. If a fee exemption, fee reduction or land use category adjustment is not granted pursuant to this subsection E., then upon the payment of the required fees, the city shall, pursuant to Government Code Section 66020, provide the applicant a written notice of the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun.

F. Use of Funds. Pursuant to California Government Code Section 66006, all police facilities development impact fees paid and collected pursuant to this section shall be placed into one (1) or more separate account(s) established for such fee and used solely for the purpose of constructing police facilities improvements pursuant to the most current police facilities plan, the most current capital improvement plan, or the annual budget process, as applicable; provided, however, that if the Community Development Director authorizes, with concurrence from the police chief, minor alterations to such plans or budget, then those alterations shall not affect the ability of the city to use police facilities development impact fees collected pursuant to this section for the purpose of constructing police facilities improvements in accordance with the most current police facilities plan, the most current capital improvement plan, or the annual budget process, as applicable, and as altered or amended.

G. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the police facilities development impact fee amount, an applicant subject to the payment of police facilities development impact fees required by subsections B or C of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection B.1. of this section for residential police facilities development impact fees or subsection C.1. of this section for non-residential police facilities development impact fees. The amount of the fee is the amount specified by resolution of the city council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

H. Periodic Adjustment to Fee Amount. The amount of the police facilities development impact fee may be adjusted annually for inflation on July 1st of each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index), as specified in the resolution that adopts the fee amount or by the periodic preparation of a new police facilities plan, capital improvement plan, or city budget, as applicable, and required studies prepared and adopted pursuant to the Mitigation Fee Act (Gov. Code, § 66000 *et seq.*).

15.68.030 General city facilities development impact fee.

A. Findings and Intent.

1. New residential and non-residential development in the city has attracted and will continue to attract employees and residents to the city, and there is a causal connection between such development projects and the increased need for general city facilities.

2. Failure to enhance the ability of the city's general city facilities system to accommodate additional service calls will make it more difficult for residents, employers, and employees to obtain the general city services they need.

3. Sources of city revenue other than general city facilities development impact fees, including tax revenues that will be paid by new residential and non-residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on general city facilities created by new development.

4. It is the intent of the city to require every person or organization that develops land to mitigate the impacts of that development on the city's general city facilities system. The city may therefore require developers to mitigate general city facilities impacts caused by their development and to pay a general city facilities development impact fee that will be used to mitigate those impacts by constructing general city facilities pursuant to the most current general city facilities plan, the most current capital improvement plan, or the annual budget process, as applicable.

5. The amount of general city facilities development impact fees collected pursuant to this section shall be limited to the cost of general city facilities necessary to mitigate the impact attributable to new development. The amount of general city facilities development impact fees collected shall not include the cost of general city facilities necessary to address the impacts of existing development.

B. Residential General City Facilities Fee Required.

1. Except as provided in subsection D of this section, the required general city facilities development impact fee for a residential building shall be paid in an amount established by resolution of the city council. The required general city facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the general city facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the general city facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection B, "final building inspection" shall mean the physical inspection of the building by the Building and Safety Division of the Community Development Department of the city for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.

4. For the purposes of this subsection B, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms with all the applicable provisions of this Code, ordinances, and conditions of approval.

C. Nonresidential General City Facilities Fee Required.

1. Except as provided in subsection D of this section, the required general city facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the city council. The required general city facilities development impact fee shall be due and paid on a lump-sum basis upon issuance of the building permit.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the general city facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the general city facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection C, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms to all the applicable building codes, this Code, and conditions of approval.

D. General City Facilities Fee - Exemption or Reduction.

1. The following uses and types of developments may be exempted from the payment of general city facilities development impact fees:

a. Any residential development that does not increase the number of permanent housing units on the parcel where the construction takes place, such as remodeling or rebuilding existing units.

b. Accessory dwelling units and second units as defined in Section 17.04.070.

c. The remodeling or rebuilding of an existing non-residential structure, provided the remodeling or rebuilding does not do any of the following:

i. Increase the square footage of the structure by more than 50 percent above that of the previously existing structure;

ii. Change the use to which the property or structure is to be put; or

iii. Increase the average daily trips generated from the property above the amount generated by the prior use of the property.

d. Publicly owned facilities, including, without limitation, public libraries, public administration facilities, public parks, public utilities, schools, and related facilities.

e. Facilities serving the health and safety of the public, including, without limitation, hospitals, police, fire, and safety facilities.

2. A developer may be exempted or allowed a reduction in fees from the general city facilities development impact fee requirements of subsections B and C of this section if the developer enters into a development agreement with the city pursuant to which general city facilities development impact fees are assessed to the developer, or equivalent or comparable general city facilities improvements are implemented by the developer.

3. A developer may be entitled to a reduction in the amount of the general city facilities development impact fee required by subsections B and C of this section if the developer constructs general city facilities improvements pursuant to the most current general city facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The general city facilities development impact fee may be reduced by the amount of general city facilities improvement costs that would be reasonably incurred by the city in building those same general city facilities improvements. The amount of such reduction shall be subject to the approval of the Community Development Director, with concurrence from the public works director, prior to construction of the general city facilities improvement.

4. A developer may be entitled to a reduction in the amount of the general city facilities development impact fee required by subsections B and C of this section if the development is located in an assessment district that has been formed to construct facilities pursuant to the most current general city facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The general city facilities development impact fee may be reduced by the amount of the total assessment placed upon the development for the costs of general city facilities improvements. The amount of such reduction shall not exceed the amount of the general city facilities development impact fee required by subsections B and C of this section.

5. If a fee exemption or a fee reduction is granted pursuant to this subsection D, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the general city facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

E. Appeals.

1. A developer subject to the general city facilities development impact fee required by this section for a particular project may apply to the city manager, or his or her designee, for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the general city facilities level of service; or (b) a land use category adjustment based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The application shall be made in writing and filed with the city manager, or his or her designee, prior to the issuance of building permit. If a development review is not required for the development, then the application shall be made in writing and filed not later than the time at which the building permit is issued. The application shall state in detail the factual basis for the request for reduction.

2. The city manager, or his or her designee, shall make a decision on the application for adjustment within thirty (30) calendar days after the application has been filed. Notice of the city manager's, or his or her designee's, decision shall be mailed to the applicant.

3. The decision of the city manager, or his or her designee, may be appealed to the city council by filing an application for appeal with the city clerk. The application must be filed within fifteen (15) calendar days after notice of the city manager's, or his or her designee's, decision has been mailed to the applicant.

4. The city council shall consider the appeal at a public hearing to be held within sixty (60) calendar days after the appeal application has been filed. The decision of the city council shall be final. The decision of the city council shall be in writing and shall be mailed to the applicant.

5. If a fee exemption, a fee reduction or a land use category adjustment is granted pursuant to this subsection E., any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption, fee reduction or land use category adjustment, and the applicant shall be subject to the general city facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

6. If a fee exemption, fee reduction or land use category adjustment is not granted pursuant to this subsection E., then upon the payment of the required fees, the city shall, pursuant to Government Code Section 66020, provide the applicant a written notice of the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun.

F. Use of Funds. Pursuant to California Government Code Section 66006, all general city facilities development impact fees paid and collected pursuant to this section shall be placed into one (1) or more separate account(s) established for such fee and used solely for the purpose of constructing general city facilities improvements pursuant to the most current general city facilities plan, the most current capital improvement plan, or the annual budget process, as applicable; provided, however, that if the Community Development Director authorizes minor alterations to such plans or budget, with the concurrence of the public works director, then those alterations shall not affect the ability of the city to use general city facilities development impact fees collected pursuant to this section for the purpose of constructing general city facilities improvements in accordance with the most current general city facilities plan, the most current capital improvement plan, or the annual budget process, as applicable, and as altered or amended.

G. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the general city facilities development impact fee amount, an applicant subject to the payment of general city facilities development impact fees required by subsections B or C of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection B.1. of this section for residential general city facilities development impact fees or subsection C.1. of this

section for non-residential general city facilities development impact fees. The amount of the fee is the amount specified by resolution of the city council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

H. Periodic Adjustment to Fee Amount. The amount of the general city facilities development impact fee may be adjusted annually for inflation on July 1st of each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index), as specified in the resolution that adopts the fee amount or by the periodic preparation of a new general city facilities plan, capital improvement plan, or city budget, as applicable, and required studies prepared and adopted pursuant to the Mitigation Fee Act (Gov. Code, § 66000 *et seq.*).

15.68.040 Traffic control facilities development impact fee.

A. Findings and Intent.

1. New residential and non-residential development in the city has attracted and will continue to attract employees and residents to the city, and there is a causal connection between such development projects and the increased need for traffic control facilities.

2. Failure to enhance the ability of the city's traffic control facilities system to accommodate increased traffic will make it more difficult for residents, employers, and employees to access residences and places of employment and could cause unacceptable harm to the quality of life in the city.

3. Sources of city revenue other than traffic control facilities development impact fees, including tax revenues that will be paid by new residential and non-residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on traffic control facilities created by new development.

4. It is the intent of the city to require every person or organization that develops land to mitigate the impacts of that development on the city's traffic control facilities system. The city may therefore require developers to mitigate traffic control facilities impacts caused by their development and to pay a traffic control facilities development impact fee that will be used to mitigate those impacts by constructing traffic control facilities pursuant to the most current traffic control facilities plan.

5. The amount of traffic control facilities development impact fees collected pursuant to this section shall be limited to the cost of traffic control facilities necessary to mitigate the impact attributable to new development. The amount of traffic control facilities development impact fees collected shall not include the cost of traffic control facilities necessary to address the impacts of existing development.

B. Residential Traffic Control Facilities Fee Required.

1. Except as provided in subsection D of this section, the required traffic control facilities development impact fee for a residential building shall be paid in an amount established by resolution of the city council. The required traffic control facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the traffic control facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the traffic control facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection B, "final building inspection" shall mean the physical inspection of the building by the Building and Safety Division of the Community Development Department of the city for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.

4. For the purposes of this subsection B, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms with all the applicable provisions of this Code, ordinances, and conditions of approval.

C. Nonresidential Traffic Control Facilities Fee Required.

1. Except as provided in subsection D of this section, the required traffic control facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the city council. The required traffic control facilities development impact fee shall be due and paid on a lump-sum basis upon issuance of the building permit.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the traffic control facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the traffic control facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection C, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms to all the applicable building codes, this Code, and conditions of approval.

D. Traffic Control Facilities Fee - Exemption or Reduction.

1. The following uses and types of developments may be exempted from the payment of traffic control facilities development impact fees:

a. Any residential development that does not increase the number of permanent housing units on the parcel where the construction takes place, such as remodeling or rebuilding existing units.

b. Accessory dwelling units and second units as defined in Section 17.04.070.

c. The remodeling or rebuilding of an existing non-residential structure, provided the remodeling or rebuilding does not do any of the following:

i. Increase the square footage of the structure by more than 50 percent above that of the previously existing structure;

ii. Change the use to which the property or structure is to be put; or

iii. Increase the average daily trips generated from the property above the amount generated by the prior use of the property.

d. Publicly owned facilities, including, without limitation, public libraries, public administration facilities, public parks, public utilities, schools, and related facilities.

e. Facilities serving the health and safety of the public, including, without limitation, hospitals, police, fire, and safety facilities.

2. A developer may be exempted or allowed a reduction in fees from the traffic control facilities development impact fee requirements of subsections B and C of this section if the developer enters into a development agreement with the city pursuant to which traffic control facilities development impact fees are assessed to the developer, or equivalent or comparable traffic control facilities improvements are implemented by the developer.

3. A developer may be entitled to a reduction in the amount of the traffic control facilities development impact fee required by subsections B and C of this section if the developer constructs traffic control facilities improvements pursuant to the most current traffic control facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The traffic control facilities development impact fee may be reduced by the amount of traffic control facilities improvement costs that would be reasonably incurred by the city in building those same traffic control facilities improvements. The amount of such reduction shall be subject to the approval of the Community Development Director, with concurrence from the public works director, prior to construction of the traffic control facilities improvement.

4. A developer may be entitled to a reduction in the amount of the traffic control facilities development impact fee required by subsections B and C of this section if the development is located in an assessment district that has been formed to construct facilities pursuant to the most current traffic control facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The traffic control

facilities development impact fee may be reduced by the amount of the total assessment placed upon the development for the costs of traffic control facilities improvements. The amount of such reduction shall not exceed the amount of the traffic control facilities development impact fee required by subsections B and C of this section.

5. If a fee exemption or a fee reduction is granted pursuant to this subsection D, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the traffic control facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

E. Appeals.

1. A developer subject to the traffic control facilities development impact fee required by this section for a particular project may apply to the city manager, or his or her designee, for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the traffic control facilities level of service; or (b) a land use category adjustment based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The application shall be made in writing and filed with the city manager, or his or her designee, prior to the issuance of building permit. If a development review is not required for the development, then the application shall be made in writing and filed not later than the time at which the building permit is issued. The application shall state in detail the factual basis for the request for reduction.

2. The city manager, or his or her designee, shall make a decision on the application for adjustment within thirty (30) calendar days after the application has been filed. Notice of the city manager's, or his or her designee's, decision shall be mailed to the applicant.

3. The decision of the city manager, or his or her designee, may be appealed to the city council by filing an application for appeal with the city clerk. The application must be filed within fifteen (15) calendar days after notice of the city manager's, or his or her designee's, decision has been mailed to the applicant.

4. The city council shall consider the appeal at a public hearing to be held within sixty (60) calendar days after the appeal application has been filed. The decision of the city council shall be final. The decision of the city council shall be in writing and shall be mailed to the applicant.

5. If a fee exemption, a fee reduction or a land use category adjustment is granted pursuant to this subsection E., any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption, fee reduction or land use category adjustment, and the applicant shall be subject to the traffic control facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

6. If a fee exemption, fee reduction or land use category adjustment is not granted pursuant to this subsection E., then upon the payment of the required fees, the city shall, pursuant to Government Code Section 66020, provide the applicant a written notice of the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun.

F. Use of Funds. Pursuant to California Government Code Section 66006, all traffic control facilities development impact fees paid and collected pursuant to this section shall be placed into one (1) or more separate account(s) established for such fee and used solely for the purpose of constructing traffic control facilities improvements pursuant to the most current traffic control facilities plan, the most current capital improvement plan, or the annual budget process, as applicable; provided, however, that if the Community Development Director authorizes, with the concurrence from the public works director, minor alterations to such plans or budget, then those alterations shall not affect the ability of the city to use traffic control facilities development impact fees collected pursuant to this section for the purpose of constructing traffic control facilities improvements in accordance with the most current traffic control facilities plan, the most current capital improvement plan, or the annual budget process, as applicable, and as altered or amended.

G. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the traffic control facilities development impact fee amount, an applicant subject to the payment of traffic control facilities development impact fees required by subsections B or C of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection B.1. of this section for residential traffic control facilities development impact fees or subsection C.1. of this section for non-residential traffic control facilities development impact fees. The amount of the fee is the amount specified by resolution of the city council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

H. Periodic Adjustment to Fee Amount. The amount of the traffic control facilities development impact fee may be adjusted annually for inflation on July 1st of each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index), as specified in the resolution that adopts the fee amount or by the periodic preparation of a new traffic control facilities plan, capital improvement plan, or budget, as applicable, and required studies prepared and adopted pursuant to the Mitigation Fee Act (Gov. Code, § 66000 *et seq.*).

15.68.050 Parkland and park facilities development impact fee.

A. Findings and Intent.

1. New residential development in the city has attracted and will continue to attract residents to the city, and there is a causal connection between such development projects and the increased need for parkland and park facilities.

2. Failure to enhance the ability of the city's parkland and park facilities system to accommodate increases in residents will make it more difficult for residents to access parks and could cause unacceptable harm to the quality of life in the city.

3. Sources of city revenue other than parkland and park facilities development impact fees, including tax revenues that will be paid by new residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on parkland and park facilities created by new development.

4. It is the intent of the city to require every person or organization that develops land to mitigate the impacts of that development on the city's parkland and park facilities system. The city may therefore require developers to mitigate parkland and park facilities impacts caused by their development and to pay a parkland and park facilities development impact fee that will be used to mitigate those impacts by constructing parkland and park facilities pursuant to the most current parkland and park facilities plan, the most current capital improvement plan, or the annual budget process, as applicable.

5. The amount of parkland and park facilities development impact fees collected pursuant to this section shall be limited to the cost of parkland and park facilities necessary to mitigate the impact attributable to new development. The amount of parkland and park facilities development impact fees collected shall not include the cost of parkland and park facilities necessary to address the impacts of existing development.

B. Residential Parkland and Park Facilities Fee Required.

1. Except as provided in subsection C of this section, the required parkland and park facilities development impact fee for a residential building shall be paid in an amount established by resolution of the city council. The required parkland and park facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the parkland and park facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the parkland and park facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection B, "final building inspection" shall mean the physical inspection of the building by the Building and Safety Division of the Community Development Department of the city for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.

4. For the purposes of this subsection B, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and

certifying that the structure, building or development conforms with all the applicable provisions of this Code, ordinances, and conditions of approval.

C. Parkland and park facilities Fee - Exemption or Reduction.

1. The following uses and types of developments may be exempted from the payment of parkland and park facilities development impact fees:

a. Any residential development that does not increase the number of permanent housing units on the parcel where the construction takes place, such as remodeling or rebuilding existing units.

b. Accessory dwelling units and second units as defined in Section 17.04.070.

c. Publicly owned facilities, including, without limitation, public libraries, public administration facilities, public parks, public utilities, schools, and related facilities.

d. Facilities serving the health and safety of the public, including, without limitation, hospitals, police, fire, and safety facilities.

2. A developer may be exempted or allowed a reduction in fees from the parkland and park facilities development impact fee requirements of subsection B of this section if the developer enters into a development agreement with the city pursuant to which parkland and park facilities development impact fees are assessed to the developer, or equivalent or comparable parkland and park facilities improvements are implemented by the developer.

3. A developer may be entitled to a reduction in the amount of the parkland and park facilities development impact fee required by subsection B of this section if the developer constructs parkland and park facilities improvements pursuant to the most current parkland and park facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The parkland and park facilities development impact fee may be reduced by the amount of parkland and park facilities improvement costs that would be reasonably incurred by the city in building those same parkland and park facilities improvements. The amount of such reduction shall be subject to the approval of the Community Development Director, with concurrence from the parks and recreation director, prior to construction of the parkland and park facilities improvement.

4. A developer may be entitled to a reduction in the amount of the parkland and park facilities development impact fee required by subsection B of this section if the development is located in an assessment district that has been formed to construct facilities pursuant to the most current parkland and park facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The parkland and park facilities development impact fee may be reduced by the amount of the total assessment placed upon the development for the costs of parkland and park facilities improvements. The amount of such reduction shall not exceed the amount of the parkland and park facilities development impact fee required by subsection B of this section.

5. If a fee exemption or a fee reduction is granted pursuant to this subsection D, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the parkland and park facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

D. Appeals.

1. A developer subject to the parkland and park facilities development impact fee required by this section for a particular project may apply to the city manager, or his or her designee, for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the parkland and park facilities level of service; or (b) a land use category adjustment based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The application shall be made in writing and filed with the city manager, or his or her designee, prior to the issuance of building permit. If a development review is not required for the development, then the application shall be made in writing and filed not later than the time at which the building permit is issued. The application shall state in detail the factual basis for the request for reduction.

2. The city manager, or his or her designee, shall make a decision on the application for adjustment within thirty (30) calendar days after the application has been filed. Notice of the city manager's, or his or her designee's, decision shall be mailed to the applicant.

3. The decision of the city manager, or his or her designee, may be appealed to the city council by filing an application for appeal with the city clerk. The application must be filed within fifteen (15) calendar days after notice of the city manager's, or his or her designee's, decision has been mailed to the applicant.

4. The city council shall consider the appeal at a public hearing to be held within sixty (60) calendar days after the appeal application has been filed. The decision of the city council shall be final. The decision of the city council shall be in writing and shall be mailed to the applicant.

5. If a fee exemption, a fee reduction or a land use category adjustment is granted pursuant to this subsection D., any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption, fee reduction or land use category adjustment, and the applicant shall be subject to the parkland and park facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

6. If a fee exemption, fee reduction or land use category adjustment is not granted pursuant to this subsection D., then upon the payment of the required fees, the city shall, pursuant to Government Code Section 66020, provide the applicant a written notice of

the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun.

E. Use of Funds. Pursuant to California Government Code Section 66006, all parkland and park facilities development impact fees paid and collected pursuant to this section shall be placed into one (1) or more separate account(s) established for such fee and used solely for the purpose of constructing parkland and park facilities improvements pursuant to the most current parkland and park facilities plan, the most current capital improvement plan, or the annual budget process, as applicable; provided, however, that if the Community Development Director, with concurrence from the parks and recreation director, authorizes minor alterations to such plans or budget, then those alterations shall not affect the ability of the city to use parkland and park facilities development impact fees collected pursuant to this section for the purpose of constructing parkland and park facilities improvements in accordance with the most current parkland and park facilities plan, the most current capital improvement plan, or the annual budget process, as applicable, and as altered or amended.

G. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the parkland and park facilities development impact fee amount, an applicant subject to the payment of parkland and park facilities development impact fees required by subsection B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection B.1. of this section for residential parkland and park facilities development impact fees. The amount of the fee is the amount specified by resolution of the city council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

H. Periodic Adjustment to Fee Amount. The amount of the parkland and park facilities development impact fee may be adjusted annually for inflation on July 1st of each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index), as specified in the resolution that adopts the fee amount or by the periodic preparation of a new parkland and park facilities plan, capital improvement plan, or city budget, as applicable, and required studies prepared and adopted pursuant to the Mitigation Fee Act (Gov. Code, § 66000 *et seq.*).

15.68.060 Wastewater facilities development impact fee.

A. Findings and Intent.

1. New residential and non-residential development in the city has attracted and will continue to attract employees and residents to the city, and there is a causal connection between such development projects and the increased need for wastewater facilities.

2. Failure to enhance the ability of the city's wastewater facilities system to accommodate additional service calls will make it more difficult for residents, employers, and employees to obtain the wasterwater services they need.

3. Sources of city revenue other than wastewater facilities development impact fees, including tax revenues that will be paid by new residential and non-residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on wastewater facilities created by new development.

4. It is the intent of the city to require every person or organization that develops land to mitigate the impacts of that development on the city's wastewater facilities system. The city may therefore require developers to mitigate wastewater facilities impacts caused by their development and to pay a wastewater facilities development impact fee that will be used to mitigate those impacts by constructing wastewater facilities pursuant to the most current wastewater facilities plan, the most current capital improvement plan, or the annual budget process, as applicable.

5. The amount of wastewater facilities development impact fees collected pursuant to this section shall be limited to the cost of wastewater facilities necessary to mitigate the impact attributable to new development. The amount of wastewater facilities development impact fees collected shall not include the cost of wastewater facilities necessary to address the impacts of existing development.

B. Residential Wastewater Facilities Fee Required.

1. Except as provided in subsection D of this section, the required wastewater facilities development impact fee for a residential building shall be paid in an amount established by resolution of the city council. The required wastewater facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. The public works director, or his or her designee, shall be responsible for calculating the amount of the wastewater facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the wastewater facilities development impact fee. In calculating such fee, the public works director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection B, "final building inspection" shall mean the physical inspection of the building by the Building and Safety Division of the Community Development Department of the city for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.

4. For the purposes of this subsection B, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and

certifying that the structure, building or development conforms with all the applicable provisions of this Code, ordinances, and conditions of approval.

C. Nonresidential Wastewater Facilities Fee Required.

1. Except as provided in subsection D of this section, the required wastewater facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the city council. The required wastewater facilities development impact fee shall be due and paid on a lump-sum basis upon issuance of the building permit.

2. The public works director, or his or her designee, shall be responsible for calculating the amount of the wastewater facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the wastewater facilities development impact fee. In calculating such fee, the public works director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection C, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms to all the applicable building codes, this Code, and conditions of approval.

D. Wastewater Facilities Fee - Exemption or Reduction.

1. The following uses and types of developments may be exempted from the payment of wastewater facilities development impact fees:

a. Any residential development that does not increase the number of permanent housing units on the parcel where the construction takes place, such as remodeling or rebuilding existing units.

b. Accessory dwelling units and second units as defined in Section 17.04.070.

c. The remodeling or rebuilding of an existing non-residential structure, provided the remodeling or rebuilding does not do any of the following:

i. Increase the square footage of the structure by more than 50 percent above that of the previously existing structure;

ii. Change the use to which the property or structure is to be put; or

iii. Increase the average daily trips generated from the property above the amount generated by the prior use of the property.

d. Publicly owned facilities, including, without limitation, public libraries, public administration facilities, public parks, public utilities, schools, and related facilities.

e. Facilities serving the health and safety of the public, including, without limitation, hospitals, police, fire, and safety facilities.

2. A developer may be exempted or allowed a reduction in fees from the wastewater facilities development impact fee requirements of subsections B and C of this section if the developer enters into a development agreement with the city pursuant to which wastewater facilities development impact fees are assessed to the developer, or equivalent or comparable wastewater facilities improvements are implemented by the developer.

3. A developer may be entitled to a reduction in the amount of the wastewater facilities development impact fee required by subsections B and C of this section if the developer constructs wastewater facilities improvements pursuant to the most current wastewater facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The wastewater facilities development impact fee may be reduced by the amount of wastewater facilities improvement costs that would be reasonably incurred by the city in building those same wastewater facilities improvements. The amount of such reduction shall be subject to the approval of the public works director prior to construction of the wastewater facilities improvement.

4. A developer may be entitled to a reduction in the amount of the wastewater facilities development impact fee required by subsections B and C of this section if the development is located in an assessment district that has been formed to construct facilities pursuant to the most current wastewater facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The wastewater facilities development impact fee may be reduced by the amount of the total assessment placed upon the development for the costs of wastewater facilities improvements. The amount of such reduction shall not exceed the amount of the wastewater facilities development impact fee required by subsections B and C of this section.

5. If a fee exemption or a fee reduction is granted pursuant to this subsection D, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the wastewater facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

E. Appeals.

1. A developer subject to the wastewater facilities development impact fee required by this section for a particular project may apply to the city manager, or his or her designee, for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the wastewater facilities level of service; or (b) a land use category adjustment based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The application shall be made in writing and filed with the city manager, or his or her designee, prior to the issuance of building permit. If a development review is not required for the development, then the application

shall be made in writing and filed not later than the time at which the building permit is issued. The application shall state in detail the factual basis for the request for reduction.

2. The city manager, or his or her designee, shall make a decision on the application for adjustment within thirty (30) calendar days after the application has been filed. Notice of the city manager's, or his or her designee's, decision shall be mailed to the applicant.

3. The decision of the city manager, or his or her designee, may be appealed to the city council by filing an application for appeal with the city clerk. The application must be filed within fifteen (15) calendar days after notice of the city manager's, or his or her designee's, decision has been mailed to the applicant.

4. The city council shall consider the appeal at a public hearing to be held within sixty (60) calendar days after the appeal application has been filed. The decision of the city council shall be final. The decision of the city council shall be in writing and shall be mailed to the applicant.

5. If a fee exemption, a fee reduction or a land use category adjustment is granted pursuant to this subsection E., any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption, fee reduction or land use category adjustment, and the applicant shall be subject to the wastewater facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

6. If a fee exemption, fee reduction or land use category adjustment is not granted pursuant to this subsection E., then upon the payment of the required fees, the city shall, pursuant to Government Code Section 66020, provide the applicant a written notice of the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun.

F. Use of Funds. Pursuant to California Government Code Section 66006, all wastewater facilities development impact fees paid and collected pursuant to this section shall be placed into one (1) or more separate account(s) established for such fee and used solely for the purpose of constructing wastewater facilities improvements pursuant to the most current wastewater facilities plan, the most current capital improvement plan, or the annual budget process, as applicable; provided, however, that if the public works director authorizes minor alterations to such plans or budget, then those alterations shall not affect the ability of the city to use wastewater facilities development impact fees collected pursuant to this section for the purpose of constructing wastewater facilities improvements in accordance with the most current wastewater facilities plan, the most current capital improvement plan, or the annual budget process, as applicable, and as altered or amended.

G. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the wastewater facilities development impact fee amount, an applicant subject to the payment of wastewater facilities development impact fees

required by subsections B or C of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection B.1. of this section for residential wastewater facilities development impact fees or subsection C.1. of this section for non-residential wastewater facilities development impact fees. The amount of the fee is the amount specified by resolution of the city council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

H. Periodic Adjustment to Fee Amount. The amount of the wastewater facilities development impact fee may be adjusted annually for inflation on July 1st of each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index), as specified in the resolution that adopts the fee amount or by the periodic preparation of a new wastewater facilities plan, capital improvement plan, or city budget, as applicable and required studies prepared and adopted pursuant to the Mitigation Fee Act (Gov. Code, § 66000 *et seq.*).

15.68.070 Water facilities development impact fee.

A. Findings and Intent.

1. New residential and non-residential development in the city has attracted and will continue to attract employees and residents to the city, and there is a causal connection between such development projects and the increased need for water facilities.

2. Failure to enhance the ability of the city's water facilities system to accommodate additional service connections will make it more difficult for residents, employers, and employees to obtain the water services they need.

3. Sources of city revenue other than water facilities development impact fees, including tax revenues that will be paid by new residential and non-residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on water facilities created by new development.

4. It is the intent of the city to require every person or organization that develops land to mitigate the impacts of that development on the city's water facilities system. The city may therefore require developers to mitigate water facilities impacts caused by their development and to pay a water facilities development impact fee that will be used to mitigate those impacts by constructing water facilities pursuant to the most current water facilities plan, the most current capital improvement plan, or the annual budget process, as applicable.

5. The amount of water facilities development impact fees collected pursuant to this section shall be limited to the cost of water facilities necessary to mitigate the impact attributable to new development. The amount of water facilities development impact fees collected shall not include the cost of water facilities necessary to address the impacts of existing development.

B. Residential Water Facilities Fee Required.

1. Except as provided in subsection D of this section, the required water facilities development impact fee for a residential building shall be paid in an amount established by resolution of the city council. The required water facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. The public works director, or his or her designee, shall be responsible for calculating the amount of the water facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the water facilities development impact fee. In calculating such fee, the public works director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection B, "final building inspection" shall mean the physical inspection of the building by the Building and Safety Division of the Community Development Department of the city for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.

4. For the purposes of this subsection B, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms with all the applicable provisions of this Code, ordinances, and conditions of approval.

C. Nonresidential Water Facilities Fee Required.

1. Except as provided in subsection D of this section, the required water facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the city council. The required water facilities development impact fee shall be due and paid on a lump-sum basis upon issuance of the building permit.

2. The public works director, or his or her designee, shall be responsible for calculating the amount of the water facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the water facilities development impact fee. In calculating such fee, the public works director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this subsection C, "certificate of occupancy" shall mean a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms to all the applicable building codes, this Code, and conditions of approval.

D. Water Facilities Fee - Exemption or Reduction.

1. The following uses and types of developments may be exempted from the payment of water facilities development impact fees:

a. Any residential development that does not increase the number of permanent housing units on the parcel where the construction takes place, such as remodeling or rebuilding existing units.

b. Accessory dwelling units and second units as defined in Section 17.04.070.

c. The remodeling or rebuilding of an existing non-residential structure, provided the remodeling or rebuilding does not do any of the following:

i. Increase the square footage of the structure by more than 50 percent above that of the previously existing structure;

ii. Change the use to which the property or structure is to be put; or

iii. Increase the average daily trips generated from the property above the amount generated by the prior use of the property.

c. Publicly owned facilities, including, without limitation, public libraries, public administration facilities, public parks, public utilities, schools, and related facilities.

d. Facilities serving the health and safety of the public, including, without limitation, hospitals, police, fire, and safety facilities.

2. A developer may be exempted or allowed a reduction in fees from the water facilities development impact fee requirements of subsections B and C of this section if the developer enters into a development agreement with the city pursuant to which water facilities development impact fees are assessed to the developer, or equivalent or comparable water facilities improvements are implemented by the developer.

3. A developer may be entitled to a reduction in the amount of the water facilities development impact fee required by subsections B and C of this section if the developer constructs water facilities improvements pursuant to the most current water facilities plan, , the most current capital improvement plan, or the annual budget process, as applicable. The water facilities development impact fee may be reduced by the amount of water facilities improvement costs that would be reasonably incurred by the city in building those same water facilities improvements. The amount of such reduction shall be subject to the approval of the public works director prior to construction of the water facilities improvement.

4. A developer may be entitled to a reduction in the amount of the water facilities development impact fee required by subsections B and C of this section if the development is located in an assessment district that has been formed to construct facilities pursuant to the most current water facilities plan, the most current capital improvement plan, or the annual budget process, as applicable. The water facilities development impact fee may be reduced by the amount of the total assessment placed

upon the development for the costs of water facilities improvements. The amount of such reduction shall not exceed the amount of the water facilities development impact fee required by subsections B and C of this section.

5. If a fee exemption or a fee reduction is granted pursuant to this subsection D, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the water facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

E. Appeals.

1. A developer subject to the water facilities development impact fee required by this section for a particular project may apply to the city manager, or his or her designee, for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the water facilities level of service; or (b) a land use category adjustment based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The application shall be made in writing and filed with the city manager, or his or her designee, prior to the issuance of building permit. If a development review is not required for the development, then the application shall be made in writing and filed not later than the time at which the building permit is issued. The application shall state in detail the factual basis for the request for reduction.

2. The city manager, or his or her designee, shall make a decision on the application for adjustment within thirty (30) calendar days after the application has been filed. Notice of the city manager's, or his or her designee's, decision shall be mailed to the applicant.

3. The decision of the city manager, or his or her designee, may be appealed to the city council by filing an application for appeal with the city clerk. The application must be filed within fifteen (15) calendar days after notice of the city manager's, or his or her designee's, decision has been mailed to the applicant.

4. The city council shall consider the appeal at a public hearing to be held within sixty (60) calendar days after the appeal application has been filed. The decision of the city council shall be final. The decision of the city council shall be in writing and shall be mailed to the applicant.

5. If a fee exemption, a fee reduction or a land use category adjustment is granted pursuant to this subsection E., any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption, fee reduction or land use category adjustment, and the applicant shall be subject to the water facilities development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

6. If a fee exemption, fee reduction or land use category adjustment is not granted pursuant to this subsection E., then upon the payment of the required fees, the city shall,

pursuant to Government Code Section 66020, provide the applicant a written notice of the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun.

F. Use of Funds. Pursuant to California Government Code Section 66006, all water facilities development impact fees paid and collected pursuant to this section shall be placed into one (1) or more separate account(s) established for such fee and used solely for the purpose of constructing water facilities improvements pursuant to the most current water facilities plan, the most current capital improvement plan, or the annual budget process, as applicable; provided, however, that if the public works director authorizes minor alterations to such plans or budget, then those alterations shall not affect the ability of the city to use water facilities development impact fees collected pursuant to this section for the purpose of constructing water facilities improvements in accordance with the most current water facilities plan, the most current capital improvement plan, or the annual budget process, as applicable, and as altered or amended.

G. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the water facilities development impact fee amount, an applicant subject to the payment of water facilities development impact fees required by subsections B or C of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection B.1. of this section for residential water facilities development impact fees or subsection C.1. of this section for non-residential water facilities development impact fees. The amount of the fee is the amount specified by resolution of the city council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

H. Periodic Adjustment to Fee Amount. The amount of the water facilities development impact fee may be adjusted annually for inflation on July 1st of each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U): Riverside-San Bernardino-Ontario (or any successor index), as specified in the resolution that adopts the fee amount or by the periodic preparation of a new water facilities plan, capital improvement plan, or city budget, as applicable and required studies prepared and adopted pursuant to the Mitigation Fee Act (Gov. Code, § 66000 *et seq.*)."

Section 9. Chapter 15.72 (Miscellaneous Development Fees) of Title 15 (Buildings and Construction) of the Banning Municipal Code is hereby deleted in its entirety.

Section 10. Chapter 12.52 (Western Riverside County Multiple Species Habitat Conservation Plan) and Sections 12.52.010 through 12.52.050 of Article I of Chapter 12.52 and Sections 12.52.060 through 12.52.150 of Article II of Chapter 12.52 are hereby renumbered as Chapter 15.72 and Sections 15.72.010 through 15.72.050 of Article I of Chapter 15.72 and Sections 15.72.060 through 15.72.150 of Article II of Chapter 15.72, respectively, and is amended to read as follows:

"Chapter 12.52 - Reserved."

Section 11. The definition of "Ordinance" in Section 15.72.020 (Definitions) of Article I (Title) of Chapter 15.72 (Western Riverside County Multiple Species Habitat Conservation Plan) of Title 15 (Buildings and Construction) of the Banning Municipal Code is hereby amended to read as follows:

"'Ordinance' means chapter 15.72 of title 15, of this Code."

Section 12. Section 15.72.030 (Application of Regulations) of Article I (Title) of Chapter 15.72 (Western Riverside County Multiple Species Habitat Conservation Plan) of Title 15 (Buildings and Construction) of the Banning Municipal Code is hereby amended to read as follows:

"**15.72.030 Application of regulations.**

Except as provided in Section 15.72.040, this chapter shall apply to all land within the city shown on the MSHCP plan map, attached to the ordinance codified in this chapter as Exhibit 1. Upon application to the city for a development project, an applicant shall be required to comply with the procedures set forth in this chapter. Upon the city's initiation of a project that is subject to CEQA, the city shall be required to comply with the procedures set forth in this chapter. No project requiring a discretionary, or certain ministerial permits or approvals that could have adverse impacts to species covered under the MSHCP, shall be approved by the city, and no city-initiated public project shall be undertaken, unless the project is consistent with the MSHCP and this chapter."

Section 13. The definition of "Credit" in Section 15.72.070 (Definitions) of Article II (MSHCP Mitigation Fee) of Chapter 15.72 (Western Riverside County Multiple Species Habitat Conservation Plan) of Title 15 (Buildings and Construction) of the Banning Municipal Code is hereby amended to read as follows:

"'Credit' means a credit allowed pursuant to Section 15.72.080 of this article, which may be applied against the development impact fee paid."

Section 14. Repeal of Prior Development Impact Fees Adopted by Ordinance Nos. 1320 and 1321, and Conflicting Ordinances. Any and all provisions of Ordinances Nos. 1320 and 1321 and any other prior ordinances establishing or modifying development impact fees in the categories established in the *Development Impact Fee Update Study* dated August 7, 2019 prepared by Willdan Financial Services and the *Update of [the] Traffic Fee Component of the Development Fee Program* dated May 2019 prepared by LSA Associates, Inc., and set forth in Exhibit A to City Council Resolution No. 2019-112, which duplicate or conflict with the provisions of Resolution No. 2019-112 and its Exhibit A, are hereby repealed and replaced with the fees set forth in Exhibit A to Resolution No. 2019-112, and the terms and conditions established by Resolution No. 2019-112 upon the effective date of the new development impact fees as provided for in Section 6 of Resolution No. 2019-112.

Section 15. Publication, Effective Date. The City Clerk shall certify to the passage and adoption of this Ordinance, and shall make a minute order of the passage and adoption thereof in the records and the proceeding of the City Council at which time the same is passed and adopted. This Ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) calendar days after its final passage, the City Clerk shall publish, or cause a summary of this Ordinance to be published in a newspaper of general circulation and shall post the same at City Hall, 99 E. Ramsey Street, Banning, California. The City Clerk shall cause the Ordinance to be printed, published, and circulated.

PASSED, APPROVED AND ADOPTED this 24th day of September, 2019.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Laurie Sampson, Acting Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

Kevin Ennis, City Attorney /Serita Young, Asst. City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Laurie Sampson, Acting Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Ordinance No. 1551 was duly adopted at a regular meeting of the City Council of the City of Banning held on the 24th day of September, 2019, by the following vote, to wit:

AYES: Happe, Wallace, Andrade, Welch

NOES: None

ABSENT: Peterson

ABSTAIN: None

Laurie Sampson, Acting Deputy City Clerk
City of Banning, California