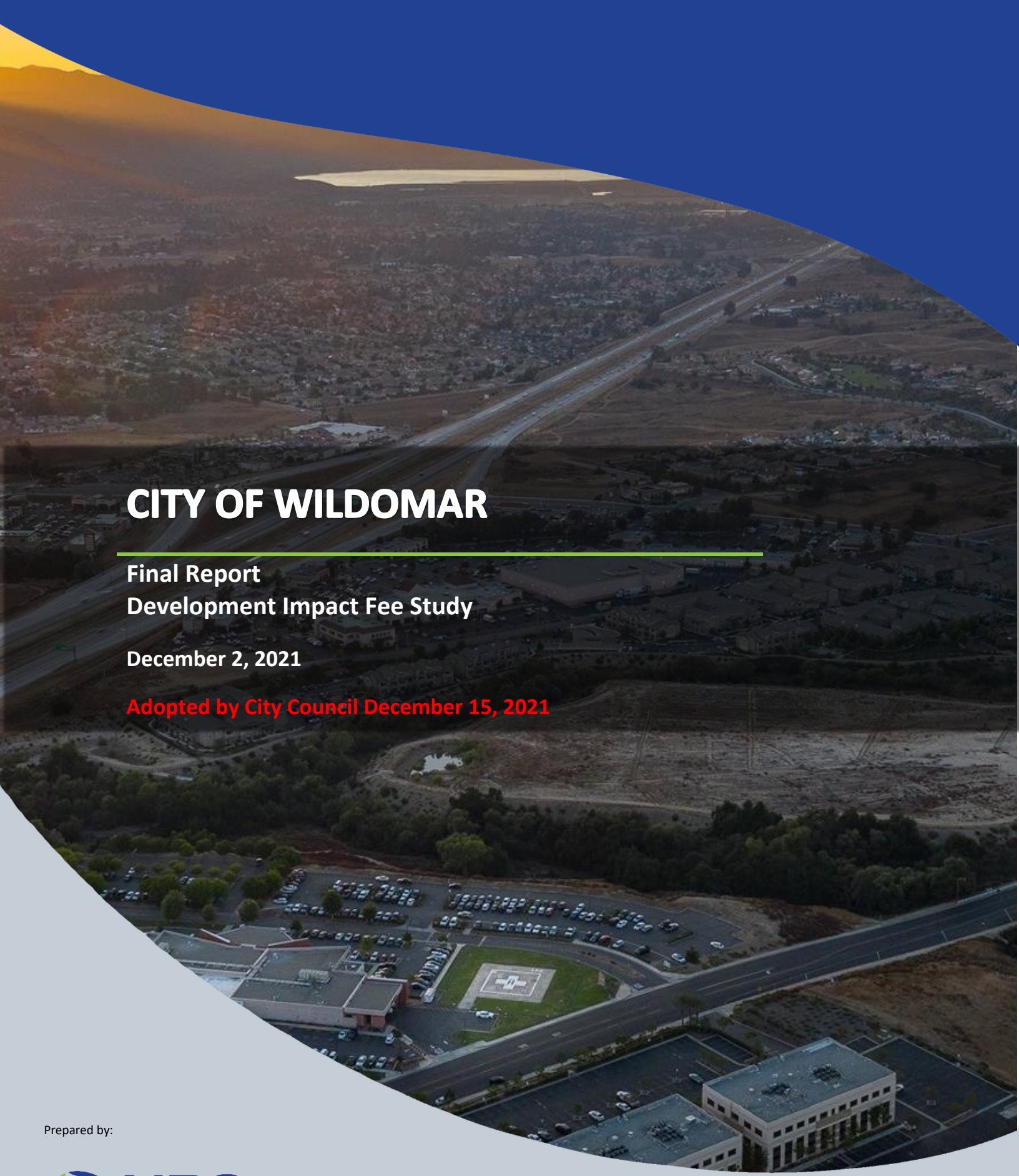


# CITY OF WILDOMAR

## Final Report
## Development Impact Fee Study

**December 2, 2021**

**Adopted by City Council December 15, 2021**

Prepared by:


NBS
helping communities fund tomorrow
nbsgov.com

**Corporate Headquarters**

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

# Table of Contents

**Appendices**

# Executive Summary

The City of Wildomar retained NBS to prepare this impact fee study update to analyze the impact of future development on certain capital facilities and to calculate impact fees based on that analysis. The methods used to calculate impact fees in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution, the California Mitigation Fee Act (Government Code §§ 66000 *et seq*.) and where applicable, the Quimby Act (Government Code § 66477).

## Organization of the Report

Chapter 1 of this report provides an overview of impact fees. It discusses legal requirements for establishing and imposing such fees, as well as methods used in this study to calculate the fees.

Chapter 2 contains information on existing and future development used in this report and organizes that data in a form that can be used in the impact fee analysis. Projections of existing development shown in Chapter 2 are updated from Wildomar's 2014 impact fee study using building permit data.

Chapters 3 through 11 show the impact fee calculations for specific facility types. The type of facilities addressed in each of those chapters is indicated below:

| | |
|---|---|
| Chapter 3. Street and Intersections | Chapter 8. City Hall |
| Chapter 4. Police Facilities | Chapter 9. Corporation Yard |
| Chapter 5. Fire Protection Facilities | Chapter 10. Multi-Purpose Trails |
| Chapter 6. Parks | Chapter 11. Drainage Improvements |
| Chapter 7. Community Centers | |

Each of the impact fee chapters documents the data and methodology used to calculate impact fees for a particular type of facility, as well as the nexus between development and the need for the facilities to be paid-for by the impact fees.

Chapter 12 discusses implementation of the impact fee program, including legal requirements for enacting and implementing the impact fee program under California law.

## Future Development

Forecasts of future development for this study are intended to represent all additional development potential for undeveloped land in the City under the current General Plan. When Wildomar incorporated in 2008, the City adopted the Riverside County General Plan as it applies to the area within the City.

Chapter 2 of this report forecasts that full buildout of undeveloped land in the City would result in increases of 54% in population, 135% in peak hour vehicle trips, and 230% in employment from current levels in the City. Those figures provide some perspective on the need for future investment by the City in additional capital facilities and infrastructure to support future development.

Another way of looking at those numbers is that current development represents about 65% of projected buildout population, 43% of buildout vehicle trips, and 30% of buildout employment.

## Impact Fee Analysis

Each type of facility addressed in this report is analyzed in a separate chapter. In each case, the relationship between development and the need for facilities is quantified in a way that allows the impact of development on facility needs to be measured. Impact fees calculated in this report are based on the capital cost of facilities needed to serve future development.

Impact fees calculated in this study are summarized in Table ES.1 later in this Executive Summary. The following paragraphs briefly discuss factors considered in the fee calculations for each facility type.

**Transportation (Road and Traffic Signal) Improvements).** Road, intersection and bridge improvements as well as traffic signal and roundabout projects needed to support future development in Wildomar were identified by the Wildomar Engineering Department based on the City's Mobility Plan which was adopted in 2021. Improvements designated for funding by the Western Riverside County Council of Government (WRCOG) Transportation Uniform Mitigation Fee (TUMF) are excluded from the impact fee calculations.

The City has determined that there are no existing deficiencies in the portion of the street system to be funded by the City's impact fees, so essentially all of the arterial street and intersection improvements shown in this report are needed to serve future development. However, costs for some completed improvements that have been part of the impact fee program are retained in the cost basis for the impact fee calculations in this study because new development's share of the cost will not be completely funded until all impact fees have been collected from all forecasted future development. The amount of all road and traffic signal impact fees collected since 2015 is credited against the total cost of improvements used in the impact fee calculations.

The road improvement costs used in the impact fee calculations include only costs for improvements beyond the two inside lanes on any roadway. The two inside travel lanes across the frontage of any development project are considered project improvements necessary for access to the development and therefore will be the direct responsibility of abutting developers on either side of the street. See Chapter 3 for more detail.

Costs for future road and traffic signal improvements are allocated to future development based on the number of p.m. peak hour vehicle trips added by each type of development. Then, costs allocated to Public and Institutional development are reallocated to residential development. Those costs are reallocated because the City cannot collect impact fees from most of the development in the Public/Institutional category. Since development in that category (mostly public schools) largely serves residential development, it is reasonable to reallocate those costs to residential development.

Eligible road and traffic signal costs for each development type are divided by the additional peak hour vehicle trips generated by that development type to establish a cost per peak hour trip. Then the cost per peak hour trip is multiplied by the number of peak hour trips per unit for each type of development to arrive at an impact fee per unit. The proposed impact fees for street and intersection improvements are shown in Table ES.1 later in this Executive Summary.

**Police Facilities.** Impact fees for police facilities address the need for additional space in police facilities to serve new development. This report estimates the amount of space in the Riverside County Sheriff's Department Lake Elsinore Station currently devoted to serving Wildomar and calculates the cost of future space needed to maintain the current ratio of facility space to service population through buildout.

Service population is used as a measure of the demand for law enforcement services, as well as several other types of services provided by the City. Service population combines resident population and employees and (See Chapter 2 for a more detailed discussion of service population.)

Costs for future police facilities are allocated to future development based on the service population added by each type of development. Next, costs allocated to Public and Institutional development are reallocated to residential development, as discussed in the previous section. Then the cost allocated to each type of development is divided by the service population associated with that type of development to derive a cost per capita.

Finally, the cost per capita is multiplied by the service population per unit for each type of development to determine the impact fee per unit for that type of development. The proposed police impact fees are shown in Table ES.1 later in this Executive Summary.

**Fire Protection Facilities.** Impact fees for fire protection facilities are based new development's share of the City's cost for fire stations, apparatus and vehicles needed to serve the City at buildout. The impact fees calculated in this report represent only future development's proportionate share of the City's total cost for fire protection facilities and vehicles.

Costs for fire protection facilities, apparatus and vehicles are allocated to both existing and future development based on service population. Next, costs allocated to Public and Institutional development are reallocated to residential development, as discussed

previously. Then the share of cost allocated to each type of development is divided by the service population associated with that type of development to derive a cost per capita.

Finally, the cost per capita is multiplied by the service population per unit for each type of development to determine the impact fee per unit for that type of development. The proposed fire impact fees are shown in Table ES.1 later in this Executive Summary.

**Park In-Lieu Fees and Park Impact Fees.** This report calculates fees for both park land and park improvements. For residential development projects involving a subdivision or parcel map, the Quimby Act authorizes cities to require dedication of park land or payment of fees in lieu of dedication. This study calculates those park in-lieu fees as well as park impact fees for residential development projects that don't involve a subdivision or parcel map. Both of those fees are based on a standard of 3.0 acres per 1,000 population, so the amounts are the same.

This study also calculates impact fees for park improvements. Those fees are also based on a standard of 3.0 acres per 1,000 population. They apply to all residential development in addition to the park land in-lieu fees or impact fees.

To calculate fees per unit of development for park land and park improvements, the estimated per-acre cost of land or improvements is divided by 1,000 and the result is multiplied by the population per unit for each type of residential development.

The proposed park land in-lieu/impact fees and the proposed park improvement impact fees are shown in Table ES.1 later in this Executive Summary.

**Community Centers.** Fees calculated in this study for community center facilities are based on a level of service standard of 0.4 square feet per resident, which means a facility of about 23,000 square feet would be needed to serve the City at buildout. The estimated cost of that facility in current dollars, including furniture, fixtures and equipment, is approximately $10.5 million.

Because the City has no existing community centers, the proposed facility would serve both existing and future development. Consequently, impact fees paid by future development would cover only about 35% of the total cost. The remaining cost would have to be funded from other sources of revenue.

To calculate impact fees for community centers, the total cost of the facility is divided by the expected population of the City at buildout to derive a cost per capita. Then the cost per capita is multiplied by the population per dwelling unit for each type of residential development to determine the impact fee per unit. The impact fees for community centers would apply only to residential development. The proposed impact fees are shown in Table ES.1 later in this Executive Summary.

**City Hall**. Fees calculated in this study for a future City Hall assume the City will construct a 20,000 square foot permanent City Hall building at an estimated cost in current dollars of about $10.6 million for land, construction and furniture, fixtures and equipment.

As with other impact fees for facilities serving both residential and non-residential development, new development's share of the cost of City Hall is allocated to future development based on the amount of service population added by each type of development. Next, costs allocated to Public and Institutional development are reallocated to residential development, as discussed previously. Then the share of cost of allocated to each type of development is divided by the service population associated with that type of development to derive a cost per capita.

Finally, the cost per capita is multiplied by the service population per unit of development for each type of development to determine the impact fee per unit. The proposed City Hall impact fees are shown in Table ES.1 later in this Executive Summary.

Because Wildomar has no existing City-owned City Hall, the proposed facility would serve both existing and future development. Consequently, impact fees paid by future development would cover only about 45% of the total cost. The remaining cost would have to be funded from other sources of revenue.

**Corporation Yard.** Fees calculated in this study for a future corporation yard are based on cost estimates for a very basic facility to support the City's maintenance activities and provide for material storage. The components of that facility are shown in Chapter 10. The estimated cost of that facility, in current dollars, is approximately $2.4 million.

As with other impact fees for facilities serving both residential and non-residential development, new development's share of the cost of the corporation yard is allocated to future development based on the amount of service population added by each type of development. Next, costs allocated to Public and Institutional development are reallocated to residential development. Then the share of cost of allocated to each type of development is divided by the service population associated with that type of development to derive a cost per capita.

Finally, the cost per capita is multiplied by the number of residents or employees per unit for each type of development to determine the impact fee per unit for that type of development. The proposed corporation yard impact fees are shown in later in this Executive Summary.

Because Wildomar has no existing corporation yard, the proposed facility would serve both existing and future development. Impact fees paid by future development would cover about 45% of that cost. The remaining cost would have to be funded from other sources of revenue.

**Multi-Purpose Trails.** Fees calculated in this study for multi-purpose trails are based on future development's proportionate share (about 46%) of the estimated cost of planned future trails. The cost of those trail improvements is allocated to various categories of development in proportion to the service population associated with each category.

Then, as is the case with some other types of impact fees discussed above, the share of costs attributed to future development in the Public Facilities category is reallocated to

various categories of residential development. And finally, the costs for each category are divided by the number of units of development in that category at buildout, to arrive at an impact fee per unit. The proposed impact fees for multi-purpose trails are shown in Table ES.1 later in this Executive Summary.

The total cost of planned future trails is estimated at $38.9 million and future development's share is $17.9 million. Future trail development costs not covered by impact fees would be approximately $21 million.

**Drainage Improvements.** Fees calculated in this study for drainage improvements are based on estimated costs for future drainage improvements identified in the 2019 Master Drainage Plan. In addition, the impact fee analysis incorporates the cost of improvements planned by Riverside County Flood Control and Water Conservation District (RCFC) to serve the City of Wildomar. Currently, the cost of those improvements is recovered through Area Drainage Plan (ADP) fees collected by RCFC. If the storm drainage impact fees calculated in this report are adopted by the City, those costs will be recovered directly by the City through the impact fees and RCFC will no longer collect the ADP fees.

Drainage impact fees are calculated in this study based on the estimated amount of impervious surface area (ISA) added by each type of development. The addition of impervious surfaces, such as rooftops and paving, increases the amount of stormwater runoff that must be accommodated by the drainage system.

For purposes of calculating impact fees for drainage improvements, residential development is broken down into six separate density categories. That is a more detailed breakdown than is used for other impact fees calculated in this report because residential development on larger lots tends to add greater amounts of ISA per unit.

The total cost of the drainage improvements is allocated to both existing and future development so that the impact fees represent only future development's proportionate share of the total cost. Costs are allocated to various categories of development in proportion to the amount of ISA added by each category. Then, as is the case with some other types of impact fees discussed above, the costs attributed to development in the Public Facilities category is reallocated to various categories of residential development. And finally, the costs for each category are divided by the number of units of future development in that category, to arrive at an impact fee per unit.

The proposed drainage impact fees shown in Table ES.1 later in this Executive Summary. Because the breakdown of residential development types is more detailed than for other impact fees calculated in this report, that table does not include a complete breakdown of the drainage impact fees for residential development. That breakdown is shown in Table 11.4 in Chapter 11.

## Recovery of Administrative Costs

Many agencies charging impact fees increase the fees by a small percentage to recover the cost fee administration and periodic impact fee studies.

One method that can be used for allocating the cost of fee study updates to impact fees is to divide those costs by the amount of revenue that will be generated by impact fees over some period of time.

This report projects the total revenue that will be collected through buildout of the City, assuming that: (1) development occurs as anticipated in the current general plan; and, (2) the impact fees are adjusted annually to keep pace with changes in the costs underlying the impact fee calculations. That projected total revenue is $287,201,916 in current dollars.

Assuming that buildout will occur over approximately 25 years, the average revenue for each five-year period would be $56,440,383. The estimated cost of an impact fee update study is $50,000 and annual administration costs estimated at $25,000 would total $125,000. So total administration costs over five years would total $175,000.

Dividing $175,000 by total five-year revenue of $56,440,383 equals 0.30%, so the fees calculated in this study would have to be increased by 0.30% to recover the cost of impact fee administration and impact fee studies over the next 5 years. Table ES.1, below, shows a development impact fee (DIF) administration fee, based on that factor.

## Impact Fee Summary

Table ES.1 on the next page summarizes the impact fees calculated in this report. Fees shown in Table ES.1 are per unit of development, by development type. Animal Shelter fees were not updated in this study. The existing animal shelter impact fees are included in Table S.1 for completeness.

**Table S-1: Summary of Impact Fees per Unit Calculated in This Study**

| Impact Fee Type | Residential Single-Family | Residential Multi-Family | Commercial | Office | Industrial/ Business Pk |
|---|---|---|---|---|---|
| Units>> | DU [1] | DU [1] | KSF [1] | KSF [1] | KSF [1] |
| Transportation - Roads | $ 4,293.13 | $ 2,428.44 | $ 12,811.27 | $ 3,866.92 | $ 1,765.33 |
| Transportation - Signals | $ 477.15 | $ 269.90 | $ 1,423.87 | $ 429.78 | $ 196.20 |
| Police Facilities | $ 272.14 | $ 188.66 | $ 182.93 | $ 161.78 | $ 64.71 |
| Fire Protection | $ 495.89 | $ 343.78 | $ 338.88 | $ 299.70 | $ 119.88 |
| Park Land | $ 978.00 | $ 678.00 | | | |
| Park Improvements | $ 9,780.00 | $ 6,780.00 | | | |
| Community Center | $ 598.70 | $ 415.05 | | | |
| City Hall | $ 428.25 | $ 296.88 | $ 292.65 | $ 258.82 | $ 103.53 |
| Corporation Yard | $ 96.74 | $ 67.07 | $ 66.11 | $ 58.47 | $ 23.39 |
| Multi-Purpose Trails | $ 1,600.96 | $ 1,109.87 | $ 1,076.11 | $ 951.72 | $ 380.69 |
| Drainage [2] | $ 5,250.01 | $ 1,680.97 | $ 3,383.06 | $ 2,562.93 | $ 2,416.47 |
| Animal Shelter [3] | $ 250.00 | $ 178.00 | | | |
| DIF Administration Fee [4] | $ 72.81 | $ 42.78 | $ 58.72 | $ 25.77 | $ 15.21 |
| **Total Fees** | **$ 24,593.78** | **$ 14,479.39** | **$ 19,633.61** | **$ 8,615.89** | **$ 5,085.41** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Residential drainage fees vary with density; fee shown for single-family residential is medium-density fee per unit; fee shown for multi-family residential is high-density fee per unit; for a complete break-down of residential drainage fees by density category, see Table 11.4

[3] Animal shelter impact fees were not updated in the 2021 DIF study; fee shown is the existing fee

[4] Development impact fee administration fee = 0.30% of the sum of all other impact fees; see discussion in text of the impact fee study report

Table ES.2 on the next page shows the City's existing impact fees. Because of some differences in fee structure, some of the proposed fees cannot be compared directly with existing fees.

**Table S-2: Summary of Existing Impact Fees per Unit**

| Impact Fee Type | Residential Single-Family | Residential Multi-Family | Commercial | Office | Industrial/ Business Pk |
|---|---|---|---|---|---|
| Units>> | DU [1] | DU [1] | KSF [1] | KSF [1] | KSF [1] |
| Transportation - Roads | $ 3,088.00 | $ 2,169.00 | $ 9,415.00 | $ 2,683.00 | $ 1,090.00 |
| Transportation - Signals | $ 401.00 | $ 281.00 | $ 1,222.00 | $ 348.00 | $ 141.00 |
| Police Facilities | $ 227.00 | $ 161.00 | $ 153.00 | $ 196.00 | $ 87.00 |
| Fire Protection | $ 440.00 | $ 312.00 | $ 295.00 | $ 380.00 | $ 170.00 |
| Park Land | $ 597.00 | $ 423.00 | | | |
| Park Improvements | $ 3,926.00 | $ 2,787.00 | | | |
| Community Center | $ 474.00 | $ 337.00 | | | |
| City Hall | $ 384.00 | $ 272.00 | $ 258.00 | $ 333.00 | $ 149.00 |
| Corporation Yard | $ 79.00 | $ 56.00 | $ 53.00 | $ 69.00 | $ 31.00 |
| Multi-Purpose Trails | $ 750.28 | $ 532.46 | $ 503.74 | $ 648.59 | $ 289.70 |
| Drainage | $ 1,381.00 | $ 868.00 | $ 1,281.00 | $ 1,068.00 | $ 915.00 |
| Animal Shelter | $ 250.00 | $ 178.00 | | | |
| DIF Administration Fee | $ 56.39 | $ 39.35 | $ 63.27 | $ 27.48 | $ 13.79 |
| **Total Fees** | **$ 12,053.67** | **$ 8,415.81** | **$ 13,244.01** | **$ 5,753.07** | **$ 2,886.49** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

Table ES.3 shows the difference between the City's existing impact fees and the impact fees calculated in this study. Numbers in parentheses indicate that the proposed fees are lower than the existing fees.

**Table S-3: Difference between Proposed and Existing Impact Fees per Unit**

| Impact Fee Type | Residential Single-Family | Residential Multi-Family | Commercial | Office | Industrial/ Business Pk |
|---|---|---|---|---|---|
| Units>> | DU [1] | DU [1] | KSF [1] | KSF [1] | KSF [1] |
| Transportation - Roads | $ 1,205.13 | $ 259.44 | $ 3,396.27 | $ 1,183.92 | $ 675.33 |
| Transportation - Signals | $ 76.15 | $ (11.10) | $ 201.87 | $ 81.78 | $ 55.20 |
| Police Facilities | $ 45.14 | $ 27.66 | $ 29.93 | $ (34.22) | $ (22.29) |
| Fire Protection | $ 55.89 | $ 31.78 | $ 43.88 | $ (80.30) | $ (50.12) |
| Park Land | $ 381.00 | $ 255.00 | | | |
| Park Improvements | $ 5,854.00 | $ 3,993.00 | | | |
| Community Center | $ 124.70 | $ 78.05 | | | |
| City Hall | $ 44.25 | $ 24.88 | $ 34.65 | $ (74.18) | $ (45.47) |
| Corporation Yard | $ 17.74 | $ 11.07 | $ 13.11 | $ (10.53) | $ (7.61) |
| Multi-Purpose Trails | $ 850.68 | $ 577.41 | $ 572.37 | $ 303.13 | $ 90.99 |
| Drainage | $ 3,869.01 | $ 812.97 | $ 2,102.06 | $ 1,494.93 | $ 1,501.47 |
| Animal Shelter | $ 0.00 | $ 0.00 | | | |
| DIF Administration Fee | $ 193.61 | $ 138.65 | $ (63.27) | $ (27.48) | $ (13.79) |
| **Total Fees** | **$ 12,717.30** | **$ 6,198.80** | **$ 6,330.88** | **$ 2,837.04** | **$ 2,183.71** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

# Chapter 1. Introduction

## Purpose

The purpose of this study is to analyze the impacts of development on the need for public facilities provided by the City of Wildomar and to calculate impact fees based on that analysis. This report documents the approach, data and methodology used in this study to calculate impact fees as well as Quimby Act park land dedication requirements and in lieu fees.

The methods used to calculate impact fees and in-lieu fees in this report are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution, the California Mitigation Fee Act (Government Code Sections 66000-66025), the Quimby Act (Government Code Section 66477) and relevant case law.

## Legal Framework for Developer Fees

This brief summary of the legal framework for development fees is intended as a general overview. It was not prepared by an attorney and should not be treated as legal advice.

**U. S. Constitution.** Like all land use regulations, development exactions, including impact fees, are subject to the 5th Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against "regulatory takings." A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

In two landmark cases dealing with exactions, the U. S. Supreme Court has held that when a government agency requires the dedication of land or an interest in land as a condition of development approval, or imposes ad hoc exactions as a condition of approval on a single development project that do not apply to development generally, a higher standard of judicial scrutiny applies. To meet that standard, the agency must demonstrate an "essential nexus" between such exactions and the burden created by a development project (See *Nollan v. California Coastal Commission,* 1987) and make an "individualized determination" that the exaction imposed is "roughly proportional" to that burden (See *Dolan v. City of Tigard,* 1994).

Until recently, it was widely accepted that legislatively enacted impact fees that apply to all development in a jurisdiction are not subject to the higher standard of judicial scrutiny flowing from the Nollan and Dolan decisions. But after the U. S. Supreme Court decision in *Koontz v. St. Johns Water Management District (2013),* state courts have reached conflicting conclusions on that issue.

In light of that uncertainty, any agency enacting or imposing impact fees would be wise to demonstrate a nexus and ensure proportionality in the calculation of those fees.

**Defining the "Nexus."** While courts have not been entirely consistent in defining the nexus required to justify exactions and impact fees, that term can be thought of as having the three elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard.* The elements of the nexus discussed below mirror the three "reasonable relationship" findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

Need or Impact**.** Development must create a need for the facilities to be funded by impact fees. All new development in a community creates additional demands on some or all public facilities provided by local government. If the capacity of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is related to the development project subject to the fees.

The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public facilities based on applicable level-of-service standards. This report contains all of the information needed to demonstrate compliance with this element of the nexus.

Benefit. Development must benefit from facilities funded by impact fees. With respect to the benefit relationship, the most basic requirement is that facilities funded by impact fees be available to serve the development paying the fees. A sufficient benefit relationship also requires that impact fee revenues be segregated from other funds and expended in a timely manner on the facilities for which the fees were charged. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to development projects paying the fees.

Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are either expended expeditiously or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, over time, procedural issues as well as substantive issues can come into play with respect to the benefit element of the nexus.

Proportionality. Impact fees must be proportional to the impact created by a particular development project. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that those costs are allocated in proportion to the facility needs created by different types and amounts

of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

**California Constitution.** The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIIIA. However, that objection is valid only if the fees charged to a project exceed the cost of providing facilities needed to serve the project. In that case, the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act.

Articles XIIIC and XIIID, added to the California Constitution by Proposition 218 in 1996, require voter approval for some "property-related fees," but exempt "the imposition of fees or charges as a condition of property development."

**The Mitigation Fee Act.** California's impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature, and took effect in January, 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time, the impact fee statute has been amended from time to time, and in 1997 was officially titled the "Mitigation Fee Act." Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include "public improvements, public services and community amenities." Although the issue is not specifically addressed in the Mitigation Fee Act, it is clear both in case law and statute (see Government Code Section 65913.8) that impact fees may not be used to pay for maintenance or operating costs. Consequently, the fees calculated in this report are based on the cost of capital assets only.

The Mitigation Fee Act does not use the term "mitigation fee" except in its official title. Nor does it use the more common term "impact fee." The Act simply uses the word "fee," which is defined as "a monetary exaction, other than a tax or special assessment…that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project …."

To avoid confusion with other types of fees, this report uses the widely-accepted terms "impact fee" and "development impact fee" which both should be understood to mean "fee" as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and requires annual reports and periodic re-evaluation

of impact fee programs. Those administrative requirements are discussed in the implementation chapter of this report.

Required Findings**.** Section 66001 requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,
3. Determine that there is a reasonable relationship between:
   a. The use of the fee and the development type on which it is imposed;
   b. The need for the facility and the type of development on which the fee is imposed; and
   c. The amount of the fee and the facility cost attributable to the development project. (Applies when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

Identifying the Purpose of the Fees. The broad purpose of impact fees is to protect public health, safety and general welfare by providing for adequate public facilities. The specific purpose of the fees calculated in this study is to fund construction of certain capital improvements that will be needed to mitigate the impacts of planned new development on City facilities and to maintain an acceptable level of public services as the City grows.

This report recommends that findings regarding the purpose of an impact fee should define the purpose broadly, as providing for the funding of adequate public facilities to serve additional development.

Identifying the Use of the Fees. According to Section 66001, if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. In this case, we recommend that the City Council adopt this report as the public document that identifies the facilities to be funded by the fees.

Reasonable Relationship Requirement. As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

These three reasonable relationship requirements, as defined in the statute, mirror the nexus and proportionality requirements often cited in court decisions as the standard for defensible impact fees. The term "dual rational nexus" is often used to characterize the standard used by courts in evaluating the legitimacy of impact fees. The "duality" of the nexus refers to (1) an impact or need created by a development project subject to impact fees, and (2) a benefit to the project from the expenditure of the fees.

Although proportionality is reasonably implied in the dual rational nexus formulation, it was explicitly addressed by the Supreme Court in the *Dolan* case, and we prefer to list it as the third element of a complete nexus.

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section 66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to clarify that impact fees "shall not include costs attributable to existing deficiencies in public facilities,…" The legislature's intent in adopting this amendment, as stated in the bill, was to codify the holdings of Bixel v. City of Los Angeles (1989), Rohn v. City of Visalia (1989), and Shapell Industries Inc. v. Governing Board (1991).

That amendment does not appear to be a substantive change. It is widely understood that other provisions of law make it improper for impact fees to include costs for correcting existing deficiencies.

However, Section 66001(g) also states that impact fees "may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to *(1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan.*" (Emphasis added.)

**Impact Fees for Existing Facilities.** Impact fees may be used to recover costs for existing facilities to the extent that those facilities are needed to serve additional development and have the capacity to do so. In other words, it must be possible to show that fees used to pay for existing facilities meet the need and benefit elements of the nexus.

**The Quimby Act.** The Quimby Act (Government Code Section 66477), which pre-dates the Mitigation Fee Act, authorizes a city or county to require dedication of land, payment of fees in-lieu of dedication, or a combination of both, for park and recreational purposes as a condition of approval of a residential subdivision. The city or county must adopt an ordinance that includes definite standards for determining the proportion of the subdivision to be dedicated and the amount of the in-lieu fees to be paid.

Under the Quimby Act, land dedication and in-lieu fee requirements are based on the ratio of park acres to population in the jurisdiction. That ratio may not exceed three acres per thousand residents unless the existing ratio is higher but is limited to five acres per thousand. The population added by the subdivision is determined by the number of dwelling units and the average number of persons per household.

The population and the average number of persons per household in the city or county are to be based on the most recent federal census. Park acreage is to be based on the area of neighborhood and community parks in the city or county at the time of that census.

The land, fees, or combination thereof are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision. A 2013 amendment to the Quimby Act added a provision that in-lieu fees may be used for the purpose of developing new or rehabilitating existing park or recreational facilities in a neighborhood other than the neighborhood in which the subdivision paying the fees is located if certain conditions are met (see paragraph (a)(3)(B) of Section 66477). "Neighborhood" is not defined in the statute.

The Quimby Act requires that the legislative body adopt a general plan or specific plan containing policies and standards for parks and recreational facilities, and that the amount and location of land to be dedicated or the fees to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by future inhabitants of the subdivision.

Only payment of fees may be required for subdivisions containing 50 units or less, or for condominium, stock cooperative or community apartment projects.

The Quimby Act provides that if park and recreational services and facilities are provided by a public agency other than a city or county, the amount and location of park land to be dedicated or fees to be paid shall be jointly determined by that other public agency and the city or county having jurisdiction. The land or fees shall be conveyed directly to the public agency that provides park and recreational services on a communitywide level if that agency elects to accept the land or fee.

## Recent Legislation

Several new laws enacted by the State of California in 2019 to facilitate development of affordable housing will affect the implementation of in-lieu fees and impact fees calculated in this study. Below are brief overviews of some key bills passed in 2019.

**SB 330 – The Housing Crisis Act of 2019.** Amendments to existing law contained in SB 330 prohibit the imposition of new approval requirements on a housing development project once a preliminary application has been submitted. That provision applies to increases in impact fees and in-lieu fees, except when the resolution or ordinance establishing the fee authorizes automatic, inflationary adjustments to the fee or exaction.

**AB 1483 – Housing Data: Collection and Reporting.** AB 1483 requires that a city, county or special district must post on its website a current schedule of its fees and exactions, as well as associated nexus studies and annual reports. Updates must be posted within 30 days.

**SB 13 – Accessory Dwelling Units.** SB 13 prohibits the imposition of impact fees on accessory dwelling units (ADUs) smaller than 750 square feet and provides that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the primary dwelling unit. In our opinion, the proportionality requirement means that impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis during the approval process.

Existing law requires a water or sewer connection fee or capacity charge for an accessory dwelling unit requiring a new or separate utility connection to be based on either the accessory dwelling unit's size or the number of its plumbing fixtures. SB 13 revises the basis for calculating the connection fee or capacity charge to either the accessory dwelling unit's square feet or the number of its drainage fixture units.

**AB 602 – Amendments to the Planning and Land Use Law and the Mitigation Fee Act.** AB 602, which was passed and signed in 2021, adds section 65940.1 to the Planning and Land Use Law requiring cities, counties and special districts that have internet websites to post schedules of fees, exactions and affordability requirements, annual fee reports, and an archive of nexus studies on that website, and to update that information within 30 days after any changes.

AB 602 also adds Section 66016.5 to the Mitigation Fee Act imposing several new requirements for impact fees that go into effect on January 1, 2022, including:

- A nexus study must identify the existing level of service for each facility, identify the proposed new level of service (if any), and explain why the new level of service is appropriate.
- If a nexus study supports an increase in an existing fee the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
- Large jurisdictions (counties over 250,000 and cities within those counties) must adopt a capital improvement plan as part of the nexus study.
- All impact fee nexus studies shall be adopted at a public hearing with at least 30 days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin and impact fee nexus study of the date of the hearing.
- Nexus studies shall be updated at least every eight years, from the period beginning on January 1, 2022.

- A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units in the development. A nexus study is not required to comply with this requirement if the local agency makes certain findings specified in the law. A local agency that imposes a fee proportionately to the square footage of units in the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.
- Authorizes any member of the public, including an applicant for a development project, to submit evidence that impact fees proposed by an agency fail to comply with the Mitigation Fee Act, and requires the legislative body of the agency to consider such evidence and adjust the proposed fee if deemed necessary.

## Impact Fee Calculation Methodology

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics of, and planning requirements for, the facility type being addressed. Each method has advantages and disadvantages in a particular situation. To some extent they are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is measured by some attribute of development such as added population or added vehicle trips that represent the impacts created by different types and amounts of development.

**Plan-Based or Improvements-Driven Method.** Plan-based impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified in a facility plan, while the development is identified in a land use plan that forecasts potential development by type and quantity.

Using this method, facility costs are allocated to various categories of development in proportion to the service demand created by each type of development. To calculate plan-based impact fees, it is necessary to determine what facilities will be needed to serve a particular increment of new development.

With this method, the total cost of eligible facilities is divided by the total units of additional demand to calculate a cost per unit of demand (e.g. a cost per capita for parks). Then, the cost per unit of demand is multiplied by factors representing demand per unit of development (e.g. population per unit) to arrive at a cost per unit of development.

This method is somewhat inflexible in that it is based on the relationship between a specific facility plan and a specific land use plan. If either plan changes significantly the fees will have to be recalculated.

**Capacity-Based or Consumption-Driven Method**. This method calculates a cost per unit of capacity based on the relationship between total cost and total capacity of a system. It can be applied to any type of development, provided the capacity required to serve each increment of development can be estimated and the facility has adequate capacity available to serve the development. Since the cost per unit of demand does not depend on the particular type or quantity of development to be served, this method is flexible with respect to changing development plans.

In this method, the cost of unused capacity is not allocated to development. Capacity-based fees are most commonly used for water and wastewater systems, where the cost of a system component is divided by the capacity of that component to derive a unit cost. However, a similar analysis can be applied to other types of facilities. To produce a schedule of impact fees based on standardized units of development (e.g. dwelling units or square feet of non-residential building area), the cost per unit of capacity is multiplied by the amount of capacity required to serve a typical unit of development in each of several land use categories.

**Standard-Based or Incremental Expansion Method.** Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The standard can be established as a matter of policy or it can be based on the level of service being provided to existing development in the study area.

Using the standard-based method, costs are defined on a generic unit-cost basis and then applied to development according to a standard that sets the number of service units to be provided for each unit of development.

Park in-lieu and impact fees are commonly calculated this way. The level of service standard for parks is typically stated in terms of acres of parks per thousand residents. A cost-per-acre for park land or park improvements can usually be estimated without knowing the exact size or location of a particular park. The ratio of park acreage to population and the cost per acre for parks is used to calculate a cost per capita. The cost per capita can then be converted into a cost per unit of development based on the average population per dwelling unit for various types of residential development.

## Facilities Addressed in this Study

Impact/in-lieu fees for the following types of facilities are addressed in this report:

- Street Improvements and Traffic Signals (Chapter 3)
- Police Facilities (Chapter 4)
- Fire Protection Facilities (Chapter 5)
- Parks (Chapter 6)

- Community Center (Chapter 7)
- City Hall (Chapter 8)
- Corporation Yard (Chapter 9)
- Multi-Purpose Trails (Chapter 10)
- Storm Drainage (Chapter 11)

Chapter 2 presents data on existing and future development used to calculate impact fees in this study.

# Chapter 2. Development Data

This chapter presents data on existing and future development that will be used to calculate impact fees in subsequent chapters of this report.

The information in this chapter may be used to establish levels of service, analyze facility needs, and/or allocate the cost of capital facilities between existing and future development and among various types of new development.

Land use and development data in this chapter have been updated from the previous City of Wildomar Impact Fee Study Update Report dated April 23, 2015. In this report, data on existing and planned development in Wildomar have been updated using information from the California Department of Finance Demographic Research Unit, City of Wildomar building permits and a review of zone changes and general plan amendments approved by the City Council.

## Setting

The City of Wildomar is located in Southwestern Riverside County, approximately 40 miles south of the City of Riverside. The City straddles Interstate 15 and is bordered by the City of Lake Elsinore to the north, the City of Murrieta to the south and east, unincorporated Riverside County to the west and the City of Menifee to the northeast. Wildomar incorporated as a city on July 1, 2008.

## Study Area and Time Frame

The study area for the impact fee analysis is the area within the existing corporate boundary of the City of Wildomar. The City has no sphere of influence area.

The timeframe for this study extends from the present to buildout of all land designated for development within the study area. The term "buildout" is used to describe a hypothetical condition in which all currently undeveloped/vacant land in the study area has been developed as indicated in the Land Use Element of the General Plan, including the General Plan Land Use Map.

The time required for buildout will depend on the rate at which development occurs. The rate and timing of development do not enter into the impact fee analysis.

## Development Types

The development types used in this study are listed below.

- Single-Family Residential (includes mobile homes on individual lots)
- Multi-Family Residential
- Commercial
- Office
- Industrial/Business Park
- Public Facilities

**Single-Family Residential.** In this report, the Single-family Residential development type includes conventional detached units and mobile/manufactured homes on individual lots. About 20% of Wildomar's existing dwelling units are manufactured units. In this report, no distinction is made between mobile homes based on their foundation type. All existing mobile homes, regardless of their foundation type, are considered as existing residential units in this study.

Future development in this category includes residential development at densities allowed by following land use designations: Low Density Residential (1 to 2 units per acres), Medium Density Residential (2 to 5 units per acre) and Medium-High Density Residential (5 to 8 units per acre).

**Multi-Family Residential.** The Multi-Family Residential development type includes all attached residential units. Future development in this category includes residential development at densities greater than 8 units per acre, including residential development in areas designated Mixed Use Planning Area (MUPA) at 20+ units per acre.

**Commercial.** The Commercial development type includes all types of commercial development except office development. Future development in this category includes any development in areas designated for Commercial Retail uses, as well as non-residential development in the Mixed-Use Planning Area (MUPA) designation.

**Office.** The Office development type includes development in areas designated for Commercial Office uses.

**Industrial/Business Park.** The Industrial/Business Park development type includes light industrial, manufacturing-service commercial, warehousing, and business park development. Future development in this category includes any development in areas designated for Light Industrial and Business Park uses. To estimate vehicle trip generation from future development in this category, this study assumes a mix of 50% light industrial and 50% business park uses.

**Public Facilities**. The public facilities category includes government facilities, schools, hospitals and similar public or quasi-public uses. Parks and open space are not included in this category because they create little or no demand for the facilities addressed in this report.

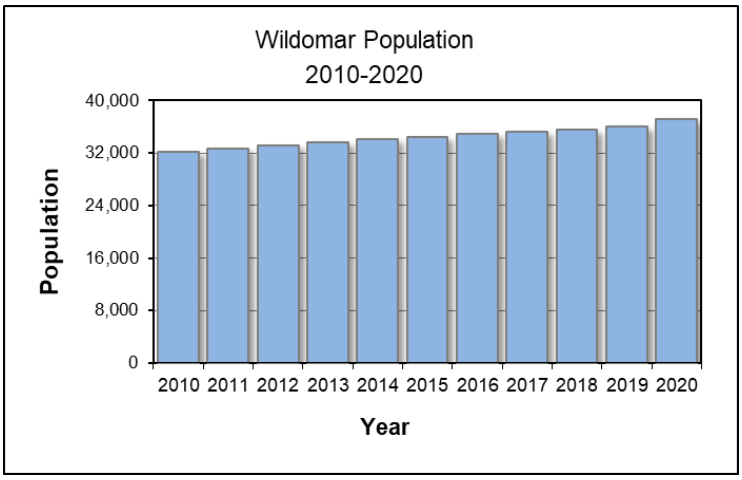
**Other Development Types.** Certain types of development, such as religious organizations and charter schools, do not fall under any of the categories listed above. These developments are not legally exempt from impact fees, but no fee is calculated in this study for such uses. Fees for such developments be calculated on an individual basis by considering the number of employees, students, etc., and the number of peak hour trips generated by a proposed project, and applying those factors to the per-capita costs or per-trip costs shown in each impact fee chapter in this report.

## Residential Development and Population

At present, residential development and population in Wildomar have reached approximately 55% of the City's buildout potential while non-residential development is only about 30% built out.

The graph on the next page shows the California Department of Finance (DOF) official January 1 population estimates for the City of Wildomar for the years from 2010 through 2020.

DOF's population estimate for Wildomar has grown at an average rate of almost 1.5% per year since the last Census in 2010. The City's estimated January 1, 2020 population of 37,183 has increased by 5,007 people, or 15.6%, from a population of 32,176 shown in the 2010 Census.




The figures shown above reflect the City's total population, including both household population and population in group quarters such as dormitories, group homes and correctional facilities. The group quarters population in Wildomar is negligible.

This study uses data from the U. S. Census Bureau's 2018 American Community Survey 5-year estimates to calculate the population per dwelling unit factors for each category of residential development defined in this study. Those factors are shown in Table 2.1.

## Units of Development

In this study, quantities of existing and planned development are measured in terms of certain units of development. Those units are discussed below.

**Dwelling Units.** The dwelling unit (DU) is the most commonly used measure of residential development, and is the standard unit for residential development in this study.

**Building Area.** For private non-residential development, gross building area in thousands of square feet (KSF) is used as the standard unit of development.

## Demand Variables

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Certain measurable attributes of development (e.g., population and vehicle trip generation) are used in those formulas to reflect the impact of different types and amounts of development on the demand for specific public services and the facilities that support those services.

Those attributes are referred to in this study as *"demand variables."* Demand variables are selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

For example, the service standard for parks in a community is typically defined as a ratio of park acreage to population. As population grows, more parks are needed to maintain the desired

standard. Logically, then, population is an appropriate yardstick or demand variable for measuring the impacts of development on the need for additional parks.

Similarly, the need for capacity in a street system depends on the volume of traffic the system must handle. So the vehicle trip generation rate (the number of vehicle trips generated by each unit of development per day) is an appropriate demand variable to represent the impact of development on the street system.

Each demand variable has a specific value for each type of development. Those values may be referred to as *demand factors.* For example, in this study, P.M. peak hour trip volume is used as the demand factor for calculating impact fees for streets. The Institute of Transportation Engineers (ITE) Trip Generation manual (10th Edition), estimates that one single-family detached dwelling unit generates an average of 0.99 vehicle trips each weekday P.M. peak hour, so that number is used as the demand factor in calculating street impact fees for single-family residential units.

Specific demand variables used in this study are discussed below. The values of demand factors used in this report are shown in Table 2.1 on page 2-5.

**Population.** Resident population is used as a demand variable to calculate impact fees for facilities like parks that are intended to serve residents of the City. Resident population is tied to residential development, so this variable attributes no demand to non-residential development.

**Service Population.** Population alone does not represent all of the impacts of development on facilities that serve both residential and non-residential development. A variable called service population is commonly used to calculate impact fees for certain types of public facilities and will be used in this study.

Service population is a composite variable that includes both residents of the City and employees of businesses in Wildomar. Population is included to represent the impacts of residential development and employees are included to represent the impacts of non-residential development, such as commercial, office and industrial development.

Because the impact of one new resident is not necessarily the same as the impact of one new employee, various components of the service population are weighted to reflect their relative impacts on demand for certain types of facilities.

Service population is intended to approximate the number of people creating a demand for service on an average day. It is difficult to estimate that number precisely for several reasons. Some residents work in the City, some residents commute to work outside the City, and some residents don't work at paid jobs. Non-residents may be present in the City for work, shopping, recreation, or any number of other reasons.

In this study, the base weight of 1.0 is assigned to residents. Weights for employees associated with different types of development are based on estimates of the number of hours per week businesses of a certain type are in operation.

Our estimate of the average number of hours per week that residents spend in the City is based in part on an analysis of Census Bureau data on how many residents work in the city, how many commute to work outside the City and how many non-residents work in the City. We also assume the average resident spends four hours a week outside the City for activities like shopping and recreation.

Census Bureau American Community Survey data for 2018 (the most recent available) show that 74.4% of Wildomar residents between ages 20 and 64 are employed, and that 88% of employed residents work outside the City. Assuming that out-commuters spend 50 hours a week (10 hours per day) outside the City for work and commuting and that all residents spend four hours a week outside the City for shopping and recreation leads us to the conclusion that out-commuters spend an average of 114 (168 – 54) hours per week in the City. If other residents spend 164 (168-4) hours per week in the City, the weighted average for all residents is 144.4. Dividing that number by 168 hours per week gives us a weight of 0.86 for all residents.

This study assumes that retail businesses operate 12 hours a day, 7 days a week (84 hours) and that other businesses operate only 9 hours a day, 5 days a week (45 hours). The weights assigned to employees of businesses associated with various types of non-residential development are based on the hours per week of operation divided by 168 total hours per week. The weight for the Public/Institutional category is slightly lower than for private non-residential development. Finally, all of the weights for non-residential development types are multiplied by a factor of 2.0 so that the non-residential share of total service population is in a reasonable range (in this case, 18%).

**Peak Hour Trips.** The impact of development on a City's street and highway system is often measured by the number of peak hour vehicle trips (PHT) per weekday generated by development. In this study, PHT is used to measure the impact of development on the City's street system, including roadways, intersections, bridges and traffic signals. The PHT rates used in this study are taken from the Institute of Transportation Engineers (ITE) publication, *Trip Generation*, 10th edition.

Table 2.1 shows the service population per unit weights and the service population per unit factors used in this study.

**Table 2.1: Key Factors Used in This Study**

| Development Type | Dev Units [1] | Fl Area Ratio [2] | Pop per Unit [3] | Empl per Unit [4] | Svc Pop Weight [5] | Svc Pop per Unit [6] | Pk Hr Trips per Unit [7] |
|---|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | N/A | 3.26 | | 0.860 | 2.80 | 0.99 |
| Residential, Multi-Family | DU | N/A | 2.26 | | 0.860 | 1.94 | 0.56 |
| Commercial | KSF | 0.25 | | 2.00 | 1.000 | 2.00 | 3.81 |
| Office | KSF | 0.33 | | 3.30 | 0.536 | 1.77 | 1.15 |
| Industrial/Business Park | KSF | 0.35 | | 1.32 | 0.536 | 0.71 | 0.53 |
| Public/Institutional | KSF | 0.30 | | 2.10 | 0.476 | 1.00 | 1.60 |

[1] Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Expected average floor area ratio (FAR) = square feet of building area / square feet of site area based on the 2015 Riverside County General Plan EIR

[3] Average population per unit for residential development estimated using data from the U. S. Census Bureau American Community Survey, 2018 five-year estimates and the California Dept. of Finance 2020 E-5 report

[4] Employees per unit based on factors from Table 4.1-D of the 2015 Riverside County General Plan EIR

[5] Service population weight; see discussion in text

[6] Residential service population = population per unit X service population weight; non-residential service population = employees per unit X service population weight

[7] Peak hour trips (PHT) per unit of development from the ITE *Trip Generation* Manual, 10th Edition

## Existing and Future Development

Tables 2.2 through 2.4 on the following pages present data on existing and future development in the City of Wildomar. Data from those tables will be used throughout this report. Table 2.2 shows existing development as of January, 2020.

**Table 2.2: City of Wildomar - Existing Development - January 2020**

| Development Types | Unit Type | Existing Units [1] | Existing Pop [2] | Existing Empl [3] | Existing Svc Pop [4] | Existing Pk Hr Trips [5] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | 10,960 | 35,730 | | 30,727 | 10,850 |
| Residential, Multi-Family | DU | 624 | 1,411 | | 1,213 | 349 |
| Subtotal Residential | | 11,584 | 37,141 | | 31,940 | 11,199 |
| Commercial | KSF | 2,667.5 | | 5,335 | 5,335 | 10,163 |
| Office | KSF | 29.3 | | 97 | 52 | 34 |
| Industrial/Business Park | KSF | 805.0 | | 1,063 | 570 | 423 |
| Public/Institutional | KSF | 1,102.0 | | 2,314 | 1,102 | 1,763 |
| Subtotal Non-Residential | | 4,604 | | 8,809 | 7,059 | 12,383 |
| **Total** | | | **37,141** | **8,809** | **38,999** | **23,582** |

[1] Existing residential units from California Department of Finance 1/1/2020 estimates; existing non-residential units updated from the 2015 impact fee study using building permit data

[2] Existing population = residential units X population per unit from Table 2.1; total existing population is consistent with Department of Finance 1/1/2020 estimates

[3] Existing employees = non-residential units X employees per unit from Table 2.1

[4] Existing service population = units X service population per unit from Table 2.1

[5] Existing peak hour vehicle trips = units X peak hour trips per unit from Table 2.1

Table 2.3 presents a forecast of future development in the City. The numbers in this table represent the difference between existing development in Table 2.2 and buildout development in Table 2.4.

**Table 2.3: City of Wildomar - Added Development to Buildout**

| Development Types | Unit Type | Added Units | Added Pop | Added Empl | Added Svc Pop | Added Pk Hr Trips |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | 4,782 | 15,589 | | 13,407 | 4,735 |
| Residential, Multi-Family | DU | 1,992 | 4,501 | | 3,871 | 1,116 |
| Subtotal Residential | | 6,774 | 20,090 | | 17,278 | 5,851 |
| Commercial | KSF | 5,682 | | 11,363 | 11,363 | 21,647 |
| Office | KSF | 636 | | 2,098 | 1,124 | 731 |
| Industrial/Business Park | KSF | 3,508 | | 4,630 | 2,482 | 1,841 |
| Public/Institutional | KSF | 1,059 | | 2,224 | 1,059 | 1,695 |
| Subtotal Non-Residential | | 10,884 | | 20,315 | 16,028 | 25,913 |
| **Total** | | | **20,090** | **20,315** | **33,306** | **31,764** |

Note: Figures in Table 2.3 are calculated as the difference between buildout development in Table 2.4 and existing development in Table 2.2

Projected buildout development shown in Table 2.4 has been adjusted from the projected buildout development in the City's 2015 Impact Fee Study Update based on an analysis of general plan amendments and zone changes through April 2020.

**Table 2.4: City of Wildomar - Total Development at Buildout**

| Development Types | Unit Type | Total Units [1] | Total Pop [2] | Total Empl [3] | Total Svc Pop [4] | Total Pk Hr Trips [5] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | 15,742 | 51,319 | | 44,134 | 15,585 |
| Residential, Multi-Family | DU | 2,616 | 5,912 | | 5,084 | 1,465 |
| Subtotal Residential | | 18,358 | 57,231 | | 49,218 | 17,050 |
| Commercial | KSF | 8,349 | | 16,698 | 16,698 | 31,810 |
| Office | KSF | 665 | | 2,195 | 1,176 | 765 |
| Industrial/Business Park | KSF | 4,313 | | 5,693 | 3,052 | 2,264 |
| Public/Institutional | KSF | 2,161 | | 4,538 | 2,161 | 3,458 |
| Subtotal Non-Residential | | 15,488 | | 29,124 | 23,087 | 38,296 |
| **Total** | | | **57,231** | **29,124** | **72,305** | **55,346** |

[1] Buildout units from the 2015 impact fee study adjusted for zone changes and General Plan amendments

[2] Buildout population = biuldout residential units X population per unit from Table 2.1

[3] Buildout employees = buildout non-residential unitx X employees per unit from Table 2.1

[4] Buildout service population = buildout units X employees per unit from Table 2.1

[5i] Buildout peak hour vehicle trips = buildout units X peak hour trips per unit from Table 2.1

## Growth Potential

The numbers in the foregoing tables indicate that Wildomar is about 65% built out with residential uses as reflected by the number of residential units and population, and about 30% built out in terms of non-residential development as reflected by the number of employees and square feet of non-residential building area.

The fees calculated in subsequent chapters of this report are intended to pay for the capital facilities needed to serve the additional demand created by future development forecasted in this chapter.

# Chapter 3. Transportation Impact Fees

This chapter calculates two types of transportation impact fees: (1) road impact fees that cover street improvements, intersection improvements and bridges, and (2) traffic signal impact fees that also include roundabouts as an alternative to traffic signals.

The improvements listed in Tables 3.1 and 3.5 in this chapter have been identified by the City of Wildomar Engineering Department based on the City's Mobility Plan which was adopted on June 30, 2021. Costs used in the impact fee calculations represent future development's share of improvement costs.

Costs to be funded by the Western Riverside County Council of Governments (WRCOG) Transportation Uniform Mitigation Fee (TUMF) are shown in this chapter but are excluded from the calculation of the City's transportation impact fees. The City has determined that there are no existing deficiencies in the portions of the City's street system that will be funded by impact fees calculated in this chapter.

## Service Area

The service area for fees calculated in this chapter is the entire City of Wildomar, and those fees are intended to apply to all future development in the study area.

## Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements. The costs used to calculate impact fees in this chapter are for improvements needed to serve future development.

## Demand Variable

In this analysis, the impact of new development on the need for street improvements is represented by new P.M. Peak Hour Trips (PHT) associated with future development. Peak hour trip generation rates are from the Institution of Transportation Engineers (ITE) *Trip Generation* manual and are based on the P.M. peak hour of the adjacent street.

## Level of Service

The improvements listed in this chapter are based on the level of service standard established in the Wildomar Mobility Element. Specifically, the Mobility Element established Level of Service (LOS) D as the threshold for all Mobility Plan roadways and intersections but allows LOS E on Clinton Keith Road between Hidden Springs Road and the I-15 Northbound Ramps due to right-of-way constraints, and elsewhere as approved by the City Engineer.

## Road Impact Fees

### Street, Intersection and Bridge Improvement Costs

Table 3.1 summarizes costs for the street and intersection improvements and bridges, including bridge widening, used to calculate updated impact fees in this section. Total costs are shown for each category of improvements. A detailed list of projects and cost estimates is attached in Appendix A.

The projects listed in Table 3.1 include only improvements beyond the two inside lanes on any roadway. The two inside travel lanes across the frontage of any development project are considered project improvements necessary for access to the development and therefore will be the direct responsibility of abutting developers on either side of the street.

Any additional improvements beyond two travel lanes, including additional lanes, bike lanes, parking lanes, frontage improvements and bridge widenings are covered by the impact fees calculated in this chapter. The categories of improvements eligible to be covered by the road impact fees, as well as those not eligible for inclusion, are listed below.

| Eligible Improvements | Ineligible Improvements |
|---|---|
| ▪ Street improvements outside the two center lanes<br>▪ Class II bike lanes within the roadway<br>▪ Curb and gutter, except as noted<br>▪ Bike lane buffers (pavement and striping) within the roadway<br>▪ Sidewalk (6' maximum width)<br>▪ Landscaping (6' maximum width) except as noted<br>▪ Streetlights (% varies by street)<br>▪ Water Quality Best Management Practices (% varies by street)<br>▪ Signage & striping (% varies by street)<br>▪ Intersection improvements (see discussion below) | ▪ Two center lanes<br>▪ Median pavement<br>▪ Raised medians, including curb and gutter<br>▪ Median landscaping<br>▪ Drainage improvements (covered by drainage impact fees)<br>▪ Class I trails and multi-use trails (covered by multi-use trails impact fees)<br>▪ Class IV bike lane barriers (posts, curbs, etc.)<br>▪ Traffic signals and related improvements (covered by traffic signal impact fees) |

Intersection improvements include costs for left-turn and right-turn lanes at an intersection where they are required in excess of the standard number of lanes on that roadway classification. For example, a four-lane roadway with two lanes in each direction may function adequately with four lanes at an intersection. The inner lanes can function as shared left-turn/through lanes while

the outer lanes can function as shared through/right-turn lanes. However, if dedicated turn lanes beyond the standard lanes are required to meet the level of service criteria, then intersection improvement costs are calculated for those additional lanes.

Some of the project costs included in Table 3.1 are for improvements that were included in the previous DIF Study but have since been completed. They are included in the impact fee analysis because the entire impact fee share of the cost of those projects will not be collected until all future development projected for the City has been completed. Since those costs are included in Table 3.1, that table also includes a credit for all of the road impact fees collected by the City from 2015 to 2021. Note that street improvement costs to be funded by TUMF are not included in the impact fee cost share in Table 3.1.

**Table 3.1: Street, Intersection and Bridge Costs and Impact Fee Share**

| Cost Component | Total Project Cost [1] | TUMF Cost Contribution [1] | Impact Fee Cost Share [1] |
|---|---|---|---|
| Street Improvements | $ 184,186,389 | $ 40,138,000 | $ 99,827,733 |
| Intersection Improvements | $ 1,812,000 | $ 0 | $ 1,812,000 |
| Bridges | $ 7,152,561 | $ 0 | $ 7,152,561 |
| Credit for Street Impact Fees collected from 2015 to 2021 [2] | | | $ (1,984,974) |
| **Total** | | | **$ 106,807,320** |

[1] See detailed project list and cost estimates in Appendix A

[2] Street impact fees collected from 2015 to 2021 are credited against the impact fee share of improvement costs; see discussion in text

## Road Impact Fees - Allocation of Costs

In Table 3.2, the total cost from Table 3.1 is initially allocated to all types of future development based on the share of new peak hour vehicle trips associated with each type of development. Then, since the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be charged to school districts or other government entities, those costs are reallocated to residential development to arrive at the impact fee cost basis in the right-hand column of Table 3.2. The reasons for that re-allocation are further explained below.

**Table 3.2: Allocation of Costs - Street, Intersection and Bridge Improvements**

| Development Type | Dev Units [1] | Share of New PHT [2] | Share of Cost [3] | Realloc P/I Cost [4] | Impact Fee Cost Basis [5] |
|---|---|---|---|---|---|
| Residential, Single-Family | DU | 14.9% | $ 15,920,203 | $ 4,611,262 | $ 20,531,465 |
| Residential, Multi-Family | DU | 3.5% | $ 3,752,457 | $ 1,086,894 | $ 4,839,351 |
| Commercial | KSF | 68.1% | $ 72,787,806 | | $ 72,787,806 |
| Office | KSF | 2.3% | $ 2,457,174 | | $ 2,457,174 |
| Industrial/Business Park | KSF | 5.8% | $ 6,191,524 | | $ 6,191,524 |
| Public/Institutional | KSF | 5.3% | $ 5,698,156 | $ (5,698,156) | $ 0 |
| **Totals** | | **100.0%** | **$ 106,807,320** | **$ 0** | **$ 106,807,320** |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] New peak hour vehicle trips (PHT) by development type as a percentage of total new peak hour vehicle trips; percentages based on added peak hour trip from Table 2.3

[3] Share of cost = impact fee cost share from Table 3.1 X share of new trips

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Impact fee cost basis = share of cost + reallocated Public/Institutional cost

A portion of the traffic associated with new development will be generated by public facilities, mainly public schools. The City does not have the authority to impose impact fees for transportation improvements on school districts or other government entities.

Since the need for those additional public facilities will be driven almost entirely by increases in population due to new residential development, the costs initially allocated to Public/Institutional development in Table 3.2 are reallocated in that table to single family and multi-family residential development, based on their relative shares of peak hour trip generation.

Costs shown in the "Impact Fee Cost Basis" column of Table 3.2 include the reallocated costs and are used to calculate impact fees in the next section. The reallocated amounts increase the road impact fees for residential development by 29%.

## Road Impact Fees per Unit of Development

The calculation of impact fees per unit of development, by development type, is shown in Table 3.3. Costs allocated to each type of development in Table 3.2 are divided by the added peak hour trips generated by that development type to calculate a cost per peak hour trip. Then the cost per peak hour trip is multiplied by peak hour trips per unit of development to arrive at an impact fee per unit for each development type.

**Table 3.3: Road Impact Fees per Unit of Development (Streets, Intersections and Bridges)**

| Development Type | Dev Units [1] | Impact Fee Cost Basis [2] | Added Trips [3] | Cost per Trip [4] | PHT per Unit [5] | Fee per Unit [6] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | $ 20,531,465 | 4,735 | $ 4,336.49 | 0.99 | $ 4,293.13 |
| Residential, Multi-Family | DU | $ 4,839,351 | 1,116 | $ 4,336.49 | 0.56 | $ 2,428.44 |
| Commercial | KSF | $ 72,787,806 | 21,647 | $ 3,362.54 | 3.81 | $ 12,811.27 |
| Office | KSF | $ 2,457,174 | 731 | $ 3,362.54 | 1.15 | $ 3,866.92 |
| Industrial/Business Park | KSF | $ 6,191,524 | 1,841 | $ 3,362.54 | 0.53 | $ 1,765.33 |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] See Table 3.2

[3] Trips added by future development; see Table 2.3

[4] Cost per trip = impact fee cost basis / added trips

[5] Peak hour trips (PHT) per unit; see Table 2.1

[6] Fee per unit of development = cost per peak hour trip X peak hour trips per unit

## Road Impact Fees - Projected Revenue

Potential revenue from the road impact fees calculated in this chapter can be projected by applying the impact fees per unit of development from Table 3.3 to forecasted future units as shown in Table 2.3. The results are shown in Table 3.4.

**Table 3.4: Projected Revenue - Road Impact Fees**

| Development Type | Dev Units [1] | Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 4,293.13 | 4,782 | $ 20,529,748 |
| Residential, Multi-Family | DU | $ 2,428.44 | 1,992 | $ 4,837,452 |
| Commercial | KSF | $ 12,811.27 | 5,682 | $ 72,787,871 |
| Office | KSF | $ 3,866.92 | 636 | $ 2,458,201 |
| Industrial/Business Park | KSF | $ 1,765.33 | 3,508 | $ 6,192,778 |
| **Total** | | | | **$106,806,050** |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 3.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units

Road impact fees calculated in this chapter are based on the cost of providing street, intersection and bridge improvements needed to serve future development. Assuming that development occurs and improvements are constructed as anticipated in this study, the revenue projected in Table 3.4 would approximately cover the total improvement cost shown in Table 3.1, provided that fees are adjusted periodically to keep pace with changes in construction costs.

# Traffic Signal Impact Fees

## Traffic Signal and Roundabout Improvement Costs

Table 3.5 summarizes costs for traffic signals and roundabouts used to calculate impact fees in this section. Roundabouts are used as an alternative to traffic signals in some situations. A detailed list of traffic signals and roundabouts with cost estimates is attached in Appendix A.

Some of the project costs included in Table 3.5 are for improvements that were included in the previous DIF Study but have since been completed. They are included in the traffic signal impact fee analysis because the entire impact fee share of the cost of those projects will not be collected until all future development projected for the City has been completed. Since those costs are included in Table 3.5, that table also includes a credit for all of the traffic signal impact fees collected by the City from 2015 to 2021.

**Table 3.5: Traffic Signal and Roundabout Costs**

| Cost Component | Total Project Cost [1] | TUMF Cost Contribution [1] | Impact Fee Cost Share [1] |
|---|---|---|---|
| Traffic Signals/Roundabouts | $ 12,229,500 | $ 0 | $ 12,229,500 |
| Credit for Traffic Signal Impact Fees collected from 2015 to 2021 [2] | | | $ (358,694) |
| **Total** | | | **$ 11,870,806** |

[1] See detailed project list and cost estimates in Appendix A

[2] Traffic signal impact fees collected from 2015 to 2021 are credited against the impact fee share of improvement costs; see discussion in text

## Traffic Signal Impact Fees - Allocation of Costs

In Table 3.6 on the next page, the total cost from Table 3.5 is initially allocated to all types of future development based on the share of new peak hour vehicle trips associated with each type of development. The reasons for that re-allocation are explained in the previous section on Road Impact Fees.

**Table 3.6: Allocation of Costs - Traffic Signals and Roundabouts**

| Development Type | Dev Units [1] | Share of New PHT [2] | Share of Cost [3] | Realloc P/I Cost [4] | Impact Fee Cost Basis [5] |
|---|---|---|---|---|---|
| Residential, Single-Family | DU | 14.9% | $ 1,769,407 | $ 512,506 | $ 2,281,913 |
| Residential, Multi-Family | DU | 3.5% | $ 417,057 | $ 120,800 | $ 537,856 |
| Commercial | KSF | 68.1% | $ 8,089,801 | | $ 8,089,801 |
| Office | KSF | 2.3% | $ 273,096 | | $ 273,096 |
| Industrial/Business Park | KSF | 5.8% | $ 688,140 | | $ 688,140 |
| Public/Institutional | KSF | 5.3% | $ 633,306 | $ (633,306) | $ 0 |
| Totals | | 100.0% | $ 11,870,806 | $ 0 | $ 11,870,806 |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] New peak hour vehicle trips (PHT) by development type as a percentage of total new peak hour vehicle trips; percentages based on data from Table 2.3

[3] Share of cost = impact fee cost share from Table 3.5 X share of new trips

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Final impact fee cost = share of cost + reallocated Public/Institutional cost

Costs shown in the "Impact Fee Cost Basis" column of Table 3.6 include the reallocated costs and are used to calculate impact fees in the next section. The reallocated amounts increase the traffic signal impact fees for residential development by 29%.

## Traffic Signal Impact Fees per Unit of Development

The calculation of traffic signal impact fees per unit of development, by development type, is shown in Table 3.7. Costs allocated to each type of development in Table 3.6 are divided by the added peak hour trips generated by that development type to calculate a cost per peak hour trip. Then the cost per peak hour trip is multiplied by peak hour trips per unit of development to arrive at an impact fee per unit for each development type.

**Table 3.7: Traffic Signal Impact Fees per Unit of Development**

| Development Type | Dev Units [1] | Impact Fee Cost Basis [2] | Added Trips [3] | Cost per Trip [4] | PHT per Unit [5] | Fee per Unit [6] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | $ 2,281,913 | 4,735 | $ 481.97 | 0.99 | $ 477.15 |
| Residential, Multi-Family | DU | $ 537,856 | 1,116 | $ 481.97 | 0.56 | $ 269.90 |
| Commercial | KSF | $ 8,089,801 | 21,647 | $ 373.72 | 3.81 | $ 1,423.87 |
| Office | KSF | $ 273,096 | 731 | $ 373.72 | 1.15 | $ 429.78 |
| Industrial/Business Park | KSF | $ 688,140 | 1,841 | $ 373.72 | 0.53 | $ 196.20 |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] See Table 3.6

[3] Trips added by future development; see Table 2.3

[4] Cost per trip = impact fee cost basis / added trips

[5] Peak hour trips (PHT) per unit; see Table 2.1

[6] Fee per unit of development = cost per peak hour trip X peak hour trips per unit

## Traffic Signal Impact Fees - Projected Revenue

Potential revenue from the traffic signal impact fees calculated in this chapter can be projected by applying the impact fees per unit of development from Table 3.7 to forecasted future units as shown in Table 2.3. The results are shown in Table 3.8.

**Table 3.8: Projected Revenue - Traffic Signal Impact Fees**

| Development Type | Dev Units [1] | Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 477.15 | 4,782 | $ 2,281,731 |
| Residential, Multi-Family | DU | $ 269.90 | 1,992 | $ 537,641 |
| Commercial | KSF | $ 1,423.87 | 5,682 | $ 8,089,789 |
| Office | KSF | $ 429.78 | 636 | $ 273,211 |
| Industrial/Business Park | KSF | $ 196.20 | 3,508 | $ 688,270 |
| **Total** | | | | **$ 11,870,641** |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 3.7

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units

Traffic signal impact fees calculated in this chapter are based on the cost of providing traffic signals and roundabouts needed to serve future development. Assuming that development occurs and improvements are constructed as anticipated in this study, the revenue projected in Table 3.8 would approximately cover the total improvement cost shown in Table 3.5, provided that fees are adjusted periodically to keep pace with changes in construction costs.

## Updating the Fees

Impact fees calculated in this chapter are based the current estimated costs for street, intersection and bridge improvements and for traffic signals and roundabouts. We recommend that the fees be reviewed and adjusted annually using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI). See the Implementation Chapter for more on indexing of fees.

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires an agency establishing, increasing or imposing impact fees to make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.) The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for street and intersection improvement, bridges, traffic signals and roundabouts in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to mitigate the impact of new development on the need for transportation improvements in the City.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to construct improvements to the City's transportation system to accommodate additional traffic associated with new development in Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** New development increases traffic volumes and creates a need for transportation improvements to maintain an adequate level of service on the City's street system. Without those improvements, the increase in traffic associated with new development would subject the City to increased traffic congestion and a reduction in air quality.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the road and traffic signal impact fees charged to a development project will depend on the increase in peak hour vehicle trips associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the P. M. Peak Hour Trip generation rate per unit for that type of development. Thus, the fee charged to a development project reflects the impact of that project on the City's transportation system.

# Chapter 4. Police Impact Fees

This chapter calculates impact fees for future police facilities to serve additional development in Wildomar. The City contracts with the Riverside County Sheriff's Department (RCSD) for law enforcement services and Wildomar is currently served by RCSD personnel from a County substation in nearby Lake Elsinore.

Although the City expects that the existing Sheriff's Department substation in Lake Elsinore will continue to serve Wildomar, the City will need additional space for law enforcement as it grows. The City intends to construct a substation in the City for that purpose. While no specific location has been identified, it is probable that the station would be co-located with a new City Hall building, discussed in Chapter 8. The cost of the substation will be the responsibility of the City.

## Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. Police impact fees are intended to apply to all new development in the study area.

## Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development for services supported by Police facilities. See Chapter 2 for a detailed discussion of the makeup of the service population used in this study.

## Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified level of service as the basis for defining facility needs related to future development. In this case, the standard used to calculate Police impact fees is the existing level of service, defined as the existing relationship between the City's service population and the law enforcement facility space.

## Level of Service

As shown in the City of Wildomar 2014 Impact Fee Study, the existing Lake Elsinore Sheriff's station is approximately 27,000 square feet in size. Approximately 20% of the calls served by that station originate in Wildomar. Thus, it is reasonable to assume that the amount of facility space needed to serve Wildomar at present is 20% of 27,000 square feet, or 5,400 square feet, as shown in Table 4.1.

Table 4.1 calculates the existing level of service in terms of square feet of facility space per capita. That standard is based largely on the relationship between existing facility space and existing service population. However, the amount of additional square footage that can be funded by cash on hand in the Police Impact Fee Fund is added to the existing square footage in Table 4.1 to reflect that fact that the City has funded a level of service somewhat higher than that indicated by actual existing square feet of facility space.

**Table 4.1: Square Feet per Capita - Police Facilities**

| Existing Square Feet [1] | Funded Square Feet [2] | Existing Service Pop [3] | Square Feet per Capita [4] |
|---|---|---|---|
| 5,400 | 913 | 38,999 | 0.162 |

[1] Existing square feet of Lake Elsinore Sheriff's substation serving Wildomar; see discussion in text

[2] Additional square feet of space that can be funded with the existing balance of $515,948 in the police impact fee fund, based on the cost per square foot in Table 4.2

[3] See Table 2.2

[4] Square feet per capita of service population = existing square feet / existing service population

## Facility Costs

Table 4.2 shows the police facility costs that will be used as the basis for the impact fee calculations. Using the square feet per capita from Table 4.1 and the future service population from Table 2.3, Table 4.2 shows that the square feet of facility space needed to serve future development is 5,392. The impact fee cost basis is the product of the new facility square footage and the estimated cost per square foot.

**Table 4.2: New Police Facility Costs**

| Square Feet per Capita [1] | Future Service Pop [2] | New Facility Square Feet [3] | Cost per Square Foot [4] | Impact Fee Cost Basis [5] |
|---|---|---|---|---|
| 0.162 | 33,306 | 5,392 | $565.00 | $3,046,252 |

[1] See Table 4.1

[2] Future service population; see Table 2.3

[3] Square feet of new facility space needed to serve future development at the existing level of service

[4] Estimated cost per square foot for a new police substation in Wildomar

[5] Impact fee cost basis = new facility square feet X cost per square foot

## Allocation of Costs

As shown in Table 4.3, the initial allocation of Police facility costs to development is based on the percentage of added service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional

development are reallocated in Table 4.3, to single family and multi-family residential development based on their relative shares of service population.

**Table 4.3: Allocation of Costs - Police Facility**

| Development Type | % of Svc Pop [1] | Share of Facility Cost [2] | Realloc P/I Cost [3] | Final Cost Allocation [4] |
|---|---|---|---|---|
| Residential, Single-Family | 40.3% | $ 1,226,238 | $ 75,158 | $ 1,301,397 |
| Residential, Multi-Family | 11.6% | $ 354,052 | $ 21,700 | $ 375,752 |
| Commercial | 34.1% | $ 1,039,289 | | $ 1,039,289 |
| Office | 3.4% | $ 102,804 | | $ 102,804 |
| Industrial/Business Park | 7.5% | $ 227,010 | | $ 227,010 |
| Public/Institutional | 3.2% | $ 96,859 | $ (96,859) | $ 0 |
| Totals | 100.0% | $ 3,046,252 | $ 0 | $ 3,046,252 |

[1] Added service population by development type as a percentage of total added service population; percentages based on data from Table 2.3

[2] Share of facility cost = impact fee cost basis from Table 4.2 X % of service pop

[3] Reallocated Public/Institutional costs; see discussion in text

[4] Final allocation = share of cost + reallocated Public/Institutional cost

The reallocated costs in Table 4.3 are used to calculate the impact fees. The effect of the reallocation is to increase the impact fees for residential development by about 6.1%.

## Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 4.4. Costs allocated to each type of development from Table 4.2 are divided by the added service population for that development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at a fee per unit.

**Table 4.4: Impact Fees per Unit of Development - Police Facility**

| Development Type | Units [1] | Final Cost Allocation [2] | Added Svc Pop [3] | Cost per Capita [4] | Svc Pop per Unit [5] | Impact Fee per Unit [6] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | $ 1,301,397 | 13,407 | $ 97.07 | 2.80 | $ 272.14 |
| Residential, Multi-Family | DU | $ 375,752 | 3,871 | $ 97.07 | 1.94 | $ 188.66 |
| Commercial | KSF | $ 1,039,289 | 11,363 | $ 91.46 | 2.00 | $ 182.93 |
| Office | KSF | $ 102,804 | 1,124 | $ 91.46 | 1.77 | $ 161.78 |
| Industrial/Business Park | KSF | $ 227,010 | 2,482 | $ 91.46 | 0.71 | $ 64.71 |
| Public/Institutional | KSF | $ 0 | 1,059 | $ 0.00 | 1.00 | $ 0.00 |

[1] DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 4.3

[3] Added service population; see Table 2.3

[4] Cost per capita = final cost allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Impact fee per unit of development = cost per capita X service population per unit

## Projected Revenue

Potential revenue from the Police impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 4.4 to forecasted future units from Table 2.3. The results are shown in Table 4.5.

**Table 4.5: Projected Revenue - Police Facility Impact Fees**

| Development Type | Units [1] | Impact Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 272.14 | 4,782 | $ 1,301,373 |
| Residential, Single-Family | DU | $ 188.66 | 1,992 | $ 375,811 |
| Commercial | KSF | $ 182.93 | 5,682 | $ 1,039,326 |
| Office | KSF | $ 161.78 | 636 | $ 102,844 |
| Industrial/Business Park | KSF | $ 64.71 | 3,508 | $ 227,003 |
| **Total** | | | | **$ 3,046,356** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Impact fee per unit of development; see Table 4.4

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units

Impact fees calculated in this chapter are based on the future development's share of the cost of a new Police substation. Assuming that development occurs and facilities are constructed as anticipated in this study, and that the fees are adjusted periodically as discussed in the next section to keep pace with changes in land and construction costs, the revenue projected in Table 4.5 would cover approximately 100% of the cost of a facility that maintains the existing level of service.

## Updating the Fees

The impact fees calculated in this chapter are based the current estimated costs for land and construction. We recommend that the fees be reviewed periodically and adjusted as needed to keep pace with changing costs for land and construction using local cost data or an index such as the *Engineering News Record* Building Cost Index (BCI).

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for a Police substation in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to pay for new development's share of the cost of a Police substation for Wildomar.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to pay for future development's proportionate share of the cost of a Police substation for Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** All development contributes to the need for services supported by Police station. The impact fees calculated in this chapter would recover only future development's proportionate share of the cost of a Police substation.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the Police facilities impact fees charged to a development project will depend on the increase in service population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average service population per unit for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for a Police substation.

# Chapter 5. Fire Protection Facilities and Equipment

This chapter addresses impact fees for fire protection facilities needed to serve future development in Wildomar. The City of Wildomar contracts with the Riverside County Fire Department (RCFD) for fire protection services, including fire prevention, fire suppression, emergency medical response and related services. Fire protection services are provided to Wildomar by RCFD using a regional system of fire protection facilities and equipment.

At present there is one fire station (Station #61) in the City, located southwest of the I-15 freeway on Gruwell Street, between Grand Avenue and Palomar Street. That station was owned by Riverside County and deeded to the City upon incorporation. RCFD has identified a need for another fire station north of the I-15 freeway in Wildomar as the City grows. In addition, the existing Fire Station #61 is outdated and undersized and badly needs to be replaced. The City has been in discussions with Riverside County and RCFD regarding plans to replace Station #61 with a larger building on a larger site. It is clear under Wildomar's contract with RCFD that the City will be responsible for constructing any new fire stations needed to serve the City.

Some firefighting apparatus and vehicles assigned to fire stations in Wildomar are owned by the County, but the City has also purchased some vehicles and will be responsible for purchasing a new Type I engine for the future fire station east of I-15.

## Service Area

Fees for fire protection facilities and equipment are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2.

Although individual fire stations are assigned to provide the initial emergency response in a specific area, resources from multiple fire stations are often needed to provide an adequate response to an emergency call. A first alarm response to a small structure fire can require resources from as many as five fire stations. So, it makes sense to treat the entire City as a single service area for purposes of calculating fire protection impact fees.

That approach is further supported by the fact that calculating separate impact fees for individual fire stations could result in substantially different impact fees for development in different parts of the City receiving essentially the same level of service. This analysis will allocate costs for fire protection facilities citywide, so the impact fees for a particular type of development will be the same throughout the City.

## Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development for services supported by Fire facilities. See Chapter 2 for a detailed discussion of the makeup of the service population used in this study.

## Level of Service

The critical measure of level of service for fire protection and emergency medical services is emergency response time. The number of fire stations needed to serve a particular area with acceptable response times is determined by specific conditions within the area and is affected heavily by the size of the area to be served. In Wildomar's case, the City and the Riverside County Fire Department have determined the number and location of fire stations needed to provide an acceptable level of service in the City. The impact fee analysis in this chapter is based on the number of fire stations needed to serve the City at buildout.

## Methodology

The method used to calculate impact fees in this chapter is the plan-based method discussed in Chapter 1. That method calculates impact fees by allocating the cost of specific facilities to the development served by those facilities. In this case, the cost of existing and future fire stations will be allocated to existing and future development so that all development in the City will share proportionately in the cost of those facilities. The fire protection impact fees calculated in this chapter represent new development's proportionate share of the cost of Wildomar's fire protection facilities, including some apparatus and vehicles.

## Facility and Equipment Costs

Table 5.1 on the next page lists existing and future fire protection facilities in Wildomar including costs for buildings and land. Estimated costs for two future fire station buildings are based on square foot cost estimates provided by RCFD. Land cost is based on an estimate of $100,000 per acre. The depreciated value of the existing Fire Station #61 is shown as a credit against the cost of the two future fire stations because the City will have the opportunity to reuse that building for other purposes.

The impact fee cost basis shown in the total right-hand column of Table 5.1 will be used in the impact fee calculations.

**Table 5.1: Existing and Future Fire Stations**

| Facility | Constr Date | Bldg Sq Ft | Site Acres | Building Cost or Repl Cost [1] | Useful Life [2] | Est Land Cost/Value [3] | Depreciated Bldg Cost [4] | Impact Fee Cost Basis [5] |
|---|---|---|---|---|---|---|---|---|
| Future East Side Station | Future | 9,000 | 2.00 | $ 6,255,000 | 50 | $ 200,000 | $ 6,255,000 | $ 6,455,000 |
| Future West Side Station | Future | 9,000 | 2.00 | $ 6,255,000 | 50 | $ 200,000 | $ 6,255,000 | $ 6,455,000 |
| Credit for Existing Station | 2001 | 4,300 | 0.50 | $ (2,988,500) | 50 | $ (50,000) | $ (1,793,100) | $ (1,843,100) |
| **Total** | | | | **$ 9,521,500** | | **$ 350,000** | **$10,716,900** | **$11,066,900** |

[1] Estimated building replacement cost for existing and future fire stations ($695.00 per square foot) provided by the Riverside County FireDepartment based on for recent estimate for a new fire station in Menifee

[2] Assumed useful life of buildings in years

[3] Estimated land cost (future stations) or land value (existing station) based on $100,000 per acre

[4] Depreciated building replacement cost for existing station using straight-line depreciation over the useful life of the asset; no depreciation applies to future building cost

[5] Impact fee cost basis = new building cost or depreciated building replacement cost + estimated land cost or value

Table 5.2 lists existing City-owned vehicles used by the Fire Department. The cost of the existing vehicles is depreciated for use in the impact fee calculations. Costs for County-owned apparatus and vehicles are not included in this analysis.

**Table 5.2: Existing Fire Apparatus and Vehicles**

| Model Year | Description | Useful Life (Yrs) | Replacement Cost [1] | Depr Repl Cost [2] | Impact Fee Cost Basis [3] |
|---|---|---|---|---|---|
| 2019 | Paramedic Squad Body | 10 | $372,600 | $335,340 | $335,340 |

[1] Replacement cost provided by the Riverside County Fire Department

[2] Depreciated replacement cost using straight-line depreciation over the asset's useful life

[3] Impact fee cost basis equals the depreciated replacement cost

Table 5.3 lists future apparatus to be purchased by the City for assignment to the future East side fire station when it is constructed.

**Table 5.3: Future Fire Apparatus, Vehicles and Equipment**

| Description | No. of Units | Est Cost per Unit [1] | Impact Fee Cost Basis [2] |
|---|---|---|---|
| New Type 1 Engine | 1 | $ 775,000 | $ 775,000 |
| Utility Vehicle | 2 | $ 37,000 | $ 74,000 |
| **Total** | | | **$ 849,000** |

[1] Estimated cost provided by the Riverside County Fire Department

[2] Impact fee cost basis = number of units X estimated cost per unit

Table 5.4 summarizes the costs to be used in the impact fee calculations for the assets listed in Tables 5.1, 5.2 and 5.3 above.

**Table 5.4: Impact Fee Cost Basis - Existing and Future Assets**

| Component | Impact Fee Cost Basis [1] |
|---|---|
| Existing and Future Fire Stations | $ 11,066,900 |
| Existing - Fire Apparatus and Vehicles | $ 335,340 |
| Future - Fire Apparatus and Vehicles | $ 849,000 |
| **Total** | **$ 12,251,240** |

[1] See Tables 5.1, 5.2 and 5.3

## Allocation of Costs

As shown in Table 5.5, the initial allocation of fire protection facility costs to development is based on the percentage of buildout service population associated with each type of development. However, the costs allocated to the Public/Institutional development category,

primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

**Table 5.5: Allocation of Costs - Fire Protection Assets**

| Development Type | % of Svc Pop [1] | Share of Cost [2] | Realloc P/I Cost [3] | Final Allocation [4] |
|---|---|---|---|---|
| Residential, Single-Family | 61.0% | $ 7,477,992 | $ 328,334 | $ 7,806,326 |
| Residential, Multi-Family | 7.0% | $ 861,425 | $ 37,822 | $ 899,247 |
| Commercial | 23.1% | $ 2,829,282 | | $ 2,829,282 |
| Office | 1.6% | $ 199,260 | | $ 199,260 |
| Industrial/Business Park | 4.2% | $ 517,126 | | $ 517,126 |
| Public/Institutional | 3.0% | $ 366,156 | $ (366,156) | $ 0 |
| **Totals** | **100.0%** | **$12,251,240** | **$ 0** | **$12,251,240** |

[1] Buildout service population by development type as a percentage of total service population; percentages based on data from Table 2.4

[2] Share of impact fee cost basis from Table 5.4 X % of service population

[3] Reallocated Public/Institutional costs; see discussion in text

[4] Final allocation = share of cost + reallocated Public/Institutional cost

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 5.5, to single family and multi-family residential development, based on their relative shares of service population.

The reallocated costs are used to calculate the impact fees. The effect is to increase the impact fees for residential development by about 4.4%.

## Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 5.6. Costs allocated to each type of development from Table 5.5 are divided by the added service population for that development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at an impact fee per unit.

**Table 5.6: Fire Impact Fees per Unit of Development**

| Development Type | Units [1] | Final Allocation [2] | Buildout Svc Pop [3] | Cost per Capita [4] | Svc Pop per Unit [5] | Impact Fee per Unit [6] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | $ 7,806,326 | 44,134 | $ 176.88 | 2.80 | $ 495.89 |
| Residential, Multi-Family | DU | $ 899,247 | 5,084 | $ 176.88 | 1.94 | $ 343.78 |
| Commercial | KSF | $ 2,829,282 | 16,698 | $ 169.44 | 2.00 | $ 338.88 |
| Office | KSF | $ 199,260 | 1,176 | $ 169.44 | 1.77 | $ 299.70 |
| Industrial/Business Park | KSF | $ 517,126 | 3,052 | $ 169.44 | 0.71 | $ 119.88 |
| Public/Institutional | KSF | $ 0 | 2,161 | $ 0.00 | 1.00 | $ 0.00 |

[1] DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 5.5

[3] Buildout service population; see Table 2.4

[4] Cost per capita = final allocation / buildout service population

[5] Service population per unit; see Table 2.1

[6] Impact fee per unit of development = cost per capita X service population per unit

## Projected Revenue

Potential revenue from the Fire impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 5.6 to forecasted future units from Table 2.3. The results are shown in Table 5.7 on the next page.

Assuming development occurs, and facilities are constructed as anticipated in this study, and that the fees are adjusted periodically as discussed in the next section to keep pace with changes in land and construction costs, the revenue projected in Table 5.7 would cover approximately 44% of the costs for the planned future fire stations and a new Type I engine.

**Table 5.7: Projected Revenue - Fire Impact Fees**

| Development Type | Units [1] | Impact Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 495.89 | 4,782 | $ 2,371,346 |
| Residential, Single-Family | DU | $ 343.78 | 1,992 | $ 684,810 |
| Commercial | KSF | $ 338.88 | 5,682 | $ 1,925,364 |
| Office | KSF | $ 299.70 | 636 | $ 190,519 |
| Industrial/Business Park | KSF | $ 119.88 | 3,508 | $ 420,539 |
| **Total** | | | | **$ 5,592,578** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Impact fee per unit of development; see Table 5.6

[3] Future units; see Table 2.3

[4] Projected revenue = impact fee per unit X future units

## Updating the Fees

The impact fees calculated in this chapter are based the current estimated costs for land and construction as well as Fire Department apparatus and vehicles. We recommend that the fees be reviewed annually and adjusted as needed to keep pace with changing prices. Costs for construction can be updated using local cost data or an index such as the *Engineering News Record* Building Cost Index (BCI). Costs for other assets can be adjusted using locally available data or vendor estimates.

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for fire protection facilities and equipment in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to pay for new development's share of the cost of fire protection facilities and equipment for Wildomar.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to pay for future development's proportionate share of the cost of fire protection facilities and equipment for Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** All development contributes to the need for services supported by Fire Department facilities and equipment. The impact fees calculated in this chapter would

recover only future development's proportionate share of the cost of additional fire protection facilities and equipment.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the Fire impact fees charged to a development project will depend on the increase in service population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average service population per unit for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for fire protection facilities and equipment provided by the City.

# Chapter 6. Parks

This chapter addresses fees to fund park land acquisition and park improvements to serve the added population associated with new residential development in Wildomar.

**Park Land Acquisition**. For residential development that involves a subdivision or parcel map, the Quimby Act authorizes cities and counties to require dedication of park land or payment of fees in lieu of dedication. However, some residential development projects may not involve a subdivision or parcel map and would not be subject to those requirements. For residential development projects that do not involve a subdivision or parcel map, the City can choose to impose an impact fee for park land acquisition that is equivalent to the Quimby Act in-lieu fee.

**Park Improvements**. Developing a park requires both land and improvements. The fees discussed in the previous paragraph cover the cost of land acquisition, but not the cost of improvements. In this chapter, a separate impact fee is calculated for park improvements. That fee is intended to apply to all residential development, in addition to in-lieu or impact fees for park land acquisition.

## The Quimby Act

Under the Quimby Act (Government Code Section 66477), the City may, by ordinance, "require the dedication of land or impose a requirement for payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition of approval of a tentative tract map or parcel map…." The provisions of the Quimby Act apply only to residential subdivisions.

An ordinance imposing dedication and fee requirements under the Quimby Act must contain "definite standards for determining the proportion of a subdivision to be dedicated and the amount of any fee to be paid in lieu thereof."

Before imposing these requirements, the City must have adopted a general plan or specific plan containing policies and standards for parks and recreation facilities. The dedicated land and/or in-lieu fees "are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision (paying the fees)." Fees can be used for parks and recreational facilities that do not serve the subdivision if certain requirements are satisfied. That does not mean that parks or recreational facilities acquired or constructed with the fees must be exclusively for the use of the subdivision paying the fees.

The Quimby Act provides that only in-lieu fees, not land dedication requirements, may be applied to subdivision of less than 50 parcels. Otherwise, the City may choose to require either land dedication or payment of in-lieu fees or a combination of the two.

The City of Wildomar has adopted a Quimby Act ordinance imposing requirements for land dedication or fees in lieu of dedication on residential subdivisions. That ordinance is codified in

Section 16.20.020 of the Wildomar Municipal Code. The standard used in that ordinance is 3.0 acres per thousand population or 0.003 acres per capita.

The ordinance provides that fees in lieu of dedication are to be based on the fair market value of the land that otherwise would be dedicated. That fair market value is to be determined by the City Council. The ordinance also provides that the City Council may, by resolution, determine a fixed fair market value that will apply to all in-lieu fee calculations.

Many cities in California standardize fees in lieu of park land acquisition by adopting a fixed fair market value for all in lieu fees. This report calculates standardized in lieu fees that may be adopted by the City Council if it chooses to do so.

## Service Area

In this study, park in-lieu fees and impact fees are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2.

## Methodology

This chapter calculates impact fees using the method specified in the Quimby Act to calculate park land dedication requirements and fees in lieu of park land dedication. That method is identical to the standard-based method discussed in Chapter 1. In this chapter, fees are calculated based on a specified relationship between population and park acreage.

Because population is used as a demand variable in these fee calculations, and added population is associated with residential development, the fees calculated in this chapter apply only to residential development.

## Demand Variable

Level-of-service standards for parks are almost universally based on population. In addition, the Quimby Act specifies that park land dedication/in-lieu fee standards must be based on the relationship between park acreage and population. Consequently, population will be used as the demand variable for all park in-lieu fees and impact fees calculated in this chapter.

## Existing Park Assets

Table 6.1 list's the City's existing park assets.

**Table 6.1: Existing Parks**

| Existing Parks | Improved Acres | Total Acres |
|---|---|---|
| Marna O'Brien Park | 8.94 | 8.94 |
| Regency Heritage Park | 3.26 | 3.26 |
| Windsong Park | 2.07 | 2.07 |
| Malaga Park | 0.40 | 0.40 |
| 27-Acre Park | 0.00 | 27.00 |
| 11-Acre Park | 0.00 | 11.00 |
| **Total** | **14.67** | **52.67** |

Source: City of Wildomar Community Services Department

## Existing Acres per Capita

Table 6.2 calculates existing park acres per capita using both improved park acreage and total park acreage. That table also converts acres per capita into acres per 1,000 residents, the form in which this relationship is commonly stated.

**Table 6.2: Improved Park Acres per 1,000 Residents**

| Component | Existing Acres [1] | Existing Population [2] | Acres per Capita [3] | Acres per 1000 [4] |
|---|---|---|---|---|
| Improved Park Acres | 14.67 | 37,141 | 0.00039 | 0.39 |
| Total Park Acres | 52.67 | 37,141 | 0.00142 | 1.42 |

[1] Existing acres of parks in Wildomar; see Table 6.1

[2] Existing population; see Table 2.2

[3] Acres per capita = existing acres / existing population

[4] Acres per 1,000 residents = acres per capita X 1,000

## Level of Service Standard

The Quimby Act provides that park land dedication requirements and in-lieu fees may be based on a ratio of at least 3.0 acres per thousand residents, and may increase to a maximum of 5.0 acres per thousand to match the existing ratio if the existing ratio (as of the last Census) exceeds 3.0 acres per thousand.

In this case, as shown in Table 6.2 above, the current ratio of park acres to population in Wildomar, whether based on improved park acreage or total park acreage, is below 3.0 acres per 1,000. So, a ratio of 3.0 acres per thousand residents is used here to calculate the park land in-lieu fees. The City's Park Master Plan also establishes a standard of 3.0 acres of parks per 1,000 residents, so the same standard will be used to calculate impact fees for park land acquisition (for non-subdivision projects) and for park improvements.

Table 6.3 shows the acres per unit factors that will be used in the calculation of in-lieu fees and impact fees in this chapter.

**Table 6.3: Acres per Unit for Park In-Lieu and Impact Fees**

| Development Type | Units [1] | Acres per Capita [2] | Persons per Unit [3] | Acres per Unit [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | 0.003 | 3.26 | 0.0098 |
| Residential, Multi-Family | DU | 0.003 | 2.26 | 0.0068 |

[1] DU = dwelling units

[2] Acres per capita based on a standard of 3.0 acres per 1,000 residents

[3] Persons per dwelling unit; see Table 2.1

[4] Acres per unit = acres per capita X persons per unit

## In-Lieu Fees and Impact Fees per Unit

**Park Land In-Lieu Fees and Impact Fees**. Table 6.4 calculates park land in-lieu fees and park land impact fees per unit, based on the acres-per-unit factors from Table 6.3 and the estimated average cost per acre to acquire park land in Wildomar. Because the park land in-lieu fees and impact fees are based on the same level of service standard, those fees are identical.

However, it should be noted that the park land in-lieu fees are imposed as part of the subdivision approval process while park land impact fees for non-subdivision projects are imposed as a condition of other land use approvals.

**Table 6.4: Park Land In-Lieu Fees and Park Land Impact Fees per Unit**

| Development Type | Dev Units [1] | Acres per Unit [2] | Land Cost per Acre [3] | In-Lieu/Impact Fee per Unit [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | 0.0098 | $100,000 | $978.00 |
| Residential, Multi-Family | DU | 0.0068 | $100,000 | $678.00 |

[1] DU = dwelling units

[2] Acres per unit; see Table 6.3

[3] Estimated cost per acre to acquire land for parks

[4] Park in-lieu or impact fee per unit = acres per unit X cost per acre

**Park Improvement Impact Fees**. Table 6.5 calculates park improvement impact fees based on the acres-per-unit factors from Table 6.3 and the estimated average cost per acre for park improvements in Wildomar. The improvement cost per acre used in Table 6.5 is substantially less than the estimated cost per acre for planned improvements to Wildomar's Regency Heritage Park. The estimated cost for those improvements ranged from $1.45 million per acre to $2.3 million per acre.

**Table 6.5: Park Improvement Impact Fees per Unit**

| Development Type | Dev Units [1] | Acres per Unit [2] | Imprv Cost per Acre [3] | Impact Fee per Unit [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | 0.0098 | $1,000,000 | $9,780.00 |
| Residential, Multi-Family | DU | 0.0068 | $1,000,000 | $6,780.00 |

[1] DU = dwelling units

[2] Acres per unit; see Table 6.3

[3] Estimated cost per acre for park improvements

[4] Park impact fee per unit = acres per unit X cost per acre

## Projected Revenue

**Park Land In-Lieu Fees and Impact Fees**. Table 6.6 calculates projected revenue from the park land in-lieu fees and park land impact fees. It is not known what percentage of future residential development will pay park land in-lieu fees vs. impact fees, but since those fees are identical, that information is not required to project revenue.

**Table 6.6: Projected Revenue - Park Land In-Lieu/Impact Fees**

| Development Type | Units [1] | In-Lieu/Impact Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $978.00 | 4,782 | $ 4,676,796 |
| Residential, Multi-Family | DU | $678.00 | 1,992 | $ 1,350,576 |
| **Total Projected Revenue** | | | | **$ 6,027,372** |

[1] DU = dwelling unit

[2] See Table 6.4

[3] See Table 2.3, Chapter 2

[4] Projected revenue = in-lieu or impact per unit X future units

**Park Improvement Impact Fees**. Table 6.7 calculates projected revenue from the park improvement impact fees.

**Table 6.7: Projected Revenue - Park Improvement Impact Fees**

| Development Type | Units [1] | Impact Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $9,780.00 | 4,782 | $ 46,767,960 |
| Residential, Multi-Family | DU | $6,780.00 | 1,992 | $ 13,505,760 |
| **Total Projected Revenue** | | | | **$ 60,273,720** |

[1] DU = dwelling unit

[2] See Table 6.5

[3] See Table 2.3, Chapter 2

[4] Projected revenue = impact per unit X future units

## Updating the Fees

The in-lieu fees and impact fees calculated in this chapter are based the current estimated cost of park land and improvements. We recommend that the fees be reviewed periodically and adjusted as needed to keep pace with changing costs for land and improvements using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI)

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for parks in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to provide additional parks to mitigate the impacts of new development in the City.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to provide additional parks to serve the needs of additional population associated with new residential development in Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** New development increases the need for parks to maintain the existing level of service, as described earlier in this chapter. Without additional parks, the increase in population associated with new residential development would result in a reduction in the level of service provided to all residents of the City.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the Parks and Recreation impact fees charged to a residential development project will depend on the increase in population associated with that project. The fees per unit of development calculated in this chapter for each type of residential development are based on the estimated average population per unit for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for parks in the City.

# Chapter 7. Community Center

This chapter calculates impact fees for a future Community Center in Wildomar. Plans have not been developed for the community center, so this chapter uses conservative estimates of the size and cost of such a facility. When completed, the community center will serve both existing and future development in the City. The impact fees calculated in this chapter will cover only future development's proportionate share of the cost of the community center.

## Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. Community center impact fees are intended to apply to all new residential development in the study area.

## Demand Variable

In this chapter, population is used in the impact fee calculations to represent the need created by residential development for a community center in Wildomar. Population per-unit factors from Table 2.1 in Chapter 2 are used to calculate impact fees for the community center.

## Level of Service

The City has not adopted an explicit level of service standard for a future community center. However, the approximate size needed for a future community center was estimated in the City's 2014 impact fee study based on a review of the relationship between community center size and population in similarly situated cities. That standard of 0.4 square feet of building area per capita is also used in this update.

## Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated using the cost of specific facilities needed to serve a certain increment of development. In this case, costs for the future community center are allocated to both existing and future residential development, so the impact fees reflect only future development's share of total facility cost

## Facility Costs

Table 7.1 shows the size and estimated cost of the future community center needed to serve the projected population of the City at buildout. As discussed above, the size of that building is based on analysis done for the City's 2014 impact fee study. A copy of the 2014 Impact Fee Study report can be obtained from the City of Wildomar Engineering Department.

**Table 7.1: Future Community Center - Estimated Cost**

| Community Center Square Feet [1] | Bldg Cost per Square Foot [2] | Estimated Building Cost [3] | Estimated Land Cost [4] | Facility Cost [5] |
|---|---|---|---|---|
| 22,890 | $450.00 | $10,300,500 | $210,000 | $10,510,500 |

[1] Planned size of future community center based on 0.4 square feet of building area per capita for the projected buildout population of Wildomar as shown in Table 2.4

[2] Estimated building cost per square foot includes construction, soft costs and furniture fixtures and equipment; costs estimated by escalating costs from the 2014 Impact Fee Study using the *Engineering News Record* Building Cost Index (ENR-BCI)

[3] Estimated building cost = community center square feet X estimated building cost per square foot

[4] Estimated land cost = 2.1 acres X $100,000 per acre; site acreage based on a floor area ratio of 0.25

[5] Facility cost = estimated building cost + estimated land cost

## Cost per Capita

Table 7.2 calculates the cost per capita for the community center using the facility cost from Table 7.1 and the buildout population from Table 2.4 in Chapter 2.

**Table 7.2: Future Community Center - Cost per Capita**

| Facility Cost [1] | Buildout Population [2] | Cost per Capita [3] |
|---|---|---|
| $10,510,500 | 57,231 | $183.65 |

[1] See Table 7.1

[2] See Table 2.4

[3] Cost per capita = facility cost / buildout population

## Impact Fees per Unit of Development

Table 7.3. calculates impact fees per unit by development type using the cost per capita cost from Table 7.2 and the population per unit from Table 2.1 in Chapter 2.

**Table 7.3: Fees per Unit of Development - Community Center**

| Development Type | Units [1] | Pop per Unit [2] | Cost per Capita [3] | Impact Fee per Unit [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | 3.26 | $183.65 | $598.70 |
| Residential, Multi-Family | DU | 2.26 | $183.65 | $415.05 |

[1] DU = dwelling unit

[2] Population per unit of development; see Table 2.1

[3] Cost per capita; see Table 7.2

[4] Impact fee per unit of development = population per unit X cost per capita

## Projected Revenue

Potential revenue from the community center impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 7.3 to forecasted future units from Table 2.3. The results are shown in Table 7.4.

**Table 7.4: Projected Revenue - Community Center Impact Fees**

| Development Type | Units [1] | Impact Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 598.70 | 4,782 | $ 2,862,983 |
| Residential, Multi-Family | DU | $ 415.05 | 1,992 | $ 826,780 |
| **Total** | | | | **$ 3,689,763** |

[1] DU = dwelling unit

[2] Impact fee per unit of development; see Table 7.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units

Impact fees calculated in this chapter are based on the future development's share of the cost of a new community center. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 7.4 would cover roughly 35% of the total facility cost shown in Table 7.1, assuming the fees are adjusted periodically as discussed in the next section to keep pace with changes in land and construction costs.

## Updating the Fees

The impact fees calculated in this chapter are based the current estimated costs for land and construction. We recommend that the fees be reviewed periodically and adjusted as needed to keep pace with changing costs for land and construction using local cost data or an index such as the *Engineering News Record* Building Cost Index (BCI)

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for a community center in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to pay for new development's share of the cost of a community center for Wildomar.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to pay for future development's proportionate share of the cost of a community center for Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** All residential development contributes an increase in the City's population and thus to the need for a community center. The impact fees calculated in this chapter would recover only future development's proportionate share of the cost of the community center.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the community center impact fees charged to a development project will depend on the increase in population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average population per unit for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for a community center in the City.

# Chapter 8. City Hall

This chapter calculates impact fees for a permanent City Hall in Wildomar. Since incorporation in 2008, the City has leased space for City Hall, but in the future the City intends to construct a purpose-built City Hall building. The impact fees calculated in this chapter represent only future development's share of the cost of that building.

## Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. City Hall impact fees are intended to apply to all new development in the study area.

## Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development for services supported by City Hall. See Chapter 2 for a detailed discussion of the makeup of the service population used in this study.

## Level of Service

The City has not adopted an explicit level of service standard for the planned City Hall building. However, the approximate size needed for the future City Hall was estimated in the City's 2014 impact fee study based on a review of the relationship between City Hall size and population in similarly situated cities. Because of changes in projected future development in Wildomar, the City Hall building size used in that study has been reduced slightly from 20,629 square feet to 20,000 square feet in this update.

## Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated using the cost of specific facilities needed to serve a certain increment of development. In this case, costs for the future City Hall are allocated to both existing and future development, so the impact fees reflect only future development's share of total facility cost.

## Facility Costs

Table 8.1 shows the size and estimated cost of the future City Hall building needed to serve the projected service population of the City at buildout.

**Table 8.1: Future City Hall -Estimated Cost**

| City Hall Square Feet [1] | Bldg Cost per Square Foot [2] | Estimated Building Cost [3] | Estimated Land Cost [4] | Facility Cost [5] |
|---|---|---|---|---|
| 20,000 | $520.00 | $10,400,000 | $180,000 | $10,580,000 |

[1] Planned size of the future City Hall estimated by City staff

[2] Estimated building cost per square foot includes construction, soft costs and furniture fixtures and equipment; costs escalated by 20% from the 2014 impact fee study based on the increase in the *Engineering News Record* Building Cost Index (ENR-BCI)

[3] Estimated building cost = City Hall square feet X estimated building cost per square foot

[4] Estimated land cost = 1.8 acres X $100,000 per acre

[5] Facility cost = estimated building cost + estimated land cost

## Allocation of Costs

As shown in Table 8.2, the initial allocation of City Hall costs to development is based on the percentage of total buildout service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 8.2, to single family and multi-family residential development, based on their relative shares of service population.

The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 4.5%.

**Table 8.2: Allocation of Costs - City Hall**

| Development Type | % of Svc Pop [1] | Share of Cost [2] | Realloc P/I Cost [3] | Final Allocation [4] |
|---|---|---|---|---|
| Residential, Single-Family | 61.0% | $ 6,457,890 | $ 283,545 | $ 6,741,434 |
| Residential, Multi-Family | 7.0% | $ 743,914 | $ 32,663 | $ 776,577 |
| Commercial | 23.1% | $ 2,443,328 | | $ 2,443,328 |
| Office | 1.6% | $ 172,078 | | $ 172,078 |
| Industrial/Business Park | 4.2% | $ 446,583 | | $ 446,583 |
| Public/Institutional | 3.0% | $ 316,207 | $ (316,207) | $ 0 |
| Totals | 100.0% | $ 10,580,000 | $ 0 | $ 10,580,000 |

[1] Buildout service population by development type as a percentage of total buildout service population; percentages based on data from Table 2.4

[2] Share of facility cost = facility cost from Table 8.1 X % of service population

[3] Reallocated Public/Institutional costs; see discussion in text

[4] Final allocation = share of cost + reallocated Public/Institutional cost

## Impact Fees per Unit of Development

The calculation of impact fees per unit of development by development type is shown in Table 8.3. Costs allocated to each type of development from Table 8.2 are divided by the buildout service population for that development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at a fee per unit.

**Table 8.3: Impact Fees per Unit of Development - City Hall**

| Development Type | Units [1] | Final Allocation [2] | Buildout Svc Pop [3] | Cost per Capita [4] | Svc Pop per Unit [5] | Impact Fee per Unit [6] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | $ 6,741,434 | 44,134 | $ 152.75 | 2.80 | $ 428.25 |
| Residential, Multi-Family | DU | $ 776,577 | 5,084 | $ 152.75 | 1.94 | $ 296.88 |
| Commercial | KSF | $ 2,443,328 | 16,698 | $ 146.32 | 2.00 | $ 292.65 |
| Office | KSF | $ 172,078 | 1,176 | $ 146.32 | 1.77 | $ 258.82 |
| Industrial/Business Park | KSF | $ 446,583 | 3,052 | $ 146.32 | 0.71 | $ 103.53 |
| Public/Institutional | KSF | $ 0 | 2,161 | $ 0.00 | 1.00 | $ 0.00 |

[1] DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 8.2

[3] Buildout service population; see Table 2.4

[4] Cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Impact fee per unit of development = cost per capita X service population per unit

## Projected Revenue

Potential revenue from the City Hall impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 8.3 to forecasted future units from Table 2.3. The results are shown in Table 8.4.

**Table 8.4: Projected Revenue - City Hall Impact Fees**

| Development Type | Units [1] | Impact Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 428.25 | 4,782 | $ 2,047,892 |
| Residential, Single-Family | DU | $ 296.88 | 1,992 | $ 591,385 |
| Commercial | KSF | $ 292.65 | 5,682 | $ 1,662,706 |
| Office | KSF | $ 258.82 | 636 | $ 164,532 |
| Industrial/Business Park | KSF | $ 103.53 | 3,508 | $ 363,183 |
| **Total** | | | | **$ 4,829,697** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Impact fee per unit of development; see Table 8.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units

Impact fees calculated in this chapter are based on the future development's share of the cost of a new City Hall. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 8.4 would cover roughly 45% of the total facility cost shown in Table 8.1, assuming the fees are adjusted periodically as discussed in the next section to keep pace with changes in land and construction costs.

## Updating the Fees

The impact fees calculated in this chapter are based the current estimated costs for land and construction. We recommend that the fees be reviewed periodically and adjusted as needed to keep pace with changing costs for land and construction using local cost data or an index such as the *Engineering News Record* Building Cost Index (BCI).

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;
b. The need for the facility and the type of development on which the fee is imposed; and
c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for a permanent City Hall in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to pay for new development's share of the cost of a permanent City Hall for Wildomar.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to pay for future development's proportionate share of the cost of a permanent City Hall for Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** All development contributes to the need for services supported by City Hall. The impact fees calculated in this chapter would recover only future development's proportionate share of the cost of a permanent City Hall.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the City Hall impact fees charged to a development project will depend on the increase in service population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average service population per unit for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for a permanent City Hall.

# Chapter 9. Corporation Yard

This chapter calculates impact fees for future corporation yard facilities to serve Wildomar. At present, the City contracts for street and park maintenance and does not have a corporation yard. However, as the City grows, Wildomar will need to construct its own corporation yard, whether or not the City continues to contract for maintenance services.

Plans have not been developed for the City's future corporation yard, so this chapter uses conservative estimates of the size and cost of such a facility. When the facility is completed, it will serve both existing and future development in the City. The impact fees calculated in this chapter will cover only future development's proportionate share of the cost of the corporation yard.

## Service Area

Fees addressed in this chapter are calculated for a single citywide service area encompassing the entire study area defined in Chapter 2. Corporation yard impact fees are intended to apply to all new development in the study area.

## Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development for services supported by the corporation yard. See Chapter 2 for a detailed discussion of the makeup of the service population used in this report. Service population per-unit factors from Table 2.1 in Chapter 2 are used to calculate impact fees for corporation yard facilities.

## Level of Service

The City has not adopted an explicit level of service standard for the planned corporation yard. However, the size of the site and building needed for the future Corporation Yard was estimated in the City's 2014 impact fee. The same facilities program used in that study are also used in this update. A copy of the 2014 Impact Fee Study report can be obtained from the City of Wildomar Engineering Department.

## Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated using the cost of specific facilities needed to serve a certain increment of development. In this case, costs for the future corporation yard are allocated to both existing and future development, so the impact fees reflect only future development's share of total facility cost

## Facility Costs

Table 9.1 shows the sizes and estimated costs for future corporation yard facilities needed to serve the projected service population of the City at buildout. The programmed facilities are the

same as in the 2014 Impact Fee Study. The costs have been escalated from 2014 to 2020 using the *Engineering News Record* Building Cost Index.

**Table 9.1: Future Corporation Yard - Estimated Cost**

| Component | Unit Type | No. of Units | Est. Cost per Unit [1] | Estimated Cost [2] |
|---|---|---|---|---|
| Maintenance/Storage Building | Sq. Ft. | 3,000 | $ 480.00 | $ 1,440,000 |
| Site Development | Acres | 5 | $ 90,000.00 | $ 450,000 |
| Corporation Yard Site Site | Acres | 5 | $ 100,000.00 | $ 500,000 |
| **Total Cost** | | | | **$ 2,390,000** |

[1] Estimated cost per unit includes construction and soft costs; costs escalated by 20% from the 2014 impact fee study based on the increase in the *Engineering News Record* Building Cost Index (ENR-BCI)

[2] Estimated cost = number of units X estimated cost per unit

## Allocation of Costs

Costs for the corporation yard facilities are allocated to both existing and new development. The result is that the impact fees will cover only new development's share of those costs.

As shown in Table 9.2 on the next page, the initial allocation of corporation yard costs to development is based on the percentage of total future service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 9.2, to single-family and multi-family residential development, based on their relative shares of population.

The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 4.5%.

**Table 9.2: Allocation of Costs - Corporation Yard**

| Development Type | % of Svc Pop [1] | Share of Cost [2] | Realloc P/I Cost [3] | Final Allocation [4] |
|---|---|---|---|---|
| Residential, Single-Family | 61.0% | $ 1,458,824 | $ 64,052 | $ 1,522,876 |
| Residential, Multi-Family | 7.0% | $ 168,049 | $ 7,378 | $ 175,427 |
| Commercial | 23.1% | $ 551,943 | | $ 551,943 |
| Office | 1.6% | $ 38,872 | | $ 38,872 |
| Industrial/Business Park | 4.2% | $ 100,882 | | $ 100,882 |
| Public/Institutional | 3.0% | $ 71,431 | $ (71,431) | $ 0 |
| **Totals** | **100.0%** | **$ 2,390,000** | **$ 0** | **$ 2,390,000** |

[1] Buildout service population by development type as a percentage of total buildout service population; percentages based on data from Table 2.4

[2] Share of facility cost = facility cost from Table 9.1 X % of service population

[3] Reallocated Public/Institutional costs; see discussion in text

## Impact Fees per Unit of Development

The calculation of impact fees per unit of development, by development type, is shown in Table 9.3. Costs allocated to each type of development from Table 9.2 are divided by the buildout service population for each development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at a fee per unit.

**Table 9.3: Fees per Unit of Development - Corporation Yard**

| Development Type | Units [1] | Final Allocation [2] | Buildout Svc Pop [3] | Cost per Capita [4] | Svc Pop per Unit [5] | Impact Fee per Unit [6] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | $ 1,522,876 | 44,134 | $ 34.51 | 2.80 | $ 96.74 |
| Residential, Multi-Family | DU | $ 175,427 | 5,084 | $ 34.51 | 1.94 | $ 67.07 |
| Commercial | KSF | $ 551,943 | 16,698 | $ 33.05 | 2.00 | $ 66.11 |
| Office | KSF | $ 38,872 | 1,176 | $ 33.05 | 1.77 | $ 58.47 |
| Industrial/Business Park | KSF | $ 100,882 | 3,052 | $ 33.05 | 0.71 | $ 23.39 |
| Public/Institutional | KSF | $ 0 | 2,161 | $ 0.00 | 1.00 | $ 0.00 |

[1] DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 9.2

[3] Buildout service population; see Table 2.4

[4] Cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Impact fee per unit of development = cost per capita X service population per unit

## Projected Revenue

Potential revenue from the corporation yard impact fees calculated in this chapter can be projected by applying the fees per unit by development type from Table 9.3 to forecasted future units from Table 2.3. The results are shown in Table 9.4.

**Table 9.4: Projected Revenue - Corporation Yard Impact Fees**

| Development Type | Units [1] | Impact Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 96.74 | 4,782 | $ 462,611 |
| Residential, Single-Family | DU | $ 67.07 | 1,992 | $ 133,603 |
| Commercial | KSF | $ 66.11 | 5,682 | $ 375,607 |
| Office | KSF | $ 58.47 | 636 | $ 37,169 |
| Industrial/Business Park | KSF | $ 23.39 | 3,508 | $ 82,052 |
| Public/Institutional | KSF | $ 0.00 | 1,059 | $ 0 |
| **Total** | | | | **$ 1,091,043** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Impact fee per unit of development; see Table 9.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units

Impact fees calculated in this chapter are based on the future development's share of the cost of a new corporation yard. Assuming that development occurs and facilities are constructed as anticipated in this study, the revenue projected in Table 9.4 would cover roughly 46% of the total facility cost shown in Table 9.1, assuming the fees are adjusted periodically as discussed in the next section to keep pace with changes in land and construction costs.

## Updating the Fees

The impact fees calculated in this chapter are based the current estimated costs for land and construction. We recommend that the fees be reviewed periodically and adjusted as needed to keep pace with changing costs for land and construction using local cost data or an index such as the *Engineering News Record* Building Cost Index (BCI)

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for a corporation yard in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to pay for new development's share of the cost of a corporation yard for Wildomar.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to pay for future development's proportionate share of the cost of a corporation yard for Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** All development contributes to the need for services supported by corporation yard. The impact fees calculated in this chapter would recover only future development's proportionate share of the cost of a corporation yard for the City.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the corporation yard impact fees charged to a development project will depend on the increase in service population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average service population per unit for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for a corporation yard in Wildomar.

# Chapter 10. Multi-Purpose Trails

This chapter calculates impact fees for multi-purpose trails. Wildomar has an existing trail network and the City has developed plans to expand that network. The impact fees calculated in this report are intended to pay only for new development's proportionate share of the cost of future improvements to the trail system. The City must identify other fund sources to pay for the existing community's share of the cost of additional trail construction.

As discussed below, service population is used to represent the service demand created by development. This report estimates that the City is now about 53.9% built out in terms of service population, so new development's share of the cost of future trail improvements is approximately 46.1%.

## Service Area

Impact fees addressed in this chapter are calculated for a single citywide service area. Those fees are intended to apply to all new development in the City.

## Demand Variable

In this chapter, service population is used in the impact fee calculations to represent service demand created by all types of development. As discussed in Chapter 2, service population is a weighted composite variable consisting of both resident population (representing residential development) and employees (representing non-residential development). Service population per-unit factors for each type of development are shown in Table 2.1 in Chapter 2 and are used later in this chapter.

## Level of Service

The City does not have an adopted level of service standard for trails. The level of service is implied in the plans for the trail system.

## Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements. The improvement costs covered by the impact fees for multi-purpose trails are shown in the next section.

## Facility Costs

Table 10.1 lists the existing and future trail improvements identified by the City Council in the adopted Active Transportation Plan. The cost used as the basis for the impact fee calculations is new development's proportionate share of the cost of future trails. That share is based on the ratio of added service population to total service population at buildout.

**Table 10.1: Existing and Future Multi-Purpose Trails**

| Trail Type | Est Cost per LF [1] | Existing Linear Ft [2] | Repl Cost Existing [3] | Future Linear Ft [4] | Est Cost Future [5] |
|---|---|---|---|---|---|
| Roadside Multi-Use Trail | $ 111.79 | 53,470 | $ 5,977,411 | 235,465 | $ 26,322,632 |
| Country-Creekside Multi-Use Trail | $ 153.89 | 2,300 | $ 353,947 | 18,710 | $ 2,879,282 |
| Class I Trail | $ 145.79 | 600 | $ 87,474 | 66,550 | $ 9,702,325 |
| | | **56,370** | **$ 6,418,832** | **320,725** | **$ 38,904,239** |
| **New Development's Share of Future Trails Cost (46.1%)** [6] | | | | | **$ 17,920,539** |

[1] Estimated construction cost per linear foot (LF) by the City of Wildomar Engineering Department; see Appendix B for more detail

[2] Linear feet of existing trails provided by the City of Wildomar Engineering Department

[3] Replacement cost of existing trails = existing linear feet of trails X estimated cost per linear foot

[4] Linear feet of planned future trails provided by the City of Wildomar Engineering Department

[5] Estimated cost of future trails = future linear feet X estimated cost per Linear foot

[6] New development's share of cost = added service population / builtout service population; see Tables 2.3 and 2.4

## Allocation of Costs

As shown in Table 10.2 on the next page, the initial allocation of multi-purpose trails costs to future development by development type is based on the percentage of future service population associated with each type of development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 10.2, to single family and multi-family residential development, based on their relative shares of population. The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 6%.

**Table 10.2: Allocation of Costs - Multi-Purpose Trails**

| Development Type | Dev Units [1] | Share of Svc Pop [2] | Share of Cost [3] | Realloc P/I Cost [4] | Final Cost Allocation [5] |
|---|---|---|---|---|---|
| Residential, Single-Family | DU | 40.3% | $ 7,213,735 | $ 442,143 | $ 7,655,878 |
| Residential, Multi-Family | DU | 11.6% | $ 2,082,820 | $ 127,660 | $ 2,210,480 |
| Commercial | KSF | 34.1% | $ 6,113,946 | | $ 6,113,946 |
| Office | KSF | 3.4% | $ 604,776 | | $ 604,776 |
| Industrial/Business Park | KSF | 7.5% | $ 1,335,458 | | $ 1,335,458 |
| Public/Institutional | KSF | 3.2% | $ 569,803 | $ (569,803) | $ 0 |
| Totals | | 100.0% | $ 17,920,539 | $ 0 | $ 17,920,539 |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Added service population by development type as a percentage of total added service population; percentages based on data from Table 2.3

[3] Share of cost = new development cost share from Table 10.1 X share of service pop.

[4] Reallocated Public/Institutional costs; see discussion in text

[5] Final cost allocation = share of cost + reallocated Public/Institutional cost

## Impact Fees per Unit of Development

The calculation of impact fees per unit of development, by development type, is shown in Table 10.3 on the next page. Costs allocated to each type of development, from Table 10.2 are divided by the added service population for each development type to calculate a cost per capita. Then the cost per capita is multiplied by the service population per unit of development to arrive at a fee per unit.

**Table 10.3: Impact Fees per Unit of Development - Multi-Purpose Trails**

| Development Type | Dev Units [1] | Final Cost Allocation [2] | Added Svc Pop [3] | Cost per Capita [4] | Svc Pop per Unit [5] | Fee per Unit [6] |
|---|---|---|---|---|---|---|
| Residential, Single-Family | DU | $ 7,655,878 | 13,407 | $ 571.04 | 2.80 | $ 1,600.96 |
| Residential, Multi-Family | DU | $ 2,210,480 | 3,871 | $ 571.04 | 1.94 | $ 1,109.87 |
| Commercial | KSF | $ 6,113,946 | 11,363 | $ 538.06 | 2.00 | $ 1,076.11 |
| Office | KSF | $ 604,776 | 1,124 | $ 538.06 | 1.77 | $ 951.72 |
| Industrial/Business Park | KSF | $ 1,335,458 | 2,482 | $ 538.06 | 0.71 | $ 380.69 |
| Public/Institutional | KSF | $ 0 | 1,059 | $ 0.00 | 1.00 | $ 0.00 |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Final cost allocation; see Table 10.2

[3] Added service population; see Table 2.3

[4] Future trails cost per capita = final allocation / added service population

[5] Service population per unit; see Table 2.1

[6] Fee per unit of development = cost per capita X service population per unit

## Projected Revenue

Potential revenue from the Multi-Purpose Trails Impact Fees can be projected by applying the fees per unit from Table 10.3 to forecasted future units by development type from Table 2.3. The results are shown in Table 10.4.

**Table 10.4: Projected Revenue - Multi-Purpose Trails**

| Development Type | Dev Units [1] | Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential, Single-Family | DU | $ 1,600.96 | 4,782 | $ 7,655,791 |
| Residential, Single-Family | DU | $ 1,109.87 | 1,992 | $ 2,210,861 |
| Commercial | KSF | $ 1,076.11 | 5,682 | $ 6,113,973 |
| Office | KSF | $ 951.72 | 636 | $ 605,008 |
| Industrial/Business Park | KSF | $ 380.69 | 3,508 | $ 1,335,461 |
| **Total** | | | | **$ 17,921,093** |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross square feet of building area

[2] Fee per unit of development; see Table 10.3

[3] Future units; see Table 2.3

[4] Projected revenue = fee per unit X future units; this study assumes no fees will be collected from Public/Institutional development such as schools.

Impact fees calculated in this chapter are based on new development's share of the cost of planned future multi-purpose trails. Assuming that development occurs, and facilities are constructed, as anticipated in this study, the revenue projected in Table 10.4 would equal approximately 46.1% of estimated future trail costs shown in Table 10.1.

The impact fees calculated in this chapter are based on the current estimated costs for trail construction. We recommend that the fees be reviewed and adjusted annually using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI). See the Implementation Chapter for more on indexing of fees.

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for multi-purpose trails in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to pay for new development's share of the cost of additional multi-purpose trails for Wildomar.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to pay for future development's proportionate share of the cost of planned future multi-purpose trails in Wildomar. The remaining cost will have to come from other sources of revenue. The value of existing multi-purpose trails is not included in the impact fee calculations.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** All development contributes an increase in the City's service population and thus to the need for multi-purpose trails. The impact fees calculated in this chapter would recover only future development's proportionate share of the cost of planned future multi-purpose trails.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the multi-purpose trails impact fees charged to a development project will depend on the increase in service population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average service population per unit for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for multi-purpose trails in the City.

# Chapter 11. Storm Drainage Facilities

This chapter addresses impact fees for improvements to storm drainage facilities needed to serve future development in Wildomar. Wildomar's topography creates unique issues for the City's drainage system. Runoff from development on the slopes of eastern Wildomar has the potential to create severe impacts on relatively flat, low-lying downstream areas in the western part of the City, so an effective drainage system is a very high priority in planning for development.

The drainage improvements identified in this chapter are of two types: (1) City drainage improvements identified in the 2019 Wildomar Master Drainage Plan by Interwest Consulting Group; and (2) Riverside County Flood Control and Water Conservation District (RCFC) improvements serving the City. RCFC currently collects Area Drainage Plan (ADP) fees from development in Wildomar for their improvements. The impact fees calculated in this chapter assume that the City will collect the RCFC fees directly, in-lieu of RCFC collecting the fees, to allow for more local control over the prioritizing and budgeting of those funds.

## Study Area

The study area for fees calculated in this chapter is the entire study area defined in Chapter 2. The resulting fees are intended to apply to all future development in the City.

## Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined set of land uses that will be served by the improvements. The drainage improvements identified may serve to correct some existing deficiencies in the storm drainage system, so the cost of improvements is allocated to both existing and future development in the impact fee calculations. The projected revenue from the impact fees would cover less than half of the total cost of improvements listed in Table 11.1 later in this chapter.

## Demand Variable

In this analysis, the impact of development on the need for drainage improvements is measured by the amount of additional impervious surface area (ISA) associated with various types of development. The addition of impervious surfaces like roofs, patios and driveways prevents storm water from percolating into the soil and increases the runoff from a site. The increased runoff creates a need for additional capacity in the drainage system.

## Level of Service

The level of service (LOS) standard used to establish the need for drainage improvements in Wildomar is specified in the 2019 Master Drainage Plan. LOS for Riverside County Flood Control facilities is specified in the County Master Drainage Plans and Area Drainage Plans.

## Improvement Needs and Costs

Table 11.1 summarizes the cost of drainage improvements used to calculate impact fees in this chapter.

**Table 11.1: Drainage System Improvements**

| Drainage System Component | Improvement Cost |
|---|---|
| Improvement Costs based on 2019 Master Drainage Plan [1] | $ 81,539,000 |
| Improvement Costs for RCFC Facilities Serving Wildomar [2] | $ 69,810,000 |
| Expected Contribution from RCFC [3] | $ (288,526) |
| **Total** | **$ 151,060,474** |

[1] Future improvement costs from the 2019 Master Drainage Plan updated by the City of Wildomar Engineering Department; see Appendix C for more detail

[2] Costs for Riverside County Flood Control District (RCFC) improvements serving the City of Wildomar; Area Drainage Plan fees currently collected by RCFC in Wildomar will be eliminated

[3] Expected contribution by RCFC from impact fees previously collected for RCFC improvements in Wildomar

## Impervious Surface Area

Table 11.2, on the next page, shows the estimated average impervious surface area (ISA) per unit of development, by development type, and the total ISA associated with both existing and future development in Wildomar. The amount of ISA on a site can vary substantially with the density of development, so the breakdown of residential development types shown in Table 11.2 is more detailed than those for other impact fees calculated in this report.

The information shown for each type of development in Table 11.2 includes the expected average units of development per acre, the estimated average square feet of ISA per unit, ISA as a percentage of site area, the number of future units expected, and the total ISA added.

The estimated area of impervious surface per unit is higher in absolute terms for lower density residential development but is lower as a percentage of site area. The total amount of added ISA from Table 11.2 is used in the calculation of impact fees.

**Table 11.2: Impervious Surface Area - All Development at Buildout**

| Development Type | Dev Units [1] | Avg Units per Acre [2] | ISA as % of Site [3] | ISA SF per Unit [4] | Buildout Units [5] | Square Feet of ISA [6] |
|---|---|---|---|---|---|---|
| Residential Estate Density | DU | 0.5 | 10% | 8,800 | 2,450 | 21,557,580 |
| Residential Very Low Density | DU | 1.0 | 20% | 8,750 | 779 | 6,812,249 |
| Residential Low Density | DU | 2.0 | 40% | 8,700 | 3,403 | 29,604,088 |
| Residential Medium Density | DU | 4.0 | 50% | 5,450 | 9,111 | 49,654,751 |
| Residential Med-High Density | DU | 7.0 | 55% | 3,420 | 1,619 | 5,536,515 |
| Residential High Density | DU | 15.0 | 60% | 1,745 | 997 | 1,740,002 |
| Subtotal Residential | | | | | 18,358 | 114,905,185 |
| Commercial | KSF | 10.89 | 90% | 3,600 | 8,349 | 30,056,400 |
| Office | KSF | 14.37 | 90% | 2,727 | 665 | 1,813,636 |
| Business Park/Light Industrial | KSF | 15.25 | 90% | 2,571 | 4,313 | 11,090,571 |
| Public Facilities | KSF | 13.07 | 40% | 1,333 | 2,161 | 2,881,333 |
| Subtotal Non-Residential | | | | | 15,488 | 45,841,941 |
| **Total Impervious Surface Area** | | | | | | **160,747,127** |

[1] Units of development; DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Estimated units of development per acre based on Table LU 4 of the Wildomar (Riverside County) General Plan

[3] New impervious surface area as a percentage of site area (see Table 2 in the Master Drainage Plan)

[4] Square feet of new impervious surface area (ISA) per unit of development estimated by NBS to match land use impervious fractions (ISA as % of site) from Table 2 in the 2019 Master Drainage Plan

[5] Total units at buildout; see Table 2.4 (detailed breakdown of residential development types in this table by NBS and the Wildomar Community Development Department)

[6] Square feet of impervious surface area for all development at buildout

## Allocation of Costs

In Table 11.3, below, the total cost of drainage improvements from Table 11.1 is allocated to various types of development, based on their shares of the total impervious surface area added by new development. However, the costs allocated to the Public/Institutional development category, primarily made up of public schools, cannot be recovered through impact fees, so those costs are reallocated as explained below.

The City does not have the authority to impose impact fees on the construction of facilities by school districts or other government entities. And since those public facilities are needed almost entirely to support residents of the City, the costs initially allocated to Public/Institutional development are reallocated in Table 11.3 to various categories of residential development, based on their relative shares of ISA. The reallocated costs are used to calculate the impact fees, and the effect is to increase the impact fees for residential development by about 4.4%.

**Table 11.3: Allocation of Costs - Drainage System Improvements**

| Development Type | Share of Total ISA [1] | Share of Cost [2] | Realloc P/I Cost [3] | Final Allocation [4] |
|---|---|---|---|---|
| Residential Estate Density | 13.4% | $ 20,258,516 | $ 507,997 | $ 20,766,514 |
| Residential Very Low Density | 4.2% | $ 6,401,742 | $ 160,528 | $ 6,562,270 |
| Residential Low Density | 18.4% | $ 27,820,140 | $ 697,611 | $ 28,517,751 |
| Residential Medium Density | 30.9% | $ 46,662,547 | $ 1,170,098 | $ 47,832,645 |
| Residential Med-High Density | 3.4% | $ 5,202,884 | $ 130,466 | $ 5,333,350 |
| Residential High Density | 1.1% | $ 1,635,149 | $ 41,003 | $ 1,676,152 |
| Commercial | 18.7% | $ 28,245,196 | | $ 28,245,196 |
| Office | 1.1% | $ 1,704,346 | | $ 1,704,346 |
| Industrial/Business Park | 6.9% | $ 10,422,251 | | $ 10,422,251 |
| Public/Institutional | 1.8% | $ 2,707,704 | $ (2,707,704) | $ 0 |
| **Totals** | **100.0%** | **$ 151,060,474** | **$ 0** | **$ 151,060,474** |

[1] Share of total ISA based on Square Feet of ISA column in Table 11.2

[2] Share of improvement cost = improvement cost from Table 11.1 X share of total ISA

[3] Reallocated Public/Institutional costs; see discussion in text

[4] Final allocation = share of cost + reallocated Public/Institutional cost

## Impact Fees per Unit of Development

The calculation of impact fees per unit of development, by development type, is shown in Table 11.4. In this table, costs allocated to each development category in Table 11.3 are divided by the number of buildout units in the category to compute an impact fee per unit.

**Table 11.4: Impact Fees per Unit of Development - Drainage**

| Development Type | Dev Units [1] | Final Allocation [2] | Buildout Units [3] | Impact Fee per Unit [4] |
|---|---|---|---|---|
| Residential Estate Density | DU | $ 20,766,514 | 2,450 | $ 8,477.08 |
| Residential Very Low Density | DU | $ 6,562,270 | 779 | $ 8,428.91 |
| Residential Low Density | DU | $ 28,517,751 | 3,403 | $ 8,380.75 |
| Residential Medium Density | DU | $ 47,832,645 | 9,111 | $ 5,250.01 |
| Residential Med-High Density | DU | $ 5,333,350 | 1,619 | $ 3,294.50 |
| Residential High Density | DU | $ 1,676,152 | 997 | $ 1,680.97 |
| Commercial | KSF | $ 28,245,196 | 8,349 | $ 3,383.06 |
| Office | KSF | $ 1,704,346 | 665 | $ 2,562.93 |
| Industrial/Business Park | KSF | $ 10,422,251 | 4,313 | $ 2,416.47 |
| Public/Institutional | KSF | $ 0 | 2,161 | $ 0.00 |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross sq. ft. of bldg. area

[2] Final cost allocation; see Table 11.3

[3] Total existing and future units at buildout by development type; see Table 11.2

[4] Fee per unit of development = final cost allocation / added units

Because the cost of drainage improvements is allocated to both existing and future units at buildout, the impact fees represent only new development's share of the total cost of those

improvements. The estimated percentage of total improvement cost that will be recovered from new development is shown below Table 11.5.

## Projected Revenue

Potential revenue from the drainage impact fees calculated in this chapter can be projected by applying the fees per unit of development from Table 11.4 to forecasted future units. The results are shown in Table 11.5.

**Table 11.5: Projected Revenue - Drainage Impact Fees**

| Development Type | Dev Units [1] | Fee per Unit [2] | Future Units [3] | Projected Revenue [4] |
|---|---|---|---|---|
| Residential Estate Density | DU | $ 8,477.08 | 730 | $ 6,188,268 |
| Residential Very Low Density | DU | $ 8,428.91 | 232 | $ 1,955,508 |
| Residential Low Density | DU | $ 8,380.75 | 1,014 | $ 8,498,080 |
| Residential Medium Density | DU | $ 5,250.01 | 2,812 | $ 14,763,027 |
| Residential Med-High Density | DU | $ 3,294.50 | 1,229 | $ 4,048,942 |
| Residential High Density | DU | $ 1,680.97 | 757 | $ 1,272,492 |
| Commercial | KSF | $ 3,383.06 | 5,682 | $ 19,221,043 |
| Office | KSF | $ 2,562.93 | 636 | $ 1,629,253 |
| Industrial/Business Park | KSF | $ 2,416.47 | 3,508 | $ 8,476,990 |
| Public/Institutional | KSF | $ 0.00 | 1,059 | $ 0 |
| **Total** | | | | **$ 66,053,602** |

[1] Units of development; DU = dwelling unit, KSF = 1,000 gross sq. ft. of bldg. area

[2] Fee per unit of development; see Table 11.4

[3] Future units; future units broken out by NBS into the categories used in this chapter

[4] Projected revenue = fee per unit X future units

The revenue projected in Table 11.5 would cover approximately 43.7 % of the total facility costs shown in Table 11.1, assuming development occurs as anticipated in this study, and that the fees are adjusted periodically to keep pace with changes in construction costs

## Updating the Fees

The impact fees calculated in this chapter are based the current estimated construction costs for storm drainage improvements. We recommend that the fees be reviewed annually and adjusted as needed to keep pace with changing costs for land and construction using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI).

## Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

a. The use of the fee and the development type on which it is imposed;

b. The need for the facility and the type of development on which the fee is imposed; and

c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the "rational nexus" and "rough proportionality" standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

**Purpose of the Fee:** The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for a storm drainage facilities in Wildomar.

**Use of the Fee.** Impact fees calculated in this chapter will be used to pay for new development's share of the cost of storm drainage facilities in Wildomar.

As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

**Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed.** The impact fees calculated in this chapter will be used to pay for future development's proportionate share of the cost of a storm drainage improvements in Wildomar.

**Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed.** All new development contributes to the need for additional storm drainage facilities. The impact fees calculated in this chapter would recover only future development's proportionate share of the cost of those facilities.

**Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project.** The amount of the storm drainage impact fees charged to a development project will depend on the increase in runoff associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated average impervious surface area (ISA) for that type of development in Wildomar. Thus, the fee charged to a development project reflects the impact of that project on the need for drainage facilities.

# Chapter 12. Implementation

This chapter of the report contains recommendations for adoption and administration of impact fees, and for the interpretation and application of the development impact fees and in-lieu fees calculated in this study. It was not prepared by an attorney and is not intended as legal advice.

Statutory requirements for the adoption and administration of fees imposed as a condition of development approval (impact fees) are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*). Requirements for park land dedication and fees in lieu of dedication are governed by the Quimby Act (Government Code 66477).

## Adoption

The form in which development impact fees are enacted should be determined by the City attorney. The specific requirements are different for impact fees under the Mitigation Fee Act, and for park land dedication and in-lieu fees under the Quimby Act. The latter requirements must be adopted by ordinance and are subject to the same noticing and public hearing procedures as any ordinance.

Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public-hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed below and in Chapter 1 of this report.

**Establishment of Fees**. Pursuant to the Mitigation Fee Act, Section 66001(a), when an agency establishes fees to be imposed as a condition of development approval, it must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
    a. The use of the fee and the type of development project on which it is imposed;
    b. The need for the facility and the type of development project on which the fee is imposed

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be provided by the City Attorney. A more complete discussion of the nexus for each fee can be found in individual chapters of this report.

**Sample Finding: Purpose of the Fee**. The City Council finds that the purpose of the impact fees hereby enacted is to protect the public health, safety and welfare by requiring new development to contribute to the cost of public facilities needed to mitigate the impacts of new development.

**Sample Finding: Use of the Fee.** The City Council finds that revenue from the impact fees hereby enacted will be used to provide public facilities needed to mitigate the impacts of new development in the City and identified in the 2021 City of Wildomar Development Impact Fee Study by NBS. [1]

**Sample Finding: Reasonable Relationship:** Based on analysis presented in the 2021 City of Wildomar Development Impact Fee Study by NBS, the City Council finds that there is a reasonable relationship between:

a. The use of the fees and the types of development projects on which they are imposed; and,

b. The need for facilities and the types of development projects on which the fees are imposed.

## Administration

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

**Imposition of Fees**. Pursuant to the Mitigation Fee Act, Section 66001(a), when an agency imposes an impact fee upon a specific development project, it must make essentially the same findings adopted upon establishment of the fees to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
    a. The use of the fee and the type of development project on which it is imposed;
    b. The need for the facility and the type of development project on which the fee is imposed

[1] According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information.

Per Section 66001 (b), at the time when an impact fee is imposed on a specific development project, the City is also required to make a finding to determine how there is a reasonable relationship between:

> c. The amount of the fee and the facility cost attributable to the development project on which it is imposed.

In addition, Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." The required notification could refer to the improvements identified in this study.

Section 66020 (d) (1) requires that the agency, at the time it imposes an impact fee, provide a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge.

Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

**Collection of Fees**. Section 66007(a) provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first.

However, "utility service fees" (not defined, but likely referring to water and sewer connections) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees “will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy” or (2) the fees are “to reimburse the local agency for expenditures previously made.”

Statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

Notwithstanding the foregoing restrictions, many cities routinely collect impact fees for all facilities at the time building or grading permits are issued, and builders may find it convenient to pay the fees at that time.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (c) (1) and (2) provide that the City may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

**Earmarking and Expenditure of Fee Revenue.** Section 66006 (a) mandates that fees be deposited "with other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected." Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees "with other fees for the improvement" refers to a specific capital improvement or a class of improvements (e.g., street improvements).

We are not aware of any municipality that has interpreted that language to mean that funds must be segregated by individual projects. And, as a practical matter, that approach would be unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., streets, park improvements), but not for individual projects.

**Impact Fee Exemptions, Reductions, and Waivers**. In the event that a development project is found to have no impact on facilities for which impact fees are charged, such project must be exempted from the fees.

If a project has characteristics that will make its impacts on a particular public facility or infrastructure system significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly. Per Section 66001 (b), there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, the agency may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction is within the discretion of the governing body but may not result in increased costs to other development projects. So, the effect of such policies is that the lost revenue must be made up from sources other than impact fees.

**Credit for Improvements Provided by Developers**. If the City requires a developer, as a condition of project approval, to dedicate land or construct facilities or improvements for which impact fees are charged, the City should ensure that the impact fees are adjusted so that the overall contribution by the developer does not exceed the impact created by the development.

In the event that a developer voluntarily offers to dedicate land, or construct facilities or improvements in lieu of paying impact fees, the City may accept or reject such offers, and may negotiate the terms under which such an offer would be accepted. Excess contributions by a developer may be offset by reimbursement agreements.

**Credit for Existing Development.** If a project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project that represents a net increase in demand for relevant City facilities, applying the measure of demand used in this study to calculate that impact fee.

**Annual Report.** Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;
3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

The annual report must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

**Refunds under the Mitigation Fee Act**. Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;

2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

**Refunds under the Quimby Act.** The Quimby Act, Section a.(6)(A) requires that a City, County or other agency to which park land or in-lieu fees are conveyed or paid shall develop a schedule "specifying how, when and where it will use the land or fees or both to develop park or recreational facilities to serve residents of the subdivision…. Any fees collected under the ordinance shall be committed within five years after the payment of the fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. Any fees not committed within five years must be refunded.

**Annual Update of the Capital Improvement Plan**. Section 66002 (b) of the Mitigation Fee Act provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative, per Section 66001 (a) (2) is to identify improvements by applicable general or specific plans or in other public documents.

In most cases, the CIP identifies projects for a limited number of years and may not include all improvements needed to serve future development covered by the impact fee study. We recommend that the City Council cite this development impact fee study as the public document identifying the use of the fees.

**Indexing of In-Lieu/Impact Fees**. Where impact fees calculated in this report are based on current costs, those costs should be adjusted periodically to account for changes in the cost of facilities or other capital assets that will be funded by the impact fees. That adjustment is intended to account for escalation in costs for land, construction, vehicles and other relevant capital assets. We recommend the *Engineering News Record* Building Cost Index as the primary basis for indexing building construction costs. Where land costs are covered by an impact fee or in-lieu fee, land costs should be adjusted based on changes in local land prices.

## Requirements Imposed by AB 602

In 2021, the California Legislature passed AB 602 and the Governor signed it into law. AB 602 creates some new requirements for impact fees that will go into effect in 2022. The new law amends Government Code Section 65940.1 and adds Section 66016.5 to impose the following requirements:

1) A city, county or special district that has an internet website shall post on its website:
    a) A current written schedule of fees, exactions and affordability requirements applicable to a proposed housing development project, and shall present that information in a manner that identifies the fees, exactions and affordability requirements that apply to each parcel and the fees that apply to each new water and sewer utility connection
    b) All zoning ordinances and development standards and specifying the zoning, design and development standards that apply to each parcel
    c) A list of the information that will be required from any applicant for a development project, as specified in Government Code Section 69540
    d) The current and five previous annual fee reports required by Government Code Section 66006 and Subsection 66013 (d).
    e) An archive of impact fee nexus studies, cost of service studies or equivalent conducted on or after January 1, 2018.
2) The above information shall be updated within 30 days of any changes
3) A City or County shall request from a development proponent, upon issuance of a certificate of occupancy or final inspection, the total amount fees and exactions associated with the project for which the certificate it issued. That information must be posted on the website and updated at least twice a year.
4) Before adoption of an impact fee, an impact fee nexus study shall be adopted.
5) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate
6) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
7) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of the proposed units of the development. A local agency that imposes a fee proportionately to the square footage if the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development. The law outlines some possible exceptions to this requirement.

8) Large jurisdictions as defined in Section 53559.1 (d) of the Health and Safety Code (counties of 250,000 or more and cities in those counties) shall adopt a capital improvement plan as part of a nexus study.

9) All studies shall be adopted at a public hearing with at least 30-days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.

10) Studies shall be updated at least every eight years, beginning on January 1, 2022.

## Training and Public Information

Effective administration of an impact fee program requires considerable preparation and training. It is important that those responsible for collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of particular impact fees should be made clear.

Finally, anyone responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. Fees must be expended for the purposes identified in the impact fee report in which they were calculated, and the City must be able to show that funds have been properly expended.

## Recovery of Administrative Costs

To recover the cost of periodic impact fee update studies and ongoing staff costs for capital budgeting, annual reports, five-year updates and other requirements of the Mitigation Fee Act, an administrative charge may be added to the impact fees calculated in this report. The Executive Summary shows an administrative charge percentage.

# *APPENDIX A*

## *Streets, Bridges, Intersections & Signals*

## DIF Streets

*Facility Cost Estimates*

| Street | Segment | DIF Cost Estimate |
|---|---|---|
| Clinton Keith Rd. | Palomar St. to City Limits | $ 4,966,405 |
| Bundy Canyon Rd. | Orange St. to Monte Vista Dr. | $ 1,456,852 |
| Bundy Canyon Rd. | Monte Vista Dr. to Sunset Ave. | $ 8,430,701 |
| Mission Trail | Corydon Rd. to Palomar St. | $ 3,262,755 |
| Palomar St. | Mission Trail to Jefferson St. | $ 4,673,693 |
| Wildomar Trail | Palomar St. to Monte Vista Dr. | $ 135,235 |
| Washington Ave. | Palomar St. to Southern City Limits | $ 1,477,484 |
| Bundy Canyon Rd. | Mission Trail to Orange St. | $ - |
| Corydon St. | Grand Ave. to Mission Trail | $ 4,181,185 |
| Mission Trail | Malaga Rd. to Corydon St. | $ 2,409,701 |
| Clinton Keith Rd. | Grand Ave. to Palomar St. | $ 1,267,309 |
| Hidden Springs Rd. | Clinton Keith Rd. to Stable Lanes Rd. | $ 542,350 |
| Monte Vista Dr. | Bundy Canyon Rd. to Wildomar Trail | $ 5,613,768 |
| Wildomar Trail | Monte Vista Dr. to Bayless Rd. | $ 1,295,485 |
| Inland Valley Dr. | La Estrella St. to Bunny Trail | $ 3,800,089 |
| Bayless Rd. | Wildomar Trail to La Estrella St. | $ 3,574,876 |
| Inland Valley Dr. | Bunny Trail to Palomar St. | $ 3,183,563 |
| Prielipp Rd. | Inland Valley Dr. to Eastern City Limits | $ 1,537,678 |
| Cottonwood Canyon Rd. | Bundy Canyon Rd. to Northern City Limits | $ 6,041,672 |
| Grape St. | Malaga Rd. to Lemon St. | $ 2,439,592 |
| Gruwell St. | Palomar St. to Grand Ave. | $ 901,266 |
| La Estrella St. | Crossroads St. to City Limits | $ 1,509,498 |
| Lemon St. | Mission Trail to Grape St. | $ 2,006,036 |
| Wildomar Trail | Palomar St. to Grand Ave. | $ - |
| La Estrella St. | Inland Valley Dr. to Crossroads St. | $ 966,105 |
| Salida del Sol | La Estrella St. to Clinton Keith Rd. | $ 1,030,260 |
| Wildomar Trail | Bayless Rd. to Wildomar Trail | $ 1,589,736 |
| Wildomar Trail | Wildomar Trail to Brillante Dr. | $ 636,051 |
| Wildomar Trail | Brillante Dr. to Clinton Keith Rd. | $ 1,254,938 |
| Lemon St. | Grape St. to Gafford Rd. | $ 1,206,800 |
| Lost Rd. | Gafford Rd. to City Limits | $ 4,970,987 |
| Palomar St. | Corydon Rd. to Mission Trail | $ 1,426,742 |
| Grand Ave. | Corydon Rd. to Clinton Keith Rd. | $ 5,907,521 |
| Orange St. | Bundy Canyon Rd. to Gruwell St. | $ 3,476,561 |
| Gruwell St. | Orange St. to Palomar St. | $ 522,264 |
| McVicar St. | Palomar St. to Grand Ave. | $ 684,709 |
| La Estrella St. | Susan Dr. to Inland Valley Dr. | $ 529,406 |
| Depasquale Rd. | Bayless Rd. to Inland Valley Dr. | $ 990,564 |
| Stable Lanes Rd. | Clinton Keith Rd. to Hidden Springs Rd. | $ 840,741 |
| Wyman Rd. | Stable Lanes Rd./Hidden Springs Rd. to City Limits | $ 2,844,697 |
| Susan Dr. | Wildomar Trail to La Estrella St. | $ 1,238,363 |
| Bunny Trail | Inland Valley Dr. to Elizabeth Ln. | $ 1,482,695 |
| Yamas Dr. | Clinton Keith Rd. to Prielipp Rd. | $ 1,112,021 |
| Elizabeth Ln. | Clinton Keith Rd. to Prielipp Rd. | $ 1,112,021 |
| Jana Lane | Clinton Keith Rd. to Prielipp Rd. | $ 1,297,358 |

## DIF Bridges

*Facility Cost Estimates*

| Project | Total |
|---|---|
| Gruwell St. @ Murrieta Creek/Wildomar Channel | $ 166,922 |
| Wildomar Trail (Central St.) @ Murrieta Creek/Wildomar Channel | $ 259,656 |
| Wildomar Creek Culvert Extension @ McVicar St. | $ 31,202 |
| Penrose St. Class I Connection @ Wildomar Channel | $ 333,844 |
| La Estrella Street Bridge | $ 6,360,937 |

## DIF Intersections

*Facility Cost Estimates*

| Location | Total DIF Cost Share |
|---|---|
| Bundy Canyon Rd. x Cottonwood Canyon Rd. | $ 121,652 |
| Bundy Canyon Rd. x Oak Circle Dr. | $ 94,539 |
| Bundy Canyon Rd. x Orange St. | $ 18,926 |
| Bundy Canyon Rd. x The Farm Rd. | $ - |
| Clinton Keith Rd. x Arya Dr. | $ 94,539 |
| Clinton Keith Rd. x Elizabeth Ln. | $ 94,539 |
| Clinton Keith Rd. x Hidden Springs Rd. | $ - |
| Clinton Keith Rd. x Inland Valley Dr. | $ 148,764 |
| Clinton Keith Rd. x Renaissance Plaza | $ 94,539 |
| Clinton Keith Rd. x Salida del Sol/Yamas Dr. | $ 226,931 |
| Clinton Keith Rd. x Stable Lanes Rd. | $ 208,004 |
| Grand Ave. x Corydon St. | $ 18,926 |
| Grand Ave. x Gruwell St. | $ 37,853 |
| Inland Valley Dr. x Prielipp Rd. | $ 27,113 |
| Inland Valley Dr. x Wyman Rd. | $ 92,078 |
| Palomar St. x Clinton Keith Rd. | $ 244,176 |
| Palomar St. x Gruwell St. | $ 37,853 |
| Palomar St. x Inland Valley/Washington | $ 251,568 |
| Palomar St. x Mission Trail | $ - |
| Prielipp Rd. x Elizabeth Ln. | $ - |
| Wildomar Trail x Bayless Rd. | $ - |

## DIF Signals

*Facility Cost Estimates*

| Location | Cross Street | Type | Improvement | DIF Cost Share |
|---|---|---|---|---|
| Bundy Canyon | Almond St. | New 4-way | Install new 4-way | $ 392,000 |
| Bundy Canyon | Corydon | To be removed | To be removed | $ - |
| Bundy Canyon | Harvest Way East | New 4-way | Install new 4-way | $ - |
| Bundy Canyon | Harvest Way West | New 4-way | Install new 4-way | $ - |
| Bundy Canyon | I-15 NB | Existing 4-way | Modify to Ultimate 4-way | $ - |
| Bundy Canyon | I-15 SB | Existing 4-way | Modify to Ultimate 4-way | $ - |
| Bundy Canyon | Mission Trail | Existing 4-way | Modify to Ultimate 4-way | $ 294,000 |
| Bundy Canyon | Monte Vista | Existing 3-way | Complete - Maintain Existing | $ 262,000 |
| Bundy Canyon | Oak Circle Rd. | New 3-way | Install new 3-way | $ 262,000 |
| Bundy Canyon | Orange | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Bundy Canyon | Orchard St. | New 3-way | Install new 3-way | $ 262,000 |
| Bundy Canyon | Sellers | Existing 3-way | Complete - Maintain Existing | $ 294,000 |
| Bundy Canyon | Sunset | New 4-way | Install new 4-way | $ 196,000 |
| Bundy Canyon | The Farm | Existing 3-way | Modify to Ultimate 3-way | $ 262,000 |
| Bundy Canyon | W/o Tulip | New 3-way | Install new 3-way | $ - |
| Clinton Keith | Elizabeth | New 4-way | Install new 4-way | $ 392,000 |
| Clinton Keith | Wildomar Trail (George) | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Clinton Keith | Grand | Existing 3-way | Modify to Ultimate 3-way | $ 131,000 |
| Clinton Keith | Hidden Springs | Existing 4-way | Modify to Ultimate 4-way | $ 98,000 |
| Clinton Keith | I-15 NB | Existing 4-way | Maintain Existing | $ - |
| Clinton Keith | I-15 SB | Existing 4-way | Maintain Existing | $ - |
| Clinton Keith | Inland Valley | Existing 3-way | Modify to Ultimate 4-way | $ 294,000 |
| Clinton Keith | Palomar | Existing 4-way | Modify to Ultimate 4-way | $ 392,000 |
| Clinton Keith | Renaissance Plaza | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Clinton Keith | Salida Del Sol/Yamas Dr. | New 4-way | Install new 4-way | $ 392,000 |
| Clinton Keith | Stable Lanes | New 4-way | Install new 4-way | $ 392,000 |
| Clinton Keith | Arya | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Clinton Keith | Smith Ranch Road | Existing 4-way | Complete - Maintain Existing | $ - |
| Corydon | Union | Exsiting 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Grand | Corydon | Existing 4-way | Modify to Ultimate 4-way | $ 294,000 |
| Grand | Gruwell | New 4-way | Install new 4-way | $ 392,000 |
| Grand | McVicar | Stop Sign | Stop Sign | $ - |
| Grand | Shiela | New Round-About | Install new Roundabout | $ 486,000 |
| Grand Ave | Willow Bay | Existing 4-way | Maintain Existing | $ - |
| Inland Valley | Hidden Springs | New 4-way | Install new 4-way | $ - |
| Inland Valley | Prielipp | New 4-way | Install new 4-way | $ 392,000 |
| Mission Trail | Canyon | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Mission Trail | Corydon | Existing 3-way | Modify to Ultimate 3-way | $ 196,500 |
| Mission Trail | Elberta | Existing 4-way | Maintain Existing | $ - |
| Mission Trail | Lemon | Existing 3-way | Modify to Ultimate 3-way | $ 131,000 |
| Mission Trail | Malaga | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Mission Trail | Olive | Existing 3-way | Modify to Ultimate 3-way | $ 262,000 |
| Palomar | Corydon | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Palomar | Gruwell | Existing 4-way | Modify to Ultimate 4-way | $ 392,000 |
| Palomar | Inland Valley | New 4-way | Install new 4-way | $ 392,000 |
| Palomar | McVicar | New 4-way | Install new 4-way | $ 392,000 |
| Palomar | Mission Trail | New 3-Way or New Roundabout | Install new 3-way or new Roundabout | $ 364,500 |
| Prielipp | Elizabeth | New 4-way | Install new 4-way | $ 392,000 |
| Prielipp | Yamas (Salida Del Sol) | New 3-way | Install new 3-way | $ 262,000 |
| Wildomar Trail | Bayless Rd. | New 3-way or Roundabout | Install new 3-way or new Roundabout | $ 364,500 |
| Wildomar Trail | I-15 NB | New 4-way | Install new 4-way | $ - |
| Wildomar Trail | I-15 SB | New 4-way | Install new 4-way | $ - |
| Wildomar Trail | La Estrella | New 4-way | Install new 4-way | $ 392,000 |
| Wildomar Trail (Central) | Grand | Existing 4-way | Modify to Ultimate 4-way | $ 196,000 |
| Wildomar Trail (Central) | Palomar | Existing 4-way | Modify to Ultimate 4-way | $ 392,000 |
| Wildomar Trail (Central) | Wild Stallion/Cervera | Existing 4-way | Modify to Ultimate 4-way | $ 392,000 |
| Wildomar Trail (Central/Baxter) | Baxter Rd. | New 3-way | Install new 3-way | $ - |
| Wildomar Trail (Central/Baxter) | Monte Vista | New 3-way | Install new 3-way | $ 262,000 |

# *APPENDIX B*

## *Trails*

## DIF Trails

*Facility Cost Estimates*

| Street or Location | Segment | Trail Type | Total Cost |
|---|---|---|---|
| 27 Acre Park | Wildomar Trail to La Estrella | Multi-Use Trail | $ 235,458 |
| Bryant St. | Palomar St. to Grand Ave. | Multi-Use Trail | $ 550,374 |
| Bundy Canyon Rd. | Monte Vista Dr. to Eastern City Limits | Class I - Multi-Use Path | $ 2,318,130 |
| Corydon St. | Grand Ave. to Mission Trail | Multi-Use Trail | $ 1,632,775 |
| Fredrick-O'Neal-Sauer | Monte Vista Dr. Loop to Wildomar Trail | Multi-Use Trail | $ 1,773,426 |
| Gafford Rd. | Vista del Agua to Lost Rd./Lemon St. | Multi-Use Trail | $ 911,174 |
| Geirson Ave. | Prairie Rd. to Wildomar Channel (Lateral C, Stage 2) | Multi-Use Trail | $ 84,642 |
| Grand Ave. | Corydon St. to Clinton Keith Rd. | Multi-Use Trail | $ 1,412,626 |
| Grape St. | City Limits/Malaga Rd. to Lemon St. | Class I - Multi-Use Path | $ 1,224,673 |
| Gruwell St. | Orange St. to Palomar St. | Multi-Use Trail | $ 166,131 |
| Gruwell St. | Palomar St. to Grand Ave. | Class I - Multi-Use Path | $ 393,645 |
| Gruwell St. | Grand Ave. to Alameda del Monte | Multi-Use Trail | $ 155,939 |
| Inland Valley Dr. | La Estrella St. to Bayless Rd. | Multi-Use Trail | $ 882,636 |
| La Estrella St. | Crossroads St. to Eastern City Limits | Class I - Multi-Use Path | $ 699,813 |
| La Estrella St. | Susan Dr. to Inland Valley Dr. | Multi-Use Trail | $ 428,068 |
| Lemon St. | Mission Trail to Lost Rd./Gafford Rd. | Multi-Use Trail | $ 1,467,663 |
| Lost Rd. | Lemon St./Gafford Rd. to Northern City Limits | Multi-Use Trail | $ 1,773,426 |
| McVicar St. | Fortunado Way to Grand Ave. | Multi-Use Trail | $ 264,995 |
| Mission Trail | Lemon St. to Palomar St. | Multi-Use Trail | $ 1,452,375 |
| Monte Vista Dr. | Bundy Canyon Rd. to Wildomar Trail | Multi-Use Trail | $ 1,386,126 |
| Murrieta Creek Regional Trail | Wesley St. to Cole Canyon | Class I - Multi-Use Path | $ 2,478,504 |
| Mustang Spirit Ln. EVMWD Access Road | Prielipp Rd. to Mustang Spirit Ln. | Multi-Use Trail | $ 172,361 |
| Oak Springs Ranch Trail | Bunny Trail to Wildomar Trail | Multi-Use Trail | $ 353,956 |
| Orange St. | Bundy Canyon Rd. to Gruwell St. | Multi-Use Trail | $ 1,428,933 |
| Palomar St. | Corydon Rd. to Washington Ave. | Multi-Use Trail | $ 4,657,792 |
| Penrose St. Bridge | Darby St. to Front St. | Class I - Multi-Use Path | $ 72,897 |
| Raciti Rd. | Bundy Canyon Rd. to Vista del Agua | Multi-Use Trail | $ 866,329 |
| RCFC Bundy Canyon Channel | Valley Vista Cr. to Monte Vista Dr. | Multi-Use Trail | $ 130,810 |
| RCFC Wildomar Channel - Lateral A (Torbett Family Trail) | West of Wilson St. to Confluence with Wildomar Channel (main line) | Multi-Use Trail | $ 615,576 |
| RCFC Wildomar Channel - Lateral B | Grand Ave./Willow Bay Rd. to Confluence with Wildomar Channel (main line) | Class I - Multi-Use Path | $ 247,850 |
| RCFC Wildomar Channel - Lateral C, Stage 2 | Gierson Ave./South Pasadena St. to Palomar St. | Multi-Use Trail | $ 284,704 |
| RCFC Wildomar Channel - Stage 4 | Union St./Sundrops Ln. to Wesley St. | Class I - Multi-Use Path | $ 145,794 |
| Regency Heritage Park | Trailwood Ct. to Union St. | Class I - Multi-Use Path | $ 80,187 |
| Starbuck Cr. | Palomar St. to Murrieta Creek | Multi-Use Trail | $ 336,339 |
| Starbuck Cr. Extension | Starbuck Cr. to Southern City Limit | Multi-Use Trail | $ 186,212 |
| Sunset Ave. Extension | Bundy Canyon Rd. to La Estrella St. | Class I - Multi-Use Path | $ 2,041,121 |
| Susan Dr. | Wildomar Trail to La Estrella | Multi-Use Trail | $ 542,220 |
| TR 23111-1 Drainage Channel | Palomar St. to Grand Ave. | Multi-Use Trail | $ 415,514 |
| Tulip Ln. Extension | Bundy Canyon Rd. to Oneal Rd. | Multi-Use Trail | $ 400,125 |
| Wesley St. | Grand Ave. to Laguna Rd. | Multi-Use Trail | $ 857,156 |
| Wildomar Trail | Palomar St. to Clinton Keith Rd. | Multi-Use Trail | $ 3,375,625 |

# *APPENDIX C*

## *Drainage Improvements*

## DIF Drainage

*Facility Cost Estimates*

| Facility | Total Cost |
|---|---|
| Subregion A4 | $ 4,092,000 |
| Subregion M1 | $ 353,000 |
| Subregion M2 | $ 5,586,000 |
| Subregion M3 | $ 2,466,000 |
| Subregion M4 | $ 1,940,000 |
| Subregion M5 | $ 143,000 |
| Subregion S1 | $ 2,591,000 |
| Subregion S2 | $ 4,503,000 |
| Subregion S3 | $ 12,481,000 |
| Subregion S4 | $ 2,434,000 |
| Subregion S5 | $ 19,588,000 |
| Subregion S6 | $ 2,856,000 |
| Subregion W1 | $ 5,109,000 |
| Subregion W2 | $ 828,000 |
| Subregion W3 | $ 785,000 |
| Subregion W4 | $ 1,988,000 |
| Subregion W5 | $ 6,544,000 |
| Subregion W6 | $ 1,260,000 |
| Subregion W7 | $ 4,886,000 |
| Subregion W8 | $ 1,106,000 |
| Murrieta Creek Channel Portion | $ 8,853,000 |
| Murrieta MDP Line J | $ 10,819,000 |
| Wildomar MDP Lateral A | $ 14,362,000 |
| Wildomar MDP Lateral C | $ 17,842,000 |
| Wildomar MDP Lateral C-2 | $ 1,176,000 |
| Wildomar MDP Lateral C-3 | $ 795,000 |
| Wildomar MDP Lateral C Basin | $ 14,878,000 |
| Wildomar MDP Line D | $ 303,000 |
| Sedco MDP Line F-2 | $ 782,000 |

# *APPENDIX D*

***Resolution 2021-76***

**RESOLUTION NO. 2021 - 76**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, ADOPTING THE "CITY OF WILDOMAR IMPACT FEE STUDY" AND ESTABLISHING AND INCREASING DEVELOPMENT IMPACT FEES APPLICABLE TO ALL DEVELOPMENT IN THE CITY OF WILDOMAR**

WHEREAS, on June 10, 2015, the City Council adopted Resolution No. 2015-24 adopting an impact fee study and establishing new development impact fees applicable to all development in the City of Wildomar; and

WHEREAS, the City desired to review its development impact fees to ensure they accurately reflect the impacts of future development on certain capital facilities and improvements; and

WHEREAS, on December 11, 2019, the City contracted with NBS Government Finance Group (NBS) to complete an impact fee study report to analyze the impacts of future development on certain public facilities and to calculate impact fees based on that analysis; and,

WHEREAS, NBS prepared the "City of Wildomar Development Impact Fee Study" dated December 2, 2021 (the "DIF Study") attached hereto as Exhibit "A", which analyzes the impacts of new development on nine categories of public facilities and calculates the fees that should be imposed on new development to mitigate the impact the new development has on each category of public facilities (the "Impact Fees"); and

WHEREAS, in compliance with the Mitigation Fee Act (Government Code section 66000 et seq.), the City Council held a public hearing on the proposed Impact Fees at its meeting on December 15, 2021. Notice of the public hearing was published on December 4, 2021 and December 10, 2021, in the Press Enterprise; and,

NOW, THEREFORE, the City Council of the City of Wildomar does hereby resolve as follows:

**Section 1. CEQA Findings.** The City Council hereby finds that the adoption of this Resolution is not subject to CEQA review pursuant to CEQA Guideline 15378(b)(4), which provides that the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project are not projects subject to CEQA review.

**Section 2. Mitigation Fee Act Findings.** As required by Government Code Section 66001(a), the City Council makes the following findings with respect to the Impact Fees:

A. The purpose of the Impact Fees is to prevent new development from reducing the quality and availability of public services provided to residents of the

City by requiring new development to contribute to the cost of additional public facilities needed to meet the additional demands placed on public services by new development.

B. The Impact Fees will be used to construct public facilities and pay for other capital assets needed to serve new development. The DIF Study identifies the specific public facilities and other capital assets that will be funded by each category of Impact Fees.

C. Based on the information and analysis presented in the DIF Study, the City Council finds there is a reasonable relationship between the uses to which the Impact Fees will be put and the development projects on which the Impact Fees will be imposed. As specified in the DIF Study, the Impacts Fees will be used to fund street and intersection improvements, bridges and culverts, police facilities, a fire station and fire engine, a corporation yard facility, drainage improvements, and multi-purpose trails. These uses will serve all development within the City. In addition, the Impact Fees will fund new parks and a community center. These uses will specifically benefit residential development, and thus the Impact Fees for these facilities will only be imposed on new residential development.

D. Based on the information and analysis presented in the DIF Study, the City Council finds there is a reasonable relationship between the need for the public facilities that will be funded by the Impact Fees and the type of development projects on which the Impact Fees will be imposed. Specifically, all new development places demands on streets and intersections, police and fire services, drainage, trails and the City Hall and City's corporation yard. Therefore all new development should contribute toward the cost of the public facilities and equipment needed to provide these services and infrastructure to the development. In addition, residential development places demands on parks and community centers, and therefore only residential development should be required to contribute toward the facilities and equipment needed to provide these services.

**Section 3. Adoption of DIF Study.** The DIF Study attached as Exhibit "A" is hereby approved and adopted.

**Section 4. Adoption of Impact Fees.** The Impact Fee Schedule, attached hereto as Exhibit "B", is adopted.

**Section 5. Effective Date.** This resolution shall become effective on July 1, 2022.

**Section 6. Annual Adjustment.** The Impact Fee Schedule attached hereto as Exhibit "B" shall be increased on July 1 of each year, beginning on July 1, 2023, by an amount equal to the average percentage change over the previous year in the California Construction Cost Index.

APPROVED AND ADOPTED this 15th day of December, 2021.

Dustin Nigg
Mayor

ATTEST:

Janet Morales, CMC
City Clerk

CITY OF WILDOMAR INCORPORATED July 1, 2008 STATE OF CALIFORNIA

APPROVED AS TO FORM:

Thomas Jex,
City Attorney

**EXHIBIT A**

**DIF STUDY**

(under separate cover)

# EXHIBIT B

## IMPACT FEE SCHEDULE

| Impact Fee Type | Residential Single-Family | Residential Multi-Family | Commercial | Office | Industrial/ Business Pk |
|---|---|---|---|---|---|
| Units>> | DU [1] | DU [1] | KSF [1] | KSF [1] | KSF [1] |
| Transportation - Roads | $ 4,293.00 | $ 2,428.00 | $ 12,811.00 | $ 3,867.00 | $ 1,765.00 |
| Transportation - Signals | $ 477.00 | $ 270.00 | $ 1,424.00 | $ 430.00 | $ 196.00 |
| Police Facilities | $ 272.00 | $ 189.00 | $ 183.00 | $ 162.00 | $ 65.00 |
| Fire Protection | $ 496.00 | $ 344.00 | $ 339.00 | $ 300.00 | $ 120.00 |
| Park Land | $ 978.00 | $ 678.00 | | | |
| Park Improvements | $ 9,780.00 | $ 6,780.00 | | | |
| Community Center | $ 599.00 | $ 415.00 | | | |
| City Hall | $ 428.00 | $ 297.00 | $ 293.00 | $ 259.00 | $ 104.00 |
| Corporation Yard | $ 97.00 | $ 67.00 | $ 66.00 | $ 58.00 | $ 23.00 |
| Multi-Purpose Trails | $ 1,601.00 | $ 1,110.00 | $ 1,076.00 | $ 952.00 | $ 381.00 |
| Drainage [2] | $ 5,250.00 | $ 1,681.00 | $ 3,383.00 | $ 2,563.00 | $ 2,416.00 |
| Animal Shelter [3] | $ 250.00 | $ 178.00 | | | |
| DIF Administration Fee [4] | $ 73.00 | $ 43.00 | $ 59.00 | $ 26.00 | $ 15.00 |
| **Total Fees** | **$ 24,594.00** | **$ 14,480.00** | **$ 19,634.00** | **$ 8,617.00** | **$ 5,085.00** |

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area

[2] Residential drainage fees vary with density; fee shown for single-family residential is medium-density fee per unit; fee shown for multi-family residential is high-density fee per unit; for a complete break-down of residential drainage fees by density category, see Table 11.4

[3] Animal shelter impact fees were not updated in the 2021 DIF study; fee shown is the existing fee

[4] Development impact fee administration fee = 0.30% of the sum of all other impact fees; see discussion in text of the impact fee study report

STATE OF CALIFORNIA )
COUNTY OF RIVERSIDE )
CITY OF WILDOMAR )

I, Janet Morales, City Clerk of the City of Wildomar, California, do hereby certify that the foregoing Resolution No. 2021 – 76 was duly adopted at an adjourned regular meeting held on December 15, 2021, by the City Council of the City of Wildomar, California, by the following vote:

AYES: Moore, Morabito, Swanson, Mayor Pro Tem Benoit, Mayor Nigg

NOES: None

ABSTAIN: None

ABSENT: None

Janet Morales, CMC
City Clerk
City of Wildomar

CITY OF WILDOMAR INCORPORATED July 1, 2008 STATE OF CALIFORNIA

# *APPENDIX E*

*Resolution 202**2-16***

**RESOLUTION NO. 2022 - 16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, ADOPTING AN IMPLEMENTATION SCHEDULE FOR THE DEVELOPMENT IMPACT FEES APPLICABLE TO ALL DEVELOPMENT IN THE CITY OF WILDOMAR**

**WHEREAS**, on December 15, 2021 the City Council adopted Resolution No. 2021-76 adopting an impact fee study and establishing new development impact fees applicable to all development in the City of Wildomar to go into effect on July 1, 2022; and

**WHEREAS**, the City Council desires to implement a phased approach toward implementing the new development impact fees to ease the burden the increased fees may have on development projects that were approved prior to the adoption of the increased development impact fees and accounted for the previous lower fee amounts in their development plans.

**NOW, THEREFORE**, the City Council of the City of Wildomar does hereby resolve as follows:

**Section 1. CEQA Findings.** The City Council hereby finds that the adoption of this Resolution is not subject to CEQA review pursuant to CEQA Guideline 15378(b)(4), which provides that the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project are not projects subject to CEQA review.

**Section 2. Development Impact Fee Implementation Schedule.** The development impact fees to be paid for a project shall be determined as follows commencing July 1, 2022 through June 30, 2025. Commencing July 1, 2025, all projects shall be subject to the Schedule B development impact fees.

A. Schedule A. Projects that had a tentative tract map, tentative parcel map, conditional use permit, or plot plan approved by the City prior to July 1, 2022 shall be eligible to pay the development impact fees that were in effect prior to the adoption of Resolution No. 2021-76. Notwithstanding the foregoing, the City will increase the development impact fees applicable to such projects on July 1 of each year as provided for in Section 6 of Resolution No. 2021-76.

B. Schedule B. All other projects not eligible for Schedule A development impact fees shall pay the development impact fees adopted by Resolution No. 2021-76, as such fees are adjusted annually pursuant to Section 6 of that resolution.

Projects that are eligible for Schedule A development impact fees shall have the option to pay the development impact fees adopted by Resolution No. 2021-76 if they so choose.

**Section 3. Effective Date.** This resolution shall become effective on July 1, 2022.

**APPROVED AND ADOPTED** this 11th day of May, 2022.

Ben J. Benoit
Mayor

**ATTEST:**

Janet Morales, CMC
City Clerk

CITY OF WILDOMAR INCORPORATED July 1, 2008 STATE OF CALIFORNIA

**APPROVED AS TO FORM:**

Thomas D. Jex
City Attorney

STATE OF CALIFORNIA )
COUNTY OF RIVERSIDE )
CITY OF WILDOMAR )

I, Janet Morales, City Clerk of the City of Wildomar, California, do hereby certify that the foregoing Resolution No. 2022 – 16 was duly adopted at a regular meeting held on May 11, 2022, by the City Council of the City of Wildomar, California, by the following vote:

AYES: DePhillippo, Moore, Nigg, Mayor Pro Tem Morabito, Mayor Benoit

NOES: None

ABSTAIN: None

ABSENT: None

Janet Morales, CMC
City Clerk
City of Wildomar

CITY OF WILDOMAR INCORPORATED July 1, 2008 STATE OF CALIFOR NIA