Comprehensive Development Impact Fee Nexus Study - DRAFT

City of Santee

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Prepared For:

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Section 1 Executive Summary

Introduction

The City of Santee (City) is a suburban city located in San Diego County (County). Located in the eastern part of the San Diego metropolitan area, Santee is bordered by El Cajon on the south and southeast, the City of San Diego on the west and northwest, and the County of San Diego on east and northeast. The City is located just 18 miles from the Pacific Ocean and is bisected by the San Diego river, a large greenbelt that includes parks, trails, and over 1,100 acres of natural riparian habitat. Santee is connected to the coastline by State Route 52, a six-lane freeway that connects Interstate 5 in La Jolla to State Route 67. State Route 125 also intersects with State Route 52, forming a transportation hub in the heart of the City.

The City was incorporated in 1980 after beginning as a community of ranches originally named Cowleston after founder George A. Cowles. The City was renamed Santee in 1893 after Milton Santee, a local civil engineer and real estate developer. The City features extensive hiking and mountain biking trails, and the 700-acre Town Center district forms a downtown core comprised of business parks, high-density residential and retail businesses. The Town Center Community Park, located along the San Diego River, features a 15-acre sports field complex and an aquatics center.

As of January 1, 2023, the California Department of Finance (DOF) estimates that the City population is 59,227. As the resident population and non-resident employment in the City increase, there exists a correlating rise in the demand for public infrastructure and services to support growth within the City. California's Assembly Bill 1600 (AB1600) adopted in 1987 and codified as California Government Code Section 66000 et. seq., allows the City to impose Development Impact Fees on new development within the City. Development Impact Fees (DIFs) are a one-time charge on new development that is collected and used by the City to cover the cost of capital facilities, vehicles, and equipment that are required to serve new growth.

The City of Santee General Plan 2020 (General Plan) was adopted on August 23, 2003 and is comprised of the following nine elements: Land Use; Housing; Mobility; Recreation; Trails; Conservation; Noise; Safety; and Community Enhancement. The City's Housing Element was adopted in May 2022 in conformance with the 2021-2029 update cycle for jurisdictions in the San Diego Association of Governments (SANDAG) region and was reviewed with the rest of the General Plan to ensure internal consistency. The City's General Plan and updated Housing Element form the basis of the City's current development impact fee program along with land use projections and service population derived from the City Planning Department's land use analysis. As stated in the Housing Element, most of the City's residentially zoned land has already been developed with a diversity of housing types, including single-family homes, mobile home parks,

townhomes, condominiums and apartments. However, several hundred acres within the Specific Plan District and the Town Center District remain undeveloped and available for future housing development.

The Nexus Study is based on the General Plan Buildout, based on the land use projects derived from the Housing Element and City Planning Department's land use analysis. As stated in the Land Use chapter of the General Plan, the City's future is tied to the type and amount of new development it can accommodate at General Plan Buildout. Projecting future buildout capacity requires consideration of several variables and is based on assumed densities (dwelling units per acre) and intensity factors that include allowed lot coverage and floor-to-area ratios (FAR), parking requirements, etc. While some of today's developed lands may change in the coming years, most of the assumed City buildout is on remaining vacant lands planned for residential and employment-generating uses.

The City's Housing Element was adopted May 11, 2022. The Housing Element was updated in conformance with the 2021-2029 update cycle for jurisdictions in the SANDAG region and has been reviewed with the rest of the General Plan to ensure internal consistency. As portions of the General Plan are amended in the future, the Plan (including the Housing Element) will be reviewed to ensure that internal consistency is maintained.

The goal of the City is to develop a fee program that achieves the objectives laid out in the General Plan and associated Master Plans, balances fee levels with desired economic growth, and complies with the legal requirements of the Mitigation Fee Act (AB1600/Government Code Section 66000 et seq.), Assembly Bill 602 (AB602), and the standards established by Nollan v. California Coastal Commission (1987) and Dolan v City of Tigard (1994) which require that impact fees have an "essential nexus" to each development project they are charged on and must be charged in "rough proportionality" to the impact caused by the new development.

Nexus Study

Purpose

As development occurs in the City, new backbone infrastructure and capital facilities are required to mitigate the increased demand created by new residents and workers. Revenues from DIFs fund the construction of new backbone infrastructure and capital facilities as well as the related administrative costs through the City's fee program. The fee program contains separate fee categories for each type of infrastructure and capital facilities. Incorporated in this Nexus Study (Nexus Study, Study or Report) are the following fees:

- Public Facilities
- Traffic Signal
- Traffic Mitigation

- Drainage
- Parks-in-Lieu
- Fire Facilities
- Long Range Planning
- Program Administration

This Report is designed to satisfy the AB1600 Nexus requirements, AB602 requirements, and provide the necessary technical analysis to support the adoption of the updated fees. The fees will be effective 60 days after the City's final action establishing and authorizing the collection of the fees.

Results

Updated Fees

Pursuant to AB602 guidance, residential development fees are proposed to be assessed on a per square foot basis. To yield consistency across fees assessed on non-residential land uses, non-residential development fees will be assessed per 1,000 building square foot. The Public Facilities Fee, which funds park and recreation facilities and the Park-in-Lieu, which funds park land acquisition will continue to not be assessed on non-residential development based on the assumption that non-residential development does not generate demand for park facilities. Fees on Accessory Dwelling Units, specialized projects, and rebuild projects are detailed further in Section 12: Implementation and Administration. **Table 1-1** shows a summary of the proposed fees.

Table 1-1: Summary of Proposed Development Impact Fees

Land Use	Public Facilities	Traffic Signal	Traffic Mitigation	Drainage	Park in-Lieu	Fire Facilities	Long Range Planning	Administration [1]
Residential				*(Fee per Square Foot)*				
Single Family	$ 5.21	$ 0.39	$ 3.04	$ 0.35	$ 6.66	$ 1.75	$ 0.08	$ 0.35
Multi-Family	$ 5.79	$ 0.30	$ 2.36	$ 0.43	$ 7.41	$ 1.95	$ 0.09	$ 0.37
Non-Residential				*(Fee per 1,000 Building Square Foot)*				
Commercial	Exempt	$ 1,946.24	$ 15,312.15	$ 1,684.85	Exempt	$ 887.29	$ 39.84	$ 397.41
Office	Exempt	$ 1,073.96	$ 8,449.47	$ 629.63	Exempt	$ 1,950.08	$ 87.56	$ 243.81
Industrial	Exempt	$ 248.49	$ 1,955.03	$ 1,291.25	Exempt	$ 195.01	$ 8.76	$ 73.97

Notes:

1 An administrative fee (2% of each fee) is collected for (1) legal, accounting, and other administrative support and (2) development impact fee program administration costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analysis.

Proposed Fees Comparison with Existing Fees

Table 1-2 compares the Proposed Fees against the Existing Fees for Residential Land Uses. Existing residential fees were converted from a fee per dwelling unit to per square foot. Fees for Fire Facilities, General Plan, and Program Administration are new proposed fees so there are no existing fees to compare to.

Table 1-2: Comparison of Proposed and Existing Development Impact and In-Lieu Fees (Residential)

Single Family	Existing Fee [1]	Proposed Fee	Percentage Change
Public Facilities	$ 3.67	$ 5.21	42%
Traffic Signal	$ 0.21	$ 0.39	83%
Traffic Mitigation	$ 2.07	$ 3.04	47%
Drainage [2]	$ 1.99	$ 0.35	-82%
Park in-lieu	$ 4.42	$ 6.66	51%
Fire Facilities	$ -	$ 1.75	N/A
Long Range Planning	$ -	$ 0.08	N/A
Administration	$ -	$ 0.35	N/A
TOTAL	**$ 12.36**	**$ 17.83**	**44%**

Multi Family	Existing Fee [1]	Proposed Fee	Percentage Change
Public Facilities	$ 4.56	$ 5.79	27%
Traffic Signal	$ 0.18	$ 0.30	63%
Traffic Mitigation	$ 1.78	$ 2.36	33%
Drainage	$ 1.54	$ 0.43	-72%
Park in-lieu	$ 5.54	$ 7.41	34%
Fire Facilities	$ -	$ 1.95	N/A
Long Range Planning	$ -	$ 0.09	N/A
Administration	$ -	$ 0.37	N/A
TOTAL	**$ 13.60**	**$ 18.70**	**37%**

Notes:

1 Existing fees were converted from a fee per dwelling unit to per square foot using the same residential size assumptions in this study to provide a more accurate comparison to the new fee structure.

2 Drainage Fee for existing Single Family takes the average of Land Uses: HL, R1, R1A, and R2.

Table 1-3 compares the Proposed Fees against the Existing Fees for Non-Residential Land Uses. Office and Commercial land uses experience a large increase (157% and 59% respectively), mainly due to the Traffic Signal and Traffic Mitigation fees. The existing fee collected on these two land uses were abnormally low. Furthermore, the assumptions for non-residential development have changed significantly since the prior fee update, which greatly impacted the analysis.

Table 1-3: Comparison of Proposed and Existing Development Impact and In-Lieu Fees (Non-Residential)

Commercial	Existing Fee	Proposed Fee	Percentage Change
Public Facilities	Exempt	Exempt	Exempt
Traffic Signal	$ 1,568.00	$ 1,946.24	24%
Traffic Mitigation	$ 9,721.00	$ 15,312.15	58%
Drainage	$ 1,452.00	$ 1,684.85	16%
Park in-lieu	Exempt	Exempt	Exempt
Fire Facilities	$ -	$ 887.29	N/A
General Plan	$ -	$ 39.84	N/A
Administration	$ -	$ 397.41	N/A
TOTAL	**$ 12,741.00**	**$ 20,267.78**	**59%**

Office	Existing Fee	Proposed Fee	Percentage Change
Public Facilities	Exempt	Exempt	Exempt
Traffic Signal	$ 470.00	$ 1,073.96	129%
Traffic Mitigation	$ 2,913.00	$ 8,449.47	190%
Drainage	$ 1,452.00	$ 629.63	-57%
Park in-lieu	Exempt	Exempt	Exempt
Fire Facilities	$ -	$ 1,950.08	N/A
General Plan	$ -	$ 87.56	N/A
Administration	$ -	$ 243.81	N/A
TOTAL	**$ 4,835.00**	**$ 12,434.51**	**157%**

Industrial	Existing Fee	Proposed Fee	Percentage Change
Public Facilities	Exempt	Exempt	Exempt
Traffic Signal	$ 197.00	$ 248.49	26%
Traffic Mitigation	$ 1,216.00	$ 1,955.03	61%
Drainage	$ 1,452.00	$ 1,291.25	-11%
Park in-lieu	Exempt	Exempt	Exempt
Fire Facilities	$ -	$ 195.01	N/A
General Plan	$ -	$ 8.76	N/A
Administration	$ -	$ 73.97	N/A
TOTAL	**$ 2,865.00**	**$ 3,772.51**	**32%**

Program Administration Fee

The City oversees the implementation and administration of the DIF Program, consistent with the requirements of the Mitigation Fee Act. A two percent (2%) Program Administration Fee is added

to fund the costs of the City's management and ongoing fee program administration, collection, and reporting. This includes costs associated with City staff and consultant time, studies, and administration to support the program. Industry standard ranges from three to six percent (3-6%) of the fee for the administrative component of a development fee program. The administrative functions include, but are not limited to, the following:

- Annual fee adjustments
- Annual fee reporting
- Additional fee reporting every five years
- Posting of nexus studies and fee schedules on the City's website
- Nexus study updates every eight years (an AB602 requirement)
- Master Plans necessary to support the Nexus study updates
- Staff and consultant time related to fee preparation, collection, tracking, and administration
- Staff and consultant time needed to track credits and reimbursements for improvements constructed in the fee program

In addition to the aforementioned administrative activities, the City is responsible for both (i) using fee revenues to plan for and construct required capital facilities and (ii) pursue other funding sources, as required, to bridge financial gaps between what is collected and the actual cost to construct needed facilities. Furthermore, given the additional fee reporting requirements of AB 516, posting of information per AB 1483, Nexus Study updates every eight years per AB 602, and additional staff time to administer this fee program and the potential for a Master Plan in the future to support a Nexus Study update, a two percent (2%) Program Administration Fee is necessary to fund these additional requirements.

Fee Adjustment Procedures

The DIFs may be adjusted periodically to reflect revised facility requirements, receipt of funding from alternative sources (i.e., State or Federal grants), revised facilities or costs, changes in demographics, changes in the average unit square footage, or changes in the land use plan. In accordance with Santee Municipal Code section 12.30.050, Santee Development Impact Fees are automatically adjusted for inflation on July 1 of each year. The inflation adjustment is two percent or based on the previous calendar years increase in the San Diego Consumer Price Index (CPI-U: All Items) as published by the Bureau of Labor Statistics, whichever is higher. The City will amend the current municipal code to reflect adjusting the fees annually on July 1st of each year using the Construction Cost Index (CCI) for the 20-City Average, as reported by Engineering News Record (ENR), for a twelve-month period or a similar published index if the CCI Index is no longer available.

Timing of Fee Payment

Fees will be collected at the time the building permit for the project is issued. All residential projects will pay a fee based on the livable square footage of the residential unit(s). For high-density residential projects (defined in the General Plan as high-density residential development with multi-family dwellings, including apartments and condominiums), the fees will be due at the time of the building permit for each building. For high-density residential projects with communal space, the non-residential communal portion (i.e., clubhouse, maintenance facility, gym, etc.) will not be assessed impact fees as the impact is assumed to be captured in the residential fees. Areas that are accessible by the public (i.e., leasing office) will be charged impact fees according to use.

Section 2 Legal Context and Methodology

Nexus Requirement Summary

AB1600 was enacted by the State of California in 1987 creating the Mitigation Fee Act - Section 66000 et seq. of the Government Code. The Mitigation Fee Act requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified.
3. Determine how there is a reasonable relationship between the fees use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The purpose of this report is to demonstrate that all fee components comply with the Mitigation Fee Act. The assumptions, methodologies, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be charged are summarized in subsequent sections of this Report.

AB602

AB602, which was enacted by the State of California in 2021, amended Sections 65940.1 and 66019 of, and added Section 66016.5 to the Government Code. AB602 requires that if a local agency conducts and adopts an impact fee nexus study after January 1, 2022, the local agency shall follow all of the following standards and practices:

1. Before the adoption of an associated development fee, an impact fee nexus study shall be adopted.
2. When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.
3. A nexus study shall include information that supports the local agency's actions, as required by subdivision (a) of Section 66001 of the Government Code.
4. 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 fees collected under the original fee.

5. 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 of the development. A local agency that imposes a fee proportionately to the square footage of 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. A nexus study is not required to comply with the requirements to calculate a fee imposed on a housing development project proportionally to the square footage of the proposed units if the local agency makes the following findings:
    - An explanation as to why square footage is not appropriate metric to calculate fees imposed on housing development project.
    - An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.
    - That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.
6. Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.
7. 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.
8. Studies shall be updated at least every eight years, from the period beginning on January 1, 2022.
9. The local agency may use the impact fee nexus study template developed by the Department of Housing and Community Development pursuant to Section 50466.5 of the Health and Safety Code.

This report demonstrates that all fee components comply with AB602. An analysis of level of service for each applicable fee component is summarized in subsequent sections of this report. The methodologies performed to calculate the updated fees ensure that the costs for facilities are proportionately spread between existing and future users. Any existing deficiencies were removed and are not charged to new development.

Capital Improvement Plan

AB602 states that large jurisdictions shall adopt a capital improvement plan (CIP) as part of the nexus study. This report includes the facilities to be adopted as the City's CIP for the DIF program in **Appendix A**.

Methodology

Imposed fees require various findings to ensure that a reasonable relationship exists between the fee amount and the cost of the facility or portion of the facility attributable to the new development. Several methodologies are available to determine fee amounts. The most common methodologies are defined by the "Impact Fee Nexus Study Template" prepared for the California Department of Housing and Community Development by Terner Center for Housing Innovation at UC Berkeley. Choosing the appropriate methodology depends on the type of facility for which the fee is calculated and the availability of documentation to support the fee calculation. Following is a discussion of the methodologies available to calculate the separate fee components in this report.

Existing Inventory Method

The existing inventory method, also known as the "incremental method" uses a facility standard based on the ratio of existing facilities to the demand on the facilities by the existing service population on a cost per unit or cost per square foot basis. Under this approach, new development funds the expansion of facilities at the same standard currently serving existing development. By definition, the existing inventory method ensures that no facility deficiencies are spread to future development. This method is often used when a long-range plan for new facilities is not available.

Planned Facilities Method

The planned facilities method calculates the proposed fee based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities have been define by a long range master plan or expenditure plan which includes specific facilities and cost estimates. As the Planned Facilities Method relies on a long range master plan that may change as the plan is implemented, fees based on this methodology need to be regularly updated to remain consistent with the project lists and current plans.

System Plan Method

The system plan method utilizes an integrated approach to allocate the cost of existing facilities and the costs of planned facilities to the total development in the study area. This method is appropriate when calculating a systemwide fee in which new development will fund an integrated system of facilities at the future standard attributable to new development. By spreading the costs of an integrated system incorporating the existing facilities and planned facilities costs to the total development in the study area, this ensures that new development only pays their proportional share of the total system costs and is not responsible for rectifying any existing deficiencies.

Section 3 Population and Land Use Assumptions

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, different land use types must be distinguished. The land use categories used in this analysis are defined below.

- **Single Family Residential (SFR)**: Detached single-family dwelling units. Includes very low density, low density, and age-restricted units.
- **Multi-Family Residential (MFR):** Attached residential projects.
- **Accessory Dwelling Unit (ADU)**: A second unit, attached or detached from a SFR.
- **Commercial**: All commercial, retail, educational, hotel/motel development, and mixed-use development.
- **Office**: All general, professional, and medical office development.
- **Industrial**: All manufacturing and warehouse development.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases, the fees will be calculated separately for each land use type.

Growth Forecasts

Growth projections are used as indicators of demand and projected revenue to fund the infrastructure identified in **Appendix A**. The City's existing population and Buildout population projections are critical assumptions used throughout the fee sections that follow in this report. The following resources were used as part of this analysis:

- Estimates of total development through Buildout were based on the City's land use plan from the City's Housing Element Cycle 2021-2029 and the City's Planning Department's land use analysis.
- Population projections were based on the land use projections and the estimated persons per household taken from the US Census American Community Survey.
- Existing population estimates are based on the existing land uses and persons per household taken from the US Census American Community Survey. Existing non-residential worker populations are based on non-residential land use data from the City's Planning Department and the corresponding employment densities.
- Worker projections are based on estimated buildout square footage and the employees per square feet assumption from the USGBC LEED BD+C: New Construction | v4 – Default Occupancy Counts.

Table 3-1 identifies the existing and future residential units and non-residential square feet. The land use information is based on the City's General Plan, City of Santee Housing Element Cycle 2021-2029, and City planning staff. The Office land use is treated as commercial use in the General Plan and Zoning Ordinance. For purpose of this analysis, 7.6% of Commercial/ Office Land growth use is assumed as office space based on current GIS land use office and commercial acres.

Table 3-1: Existing and Future Land Uses

Land Use	Existing	Projected Growth [1]	Total (Buildout)
Residential (Units)			
Single Family	13,801	1,444	15,245
Multi Family	7,447	4,466	11,913
Subtotal Residential	*21,248*	*5,910*	*27,158*
Non-Residential (SF) [1]			
Commercial	2,309,312	1,020,343	3,329,654
Office	189,943	83,924	273,868
Industrial	2,683,296	1,266,299	3,949,595
Subtotal Non-Residential	*5,182,551*	*2,370,566*	*7,553,117*

Notes

1 Office land use is treated as commercial use in General Plan and Zoning Ordinance. For purpose of this analysis, 7.6% of Commercial/Office Land growth use is assumed as office space based on current GIS land use office and commercial acres.

Table 3-2 identifies the existing service population. Non-residential buildings are typically occupied less than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.37-weighting factor for workers is based upon a 45-hour work week (40 hours of work plus 1 hour lunch break) relative to a resident's non-working time of 123 hours (168 hours per week less 45 work hours).

Table 3-2: Existing Service Population

Category	Total Persons	Weighting Factor [3]	Service Population
Residents [1]	58,086	1.00	58,086
Workers [2]	21,968	0.37	8,128
Total	**80,054**		**66,214**

Notes:

1 Based on the existing number of units and persons per household assumptions.

2 Employment data based on existing non-residential land use and the corresponding employment (Commercial: 1.82, Office: 4.0, Industrial: 0.4)

3 Workers are weighted at 0.37 based on a 45 hour work week relative to a resident's time of 123 hours (168 hours per week less 45 work hours).

Table 3-3 shows the estimated service population at Buildout.

Table 3-3: Estimated Service Population at Buildout

Category	Total Existing Persons	Total Future Growth	Total Persons	Weighting Factor [3]	Service Population
Residents [1]	58,086	14,815	72,901	1.00	72,901
Workers [2]	21,968	2,700	24,668	0.37	9,127
Total	**80,054**	**17,515**	**97,569**		**82,028**

Notes:

1 Based on projected growth in units and the resident per unit assumption (2.93 per single family and 2.37 for multi-family).

2 Based on projected growth in 1,000 SF of non-residential land use and the corresponding employment densities (Commercial: 1.82, Office: 4.0, Industrial: 0.4).

3 Workers are weighted at 0.37 based on a 45 hour work week relative to a resident's time of 123 hours (168 hours per week less

Occupant Density

Occupant densities ensure a reasonable relationship between the increase in service population and the amount of the fee. Developers pay the fee based on the square footage of additional housing units or building square feet of non-residential development, so the fee schedule must convert service population estimates to these measurements of project size. This conversion is done using the average occupant density factors by land use type shown in **Table 3-4**. The residential density factors were derived from the US Census American Community Survey while the non-residential densities were derived from the U.S. Green Building Council Default Occupancy Counts.

Table 3-4: Persons per Household & Employment Density

Land Use	Density Assumptions	
Residential [1]		
Single Family	2.93	Residents per dwelling unit
Multi-Family	2.37	Residents per dwelling unit
Non-Residential [2]		
Commercial	1.82	Employees per 1,000 square feet
Office	4.00	Employees per 1,000 square feet
Industrial	0.40	Employees per 1,000 square feet

Notes:

1 Residential residents per dwelling unit extrapolated from American Community Survey 2020 5-Year Estimates for the City of Santee: Table B25032 & B25033.

2 Non-Residential employment density's derived from the USGBC LEED BD+C: New Construction | v4 - Default Occupancy Counts.

Average Unit Sizes

To meet AB602 requirement five (5), this Report calculated the average unit size for single family residential and multi-family units based on the estimated average size of planned new development within each land use category in the City. The average unit size is based on the livable square footage of the residential unit for all residential land uses. This Report derived the unit sizes from the City of Santee building permit records.

Basing the average unit size on livable square footage for all residential units is not only consistent with industry standard for fee calculations, it provides a strong nexus between the impact of the unit and the fee amount. A good example of this industry standard are school fees in California. In California school fees are based on assessable space, which means a quantity equal to the area (expressed in square feet) within the perimeter of a residential structure, not including the carport, walkway, garage, overhang, patio, enclosed patio, detached accessory structure or similar structure.

As stated previously, to accurately capture the impact of a residential project on capital facilities for high-density multi-family residential projects with communal spaces, the communal spaces (i.e., clubhouse, maintenance facility, gym, etc.) will not be assessed impact fees as the impact is assumed to be captured in the residential fees. Areas that contain employees and are accessible by the public (i.e., leasing office) will be charged impact fees according to use. The non-residential area accessible by the public (i.e., leasing office) will be based on the useable size of that area. The usable square footage is the actual area of a space as measured within the demising exterior walls of that space. Including areas that contain employees that are accessible by the public captures the additional impact these new facilities will have on the backbone facilities in the City.

Table 3-5 summarizes the estimated average size of planned new development within each residential land use category utilized for this study.

Table 3-5: Residential Land Use Average Unit Size

Land Use	Average SF Assumption
Residential (Units) [1]	
Single Family	2,200
Multi-Family	1,600

Sources:

1 City of Santee Building Permit records.

The City will monitor the average size of housing units in the City based on new developments on an annual basis and if the size of units on average are significantly different than anticipated, the fees will be updated as part of the annual update for the fee adjustment to reflect this change in order to ensure the fee program collects the anticipated level of funding.

Section 4 Public Facilities Fee

Background

This section presents an analysis of the need for additional passive and active park facilities and recreational community buildings to accommodate new development in the City and the fees that are necessary in order to ensure that new development provides adequate funding to meet those needs. This Nexus Study updates the methodology of the existing Public Facilities Fee and recommends updated fees.

The Public Facilities Fee is made up of two components, Park Construction and Recreation Facilities such as community centers. Residential development in the City will pay the Public Facilities Fee at building permit issuance.

For the Park Construction Component, the park cost was estimated based on the existing City adopted standard of five (5) acres of developed parkland per 1,000 residents. The Public Facilities Fee is for facility development cost only and does not include parkland acquisition costs, which is acquired through the Quimby Act which requires developers to either dedicate land to satisfy their parkland requirement or pay an in-lieu fee. Please see **Chapter 8** of this study for further detail on the Parks-in-Lieu Fee. Public Facilities Fee applies only to new residential development.

The Public Facilities Fee also includes the cost of recreation facilities. The Public Facilities Fee recreation component is calculated using the Planned Facilities Methodology taking into account the cost of future recreation facilities.

Service Population

The Public Facilities Fee is not applied to non-residential development because workers typically do not use park and community recreation facilities.

Current Level of Service

Per AB602, when applicable, the nexus study shall identify the existing level of service for each facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate. **Table 4-1** describes the existing Public Facilities provided by the City using facility information and valuation based upon Property Insurance valuation.

Table 4-1: Existing Public Facilities

Facility	Address	Size	Cost Per Unit	Total Cost
Recreation Centers		*SF*		
Santee Teen Center @ Big Rock Park	8125 Arlette St.	1,648		$ 204,387
City Hall - Building 7	10601 - 10629 Magnolia Ave.	6,222		$ 1,333,423
City Hall - Building 8A & 8P	10601 - 10629 Magnolia Ave.	6,222		$ 1,307,487
Subtotal Recreation Centers				***$ 2,845,297***
Recreation Facilities		*SF*		
City of Santee Aquatic Center (operated by YMCA)	10123 Riverwalk Drive	25,116		$ 3,621,546
Town Center Community Park, Sports Complex (operated by Sportsplex USA)	9951 Riverwalk Drive	7,527		$ 3,320,484
Subtotal Recreation Facilities				***$ 6,942,030***
Park Facilities		*Acre*		
Big Rock Park	8125 Arlette St.	5.00	*$ 725,000*	*$ 3,625,000*
Deputy Ken Collier Park	9206 Via De Cristina	0.51	*$ 725,000*	*$ 369,750*
Mast Park	9125 Carlton Hills Blvd.	61.16	*$ 725,000*	*$ 44,341,000*
Mast Park West Trail	9200 Carlton Hiulls Blvd.	43.26	*$ 725,000*	*$ 31,363,500*
Shadow Hill Park	9161 Shadow Hill Rd.	5.69	*$ 725,000*	*$ 4,125,250*
Sky Ranch Park	5850 Cala Lily St.	1.36	*$ 725,000*	*$ 986,000*
Town Center Park - East	550 Park Center Dr.	55.00	*$ 725,000*	*$ 39,875,000*
Town Center Park - West	9545 Cuyamaca St.	10.20	*$ 725,000*	*$ 7,395,000*
Walker Preserve	9500 Magnolia Ave	105.08	*$ 725,000*	*$ 76,183,000*
West Hills Park	8790 Mast Blvd.	8.41	*$ 725,000*	*$ 6,097,250*
Woodglen Vista Park	10250 Woodglen Vista Dr.	15.00	*$ 725,000*	*$ 10,875,000*
Weston Park	9050 Trailmark Way	4.47	*$ 725,000*	*$ 3,240,750*
Subtotal Park Facilities				***$ 228,476,500***
Total Facilities				**$ 238,263,827**

Table 4-2 calculates the existing level of service per resident by dividing the total cost of the existing Public Facilities by the existing resident population. The existing level of service exceeds the proposed fee level.

Table 4-2: Existing Level of Service per Resident

Description		Value
Existing Facilities		
Recreation Centers	$	2,845,297
Recreation Facilities	$	6,942,030
Park Facilities[1]	$	228,476,500
Subtotal Facilities	*$*	*238,263,827*
Soft Costs [2]	*$*	*95,305,531*
Existing Fund Balance	*$*	*7,103,713*
Total Costs	***$***	***340,673,071***
Existing Service Population [3]		**58,086**
Total Existing Level of Service per Resident	**$**	**5,864.98**

Notes:

1 Existing Facilities values derived from insurance valuation of existing Recreation buildings and Park Facilities Costs valued at $725,000/acre.

2 Soft Costs include: 10% - Construction Contingency, 15% - Design/Environmental, and 15% - Construction Admin/Inspection.

3 Existing Service population comprises of City resident population and worker population (weighted at 0.37 based on a 45 hour work week).

Planned Level of Service

The City has established a goal for parks at five (5) acres of developed public parkland per 1,000 residents, per the General Plan and Parks and Recreation Master Plan. This analysis is based on the existing City standard of five (5) acres of parkland per 1,000 residents, where new development will contribute and develop five (5) acres of developed public parkland per 1,000 residents. New development will be required to meet the standard of five (5) acres of developed public parkland per 1,000 residents with this fee. Applying the General Plan standard to new development is consistent with the Mitigation Fee Act, as outlined in Government Code Section 66001, "A fee shall not include the costs attributable to existing deficiencies in public facilities, but 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".

As detailed in **Table 4-3**, the existing level of service is identified and exceeds this City Standard. In compliance with Government Code Section 66001, the City Standard is utilized for the Park Facilities Fee as it is a City Standard set by the adopted General Plan. New development is expected to pay the fee that results in meeting the City Standard and will not be used to fund existing deficiencies.

The recreation component is new developments' fair share of planned recreation facilities in the City.

Table 4-3: Existing Level of Service for Parkland

Description	Acres
Existing Parkland [1]	
Park Acreages	315.14
Existing Service Population [2]	**58,086**
Total Existing Level of Service per Resident	**5.43**

Notes:

1 Existing parkland data from the City of Santee.

2 Existing Service population comprises of just residents and does not factor in non-residential.

Fee Methodology

The Public Facilities Fee is calculated using the Planned Facilities Methodology taking into account the future recreation facilities and the General Plan Standard taking into account City established park acreage standard new development contributes towards. As stated in the "Impact Fee Nexus Study Template" prepared for the California Department of Housing and Community Development by Terner Center for Housing Innovation at UC Berkeley, the Planned Facility Method "Estimates the costs for future facilities needed to serve new development based on a long range expenditure plan for these future facility costs." This method is appropriate when planned facilities are mostly for the benefit of new development. Per the "Impact Fee Nexus Template", the Planned Facilities Methodology estimates the costs for future facilities needed to serve new development based on a long range expenditure plan for these future facility costs. This should include identifying what types of public facilities will be needed in the future to serve new development and their associated costs, which may include refurbishment of existing facilities to maintain the existing level of service or achieving an adopted level of service that is consistent with the General Plan.

The park facilities component uses the Planned Facility Methodology based on the General Plan Standard methodology for calculating the fee. The fees are based on the future developed public parkland needed to maintain the adopted General Plan standard of five (5) acres of parkland per 1,000 residents.

Table 4-4 calculates new developments fair share of recreation facilities based on new future residents as a percentage of the total residents at Buildout.

Table 4-4: Population Allocation for Recreation Facilities

Description	Value
Population	
Existing Service Population (Residents)	58,086
Total Buildout Service Population (Residents)	72,901
Net Future Population	***14,815***
Population Allocation	
Existing Service Population	80%
Future Additional Population	20%
Total Population	***100%***

Table 4-5 calculates the Recreation Cost per resident by summing up future planned facilities costs attributable to the fee program, allocates the cost to new development based on population, and divides by the future service population. Planned Recreation Facilities were sourced from the City of Santee's AB1600 Annual and Five-Year Report (2023).

Table 4-5 shows the percent attributable to new development.

Table 4-5: Planned New Public Facilities

Description	Construction Cost	Size (SF)	Attributable to Fee Program[3]	Cost Attributable to Fee Program
Recreation Facilities				
Santee Community Center [(1)]	$ 21,000,000	12,500	20%	$ 4,200,000
Total Recreation Facilities Cost				**$ 4,200,000**
Future Service Population [(2)]				**14,815**
Recreation Cost per Resident				**$ 283.50**

Notes:

1 Other funding sources for this community center, including existing fund balance, are shown in the adopted Santee CIP 2024.

2 Future Service Population does not include workers.

3 Costs attributable to the fee program are based on population growth.

Table 4-6 calculates the Park Facilities cost per resident by dividing the cost of park construction per acre by the City standard of 5.0 acres of parkland per 1,000 residents**.** Fee revenues may be used to construct park improvements and facilities on land dedicated by developers in accordance with the City's Quimby Ordinance or though land purchased through the payment of the proposed Parks-in-Lieu Fee (see Chapter 8).

Table 4-6: Park Facilities Construction Costs per Resident

Park Construction		
Park Construction Cost per Acre [1]	$	725,000
Required Acres/1,000 Residents [2]		5.0
Park Facilities Cost per Resident	**$**	**3,625.00**

Notes:

1 Park Construction Cost per acre estimated based on last City Neighborhood park construction cost (Weston Park).

2 The City's Parks and Recreation Master Plan set's the City's standard of public parkland at 5 acres for every 1,000 people.

Table 4-7 identifies the public facilities cost per capita by taking the future cost of public facilities improvements and dividing by the future service population.

Table 4-7: Public Facility Cost per Resident

Public Facilities Cost per Resident		
Recreation Cost per Resident	$	283.50
Park Facilities Cost per Resident	$	3,625.00
Total Cost per Resident	**$**	**3,908.50**

Fee Summary

The Public Facilities Fee per unit is calculated by multiplying the cost per capita by the average number of residents per unit type (density). The fee per unit must then be converted to a fee per square foot by taking the total fee per unit and dividing by the estimated average unit size for each land use to arrive at the fee per square foot. These calculations are shown in **Table 4-8**.

Table 4-8: Public Facilities Fee Cost Summary

Land Use	Cost Per Resident	Density	Fee	Average Unit Size (SF)	Fee
Residential			(per Unit)		(per SF)
Single Family	$ 3,908.50	2.93	$ 11,451.91	2,200	$ 5.21
Multi Family	$ 3,908.50	2.37	$ 9,263.15	1,600	$ 5.79

Capital Improvement Projects and Revenue Projections

Based upon the projected new population growth, new development will contribute roughly 74 acres to the City's park system. Given the nature of new development and the fact that neighborhood parks are typically built and dedicated by the developer, the exact identification of future parks are difficult to predict.

Santee Municipal Code (SMC) Chapter 12.40, Park Lands Dedication establishes the provisions for dedication of land, payment of in-lieu fee or a combination of both for the purpose of providing park and recreation facilities to serve future residents of a subdivision development. In most cases, developers build new neighborhood parks on behalf of the City as a condition of residential subdivision construction and to fulfill their Quimby park acreage dedication requirements. Developer-built parks can often be delivered faster than City-built park projects due to economies of scale as developers are already building within their subdivisions and the constraint in City staff resources. Developers who build and dedicate parks, will be given credits against their park component of the Public Facilities Fee. Due to this requirement, it is not possible nor necessary to include a CIP list for neighborhood parks. Should the park construction component of the Public Facilities Fee be collected, the City will allocate these to new parks through the City's CIP process.

As for Community Parks, developers typically pay the fee instead of building the community park due to the large size and advanced planning community parks require, however in some cases community parks are built by developers. The Fanita Ranch Specific Plan includes 31.2 acres for a community park, which includes 19.7 active acres and 11.5 passive community park. Per the public park credit provisions set forth in City's Municipal Code Section 12.40.110, developed park land dedicated to and maintained by the City of Santee will receive up to 100 percent park credit. Developed park land maintained by an HOA and trail systems will receive up to 50 percent credit per the private park credit provisions in SMC Section 12.40.100. Per the Fanita Ranch Specific Plan, the developer plans to dedicate this land. The Community Park is included in the CIP, which is **Table A-1** in **Appendix A.**

Table 4-9 summarizes the anticipated Public Facilities Fee revenue. The revenue will be available to expand the City's Park and Recreation facilities to meet the needs of new residents. Based on the population estimates in this Nexus Study and using the City General Plan standard of 5 acres per 1,000 residents, it is anticipated that approximately 74.08 additional acres of parks facilities are needed to meet the needs of the City, plus recreation facilities, at Buildout at a cost of approximately $59 million.

Table 4-9: Public Facilities Fee Estimated Revenue at Buildout

Land Use	Proposed Fee [1]	Anticipated Growth	SF Assumptions	Anticipated Fee Collection at Buildout [2]
Residential	(per SF)	(units)		
Single Family	$ 5.21	1,444	2,200	$ 16,551,128
Multi Family	$ 5.79	4,466	1,600	$ 41,373,024
Total				**$ 57,924,152**

Notes:

1 The proposed fee does not include the administrative portion of the fee.

2 Total anticipated fee revenue may differ slightly from cost attributable to fee program due to rounding.

Nexus Requirement Summary

The Public Facilities Fee component of the DIF program meets the Mitigation Fee Act Requirements, as described in this section.

Requirement 1: Identify the purpose of the fee.

The purpose of the Public Facilities Fee is to fund the park and recreation facility needs generated by new development in the City. Each new resident creates a demand for additional park and recreation facilities. The City's adopted standard is to provide 5 acres of parkland for each 1,000 residents. In order to accommodate these needs, new park facilities will be built and/or existing park facilities will be expanded. The City has planned future recreation facilities and each new resident creates a demand for additional recreation facilities. In order to accommodate these needs, new recreation facilities will be built or existing recreation facilities will be expanded. **Table 4-6 and Table 4-7** calculates the parks and recreation cost per capita based on the City standard for parks and the estimated construction cost and planned recreation facilities.

Requirement 2: Identify the use of the fee.

The Public Facilities Fee will be used to fund new park and recreation development in order to meet the City's General Plan and Parks and Recreation Master Plan standards discussed in this chapter. Park expansion is necessary to meet the City's adopted standards of five acres of parkland for each 1,000 new residents. In most cases, developers build new neighborhood parks on behalf of the City as a condition of residential subdivision construction and to fulfill their Quimby park acreage dedication requirements. The location of the neighborhood parks will be determined based on the location of the new development project, as they are typically located within each development. The recreation component of the fee will be used to fund new or expand existing recreation facilities, such as the planned Community Center. The City has 31.2 acres of community park planned in Fanita Ranch, and it is anticipated that the developer will dedicate this acreage for the City to develop. As future developments come online and the Public Facilities Fee is collected, the City will identify future community park sites to program the remaining acres. The anticipated fee revenue to fund these facilities at Buildout is shown on **Table 4-9.**

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The fee will be used to fund new parks and recreation facilities that are necessary to serve the increased residents in the City. New residential development generates additional residents which increases the demand for park and recreation facilities. The Public Facilities Fee is calculated using the City's General Plan standard of five (5) acres of park per 1,000 residents and planned recreation facilities. Residential development is responsible for paying its fair share to meet the City's standard and the cost of recreation facilities attributable to new development. Non-residential uses do not pay the fee since they do not generate additional residents and workers have minimal impact on the City's park and recreation system.

Table 4-6 and **Table 4-7** calculate the cost per capita and then allocates the cost to each development type based on the estimated persons per household. **Table 4-8** then calculates the cost per square foot for the residential units based on the estimated average unit size**.** By basing the fee on the size of the unit and the estimated number of new residents that is anticipated to be generated by the addition of that square footage, the fee is directly correlated to the increased need for new parks.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new residential development is anticipated to generate new residents. The addition of new residents creates the need for new parks and recreation facilities to meet the City's General Plan park standard of five (5) acres per 1,000 residents and planned recreation facilities. The fee is directly correlated to the number of new residents expected to be generated by each type of development. Non-residential development does not pay for parks as non-residential developments do not generate a significant demand for park and recreation facilities. Residential development pays its fair share based on the estimated persons the new unit is expected to generate.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

As new residential units are constructed, new park facilities are necessary to meet the City's General Plan standard of 5 acres of park per 1,000 residents. New recreation facilities are necessary based on new developments fair share of the planned facilities. The Public Facilities Fee is calculated by totaling the Recreation (**Table 4-6**) and Park Facilities **(Table 4-7)** costs per resident**.** The cost per capita is then allocated to each residential land use based on the persons per household each unit is expected to generate and divided by the average unit size in square feet to determine the fee per square foot as shown in **Table 4-8**. Since the need for park and recreation facilities is based on the number of new residents, calculating the fee based on the number of persons each unit is expected to generate and converting to a fee per square feet, ensures that each new residential unit is paying only its fair share of the required facilities.

By determining the fee based on the estimated new residents that would be generated by new development, each new residential unit is paying only its fair share of the facilities required. Non-residential land uses are not assessed a Public Facilities Fee as non-residential development will not generate an increase in park and recreation facility demand.

Section 5 Traffic Signal Fee

Background

This section presents an analysis of the City's Traffic Signal Fee. The proposed Citywide Traffic Signal Fee covers the costs of maintaining existing traffic signals and construction of new traffic signals to meet the needs of new development. The Traffic Signal Fee uses the System Plan Method to calculate the fee. The System Plan Method utilizes an integrated approach to allocate the cost of existing facilities and the costs of planned facilities to the total development in the study area.

As shown in **Table 5-1**, the future traffic signal facilities costs were developed by the City based on facilities necessary to serve new development.

Table 5-1: Traffic Signal Facilities – Planned Facilities

Facility/Project	Major Street	Minor Street	Unit	Unit Cost	Total Cost
Traffic Signal			**Phases**		
New Signal - 6 Phase Signal	Magnolia Ave	Princess Joann Rd	6	415,000	$ 415,000.00
New Signal - 6 Phase Signal	Cottonwood Ave	Riverview Pkwy	6	415,000	$ 415,000.00
New Signal - 8 Phase Signal	Woodside Ave	Mission Del Magnolia / Riderwood Terrace	8	450,000	$ 450,000.00
New Signal - 8 Phase Signal	Mission Gorge Rd	Marrokal Ln	6	415,000	$ 415,000.00
New Pedestrian Signal - Hawk	Mission Gorge Rd	Forester Creek	n/a	220,000	$ 220,000.00
New Pedestrian Signal - Hawk	Cuyamaca St	South River Trail	n/a	220,000	$ 220,000.00
New Pedestrian Signal - Hawk	Prospect Ave	Forester Creek	n/a	220,000	$ 220,000.00
Subtotal Traffic Signal					*$ 2,355,000.00*
Traffic Signal Modifications			**QTY**		
Update/replace traffic signal cabinet and controllers	Various	-	4	$ 49,000	$ 196,000.00
Pedestrian Ramp Upgrades	Various	-	11	$ 9,800	$ 107,800.00
Audible Pedestrian Signal Button Installation	Various	-	28	$ 14,000	$ 392,000.00
Smart Signals and Controller/Detection Upgrades	Various Arterials	-	21	$ 80,000	$ 1,680,000.00
Signal Modification	Carlton Oaks Dr	Wethersfield Rd	n/a		$ 439,000.00
Signal Modification	Mast Blvd	Carlton Hills Blvd	n/a		$ 203,900.00
Subtotal Traffic Signal Modifications					*$ 3,018,700.00*
Communications			**QTY**		
Install new fiberoptic communication	Magnolia Ave	Park Center to Riverview Pkwy	2,000	$ 108	$ 56,000.00
Install new fiberoptic communication	Mission Gorge Rd	Fanita to Father Junipero	10,500	$ 108	$ 504,000.00
Subtotal Communications					*$ 560,000.00*
Total Traffic Signal Facilities Costs[1]					**$ 5,933,700.00**

1 Item costs include markup for design (15%), construction admin (15%), Contingency (10%).

Table 5-2 describes the existing Traffic Signal Facilities provided by the City using facility information and valuation based upon Property Insurance valuation.

Table 5-2: Existing Traffic Signal Facilities (page 1 of 2)

Facility	Major Street	Minor Street	Unit		Total Cost
Traffic Signal			**Phases**		
Traffic Signal City ID #1	Mast Boulevard	West Hills High School	6	$	375,000.00
Traffic Signal City ID #2	Mast Boulevard	Weston Drive	8	$	410,000.00
Traffic Signal City ID #3	Mast Boulevard	Medina Drive	6	$	375,000.00
Traffic Signal City ID #4	Mast Boulevard	Pebble Beach Drive	6	$	375,000.00
Traffic Signal City ID #5	Mast Boulevard	Fanita Parkway	8	$	410,000.00
Traffic Signal City ID #6	Mast Boulevard	Carlton Hills Boulevard	8	$	410,000.00
Traffic Signal City ID #7	Mast Boulevard	Halberns Boulevard	6	$	375,000.00
Traffic Signal City ID #8	Mast Boulevard	Cuyamaca Street	8	$	410,000.00
Traffic Signal City ID #9	Mast Boulevard	Bilteer Drive	6	$	375,000.00
Traffic Signal City ID #10	Mast Boulevard	Park Center Drive	6	$	375,000.00
Traffic Signal City ID #11	Mast Boulevard	Magnolia Avenue	8	$	410,000.00
Traffic Signal City ID #12	Mission Gorge Road	Father Junipero Serra Trail	6	$	375,000.00
Traffic Signal City ID #13	Mission Gorge Road	West Hills Parkway	8	$	410,000.00
Traffic Signal City ID #14	Mission Gorge Road	Rancho Fanita Drive	6	$	375,000.00
Traffic Signal City ID #15	Mission Gorge Road	Big Rock Road	6	$	375,000.00
Traffic Signal City ID #16	Mission Gorge Road	Mesa Road	6	$	375,000.00
Traffic Signal City ID #17	Mission Gorge Road	Fanita Drive	8	$	410,000.00
Traffic Signal City ID #18	Mission Gorge Road	Carlton Hills Boulevard	8	$	410,000.00
Traffic Signal City ID #19	Mission Gorge Road	Marketplace / Kohls	8	$	410,000.00
Traffic Signal City ID #20	Mission Gorge Road	Post Office / Lowes	6	$	375,000.00
Traffic Signal City ID #21	Mission Gorge Road	Town Center Parkway / Olive Lane	8	$	410,000.00
Traffic Signal City ID #22	Mission Gorge Road	Cuyamaca Street	8	$	410,000.00
Traffic Signal City ID #23	Mission Gorge Road	Mission Greens Road	8	$	410,000.00
Traffic Signal City ID #24	Mission Gorge Road	Riverview Parkway / Tamberly Way	8	$	410,000.00
Traffic Signal City ID #25	Mission Gorge Road	Cottonwood Avenue	6	$	375,000.00
Traffic Signal City ID #26	Mission Gorge Road	Edgemoor Drive	6	$	375,000.00
Traffic Signal City ID #27	Mission Gorge Road	Magnolia Avenue / Woodside Avenue	8	$	410,000.00
Traffic Signal City ID #28	Cuyamaca Street	Prospect Avenue	8	$	410,000.00
Traffic Signal City ID #29	Cuyamaca Street	Buena Vista Avenue	6	$	375,000.00
Traffic Signal City ID #30	Cuyamaca Street	Trolley Square	8	$	410,000.00
Traffic Signal City ID #31	Cuyamaca Street	Town Center Parkway	8	$	410,000.00
Traffic Signal City ID #32	Cuyamaca Street	Riverpark Drive	6	$	375,000.00
Traffic Signal City ID #33	Cuyamaca Street	Riverwalk Drive	6	$	375,000.00
Traffic Signal City ID #34	Magnolia Avenue	Prospect Avenue	8	$	410,000.00
Traffic Signal City ID #35	Magnolia Avenue	Alexander Way	6	$	375,000.00
Traffic Signal City ID #36	Magnolia Avenue	Rockvill Street	8	$	410,000.00
Traffic Signal City ID #37	Magnolia Avenue	Riverview Parkway / New Frontier	8	$	410,000.00
Traffic Signal City ID #38	Magnolia Avenue	Park Center Drive	6	$	375,000.00
Traffic Signal City ID #39	Magnolia Avenue	Braverman Drive	6	$	375,000.00
Traffic Signal City ID #40	Magnolia Avenue	Carefree Drive	6	$	375,000.00
Traffic Signal City ID #41	Magnolia Avenue	2nd Street	6	$	375,000.00
Traffic Signal City ID #42	Magnolia Avenue	El Nopal	8	$	410,000.00

Table 5-2: Existing Traffic Signal Facilities (page 2 of 2)

Facility	Major Street	Minor Street	Unit		Total Cost
Traffic Signal			**Phases**		
Traffic Signal City ID #43	Magnolia Avenue	Woodglen Vista / Len Street	8	$	410,000.00
Traffic Signal City ID #44	Prospect Avenue	Fanita Drive	8	$	410,000.00
Traffic Signal City ID #45	Prospect Avenue	Ellsworth Lane	6	$	375,000.00
Traffic Signal City ID #46	Prospect Avenue	Atlas View Drive	6	$	375,000.00
Traffic Signal City ID #47	Prospect Avenue	Olive Lane	8	$	410,000.00
Traffic Signal City ID #48	Prospect Avenue	Cottonwood Avenue	6	$	375,000.00
Traffic Signal City ID #49	Prospect Avenue	Graves Avenue	6	$	375,000.00
Traffic Signal City ID #50	Carlton Hills Boulevard	Willowgrove Avenue	6	$	375,000.00
Traffic Signal City ID #51	Carlton Hills Boulevard	Carlton Oaks Drive	8	$	410,000.00
Traffic Signal City ID #52	Carlton Hills Boulevard	Stoyer Drive	6	$	375,000.00
Traffic Signal City ID #53	Carlton Oaks Drive	Fanita Parkway	6	$	375,000.00
Traffic Signal City ID #54	Carlton Oaks Drive	Pebble Beach Drive	6	$	375,000.00
Traffic Signal City ID #55	Carlton Oaks Drive	Wethersfield Road	8	$	410,000.00
Traffic Signal City ID #56	Town Center Parkway	Costco / Walmart	6	$	375,000.00
Traffic Signal City ID #57	Town Center Parkway	Buffalo Wild Wings	6	$	375,000.00
Traffic Signal City ID #58	Town Center Parkway	Riverview Parkway	8	$	410,000.00
Traffic Signal City ID #59	Post Office	Lowes	4	$	345,000.00
Traffic Signal City ID #60	Trolley Square South		4	$	345,000.00
Traffic Signal City ID #61	Trolley Square North		4	$	345,000.00
Traffic Signal City ID #62	Woodside Avenue	Davidann Road	6	$	375,000.00
Subtotal Traffic Signal				*$*	*24,105,000.00*
Communications			**LF**		
Interconnect	Citywide	Citywide	74,500	$	10,430,000.00
Wireless	Citywide	Citywide	12	$	46,800.00
Subtotal Communications				*$*	*10,476,800.00*
Total Facilities				**$**	**34,581,800.00**

Trips

To calculate the Traffic Signal Fee and the Traffic Mitigation Fee, this study uses Institute of Transportation Engineers (ITE) common Trip Generation Rates sourced from the ITE Trip Generation Manual, 11th Edition as the base for trip generation assumptions. It is based on the average daily trips which means the total of all one-direction vehicle movements with either the origin or destination inside the study site that includes existing, primary, pass by, and diverted linked trips and is calculated in accordance with the procedures contained in Trip Generation Manual, 11th Edition published by the ITE. For the Traffic Signal Fee, these assumptions are used to calculate the total cost per capita. For the Traffic Mitigation Fee, these assumptions are also used to calculate the proportion of planned facilities that are attributable to new development. **Table 5-3** identifies the Trip Rates per land use.

Table 5-3: Trip Rates per Land Use

Land Use	Unit	Trip Generation Rate
Residential		
Single Family	Per Dwelling Unit	10.00
Multi Family[(1)]	Per Dwelling Unit	5.64
Non-Residential		
Commercial[(2)]	Per 1,000 Building SF	22.87
Office	Per 1,000 Building SF	12.62
Industrial[(3)]	Per 1,000 Building SF	2.92

Notes:

1 Trip Generation for Multi-Family uses the average of the trip generation assumption for multifamily low-rise and mid-rise housing.

2 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40%-60%. This study assumes a 50% trip reduction for commercial/retail center (shop center and strip retail plaza).

3 Industrial assumption is the average of general light industrial, industrial park, manufacturing, and warehousing.

To calculate the Existing Trips per land use (as shown in **Table 5-4**), existing residential units and existing non-residential building square footage (per 1,000 SF) is multiplied by the Trips per Unit or Trips per 1,000 square feet assumptions respectively from **Table 5-3**.

Table 5-4: Existing Vehicle Trips

Land Use	Existing Units / SF	Trips per Unit / 1,000 Bldg. SF	Total Trips (Rounded)
Residential	Units	per Unit	
Single Family	13,801	10.00	138,010
Multi Family	7,447	5.64	42,001
Non-Residential	1,000 Building SF	per 1,000 Building SF	
Commercial[1]	2,309	22.87	52,807
Office	190	12.62	2,398
Industrial	2,683	2.92	7,834
Total			**243,050**

Notes:

1 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40%-60%. This study assumes a 50% trip reduction for commercial/retail center (strip commercial).

To calculate the New Trips per land use (as shown in **Table 5-5**), projected new residential units and projected new non-residential building square footage (per 1,000 SF) is multiplied by the Trips per Unit or Trips per 1,000 square feet assumptions respectively from **Table 5-3**.

Table 5-5: New Vehicle Trips

Land Use	Additional Units / SF	Trips per Unit / 1,000 Bldg. SF	Total Trips (Rounded)
Residential	Units	per Unit	
Single Family	1,444	10.00	14,440
Multi Family	4,466	5.64	25,188
Non-Residential	1,000 Building SF	per 1,000 Building SF	
Commercial[1]	1,020	22.87	23,327
Office	84	12.62	1,060
Industrial	1,266	2.92	3,697
Total			**67,712**

Notes:

1 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40%-60%. This study assumes a 50% trip reduction for commercial/retail center (strip commercial).

Table 5-6 calculates the buildout trips using the buildout land uses multiplied by the Trips per Unit or Trips per 1,000 square feet assumptions respectively from **Table 5-3**.

Table 5-6: Total Vehicle Trips

Land Use	Total Units / SF	Trips per Unit / 1,000 Bldg. SF	Total Trips (Rounded)
Residential	Units	per Unit	
Single Family	15,245	10.00	152,450
Multi Family	11,913	5.64	67,189
Non-Residential	1,000 Building SF	per 1,000 Building SF	
Commercial[1]	3,329	22.87	76,134
Office	274	12.62	3,458
Industrial	3,949	2.92	11,531
Total			**310,762**

Notes:

1 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40%-60%. This study assumes a 50% trip reduction for commercial/retail center (strip commercial).

Service Population

Demand for traffic signal facilities is based on the total trips generated at Buildout conditions. The Traffic Signal Fee utilizes the land use trip generation assumptions presented in **Table 5-6** for the various residential and non-residential land uses based on Institute of Transportation Engineers common Trip Generation Rates (average daily trips) sourced from the ITE Trip Generation Manual, 11th Edition.

Cost Summary

The Traffic Signal Fee will fund the expansion and construction of new traffic signal facilities necessary to serve new growth. These facilities will be necessary to meet the demands of the growth of the City at Buildout. The cost for the Traffic Signal Fee is based on the integrated cost of the current and future facilities. As new development occurs, there are additional trips associated with the new development, which correlates to a need for additional traffic signal improvements. The Nexus Study acknowledges that the existing development will also benefit from these transportation improvements once they are constructed and therefore existing development has a fair share of these improvements. New development also benefits from the existing network of traffic signals and improvements and therefore new development will fund the integrated system of facilities at the existing standard attributable to new development.

The City will review the potential funding sources for traffic signal projects to determine the appropriate funding mechanisms as projects move forward as well as identify funding sources through the CIP process and identify action plans in updates to the City's Strategic Plan. It is important for new development to fund their fair share of their impact on transportation facilities.

Fee Methodology

The Traffic Signal Fee uses the System Plan Method to calculate the fee. As stated in the "Impact Fee Nexus Study Template" prepared for the California Department of Housing and Community Development by Terner Center for Housing Innovation at UC Berkeley, the System Plan Method utilizes an integrated approach to allocate the cost of existing facilities and the costs of planned facilities to the total development in the study area. This method is appropriate when calculating a systemwide fee in which new development will fund an integrated system of facilities at the future standard attributable to new development. By spreading the costs of an integrated system incorporating the existing facilities and planned facilities costs to the total development in the study area, this ensures that new development only pays their proportional share of the total system costs and is not responsible for rectifying any existing deficiencies.

The Traffic Signal Fee is calculated based on the cost per trip generated by existing and new development. The total cost of the facilities identified in **Table 5-1** and **Table 5-2** is spread over the anticipated total number of trips at buildout (existing and generated by future development), as shown in **Table 5-6**, to calculate the cost per trip. The cost per trip is calculated by taking the total cost of traffic signal facilities, calculating the existing trips and future additional trips, dividing the total cost by the total trips to derive at a cost per trip. This calculation is shown in **Table 5-7**.

Table 5-7: Traffic Signal Facilities Cost per Vehicle Trip

	Value
Existing Facilities [1]	
Traffic Signal	$ 24,105,000
Communications	$ 10,476,800
Subtotal Existing Facilities	*$ 34,581,800*
Soft Costs [2]	*$ 13,832,720*
Existing Fund Balance	*$ 171,452*
Total Existing Costs	***$ 48,585,972***
New Facilities [3]	
Traffic Signal	$ 2,355,000
Traffic Signal Modifications	$ 3,018,700
Communications	$ 560,000
Subtotal New Facilities	*$ 5,933,700*
Soft Costs [2]	*$ -*
Total New Costs	**$ 5,933,700**
Total Traffic Signal Cost	$ 54,519,672
Total Buildout Trip Generation [4]	**310,762**
Cost per Trip	**$ 175.44**

Notes:

1 Existing Facilities values derived from City Engineer cost estimate of replacement value of existing facilities.

2 Soft Costs include 10% - Construction Contingency, 15% - Design and Environmental, and 15% - Construction Admin/Inspection. Soft costs are included in the cost for the future facilities.

3 Based on new facilities provided by the City.

4 Total Trip Generation derived using existing residential units and non-residential land use assumptions.

The Traffic Signal Fee calculated on **Table 5-7** is the maximum justifiable fee using the System Plan method, but **Table 5-8** shows the fee calculation for the fee used in this analysis based on the facilities necessary to serve new development. The Traffic Signal Fee used in this analysis is calculated based on the cost per trip generated by new development. The total cost of the facilities identified in **Table 5-1** is spread over the anticipated total number of trips at buildout (generated by future development), as shown in **Table 5-5**, to calculate the cost per trip. This calculation is shown in **Table 5-8**.

Table 5-8: Traffic Signal Existing Facilities Cost per Vehicle Trip

Cost per Trip		
Traffic Signal Facilities	$	5,933,700.00
Less Fund Balance [1]	$	(171,452.00)
Total Traffic Signal Facilities	$	5,762,248.00
Additional Trip Generation	$	67,712
Cost per Trip	**$**	**85.10**

Notes:

1 Fund Balance as of 06/30/2023 and reported in the Annual Development Impact Fee Report (2023).

Fee Summary

The Traffic Signal Fee for new development is calculated by multiplying the cost per trip identified in **Table 5-8** by trip generation rate for each land use. The residential fee per unit is converted to a fee per square foot by dividing the fee per unit by the unit size estimated in **Table 3-5**. **Table 5-9** shows the proposed new Traffic Signal Fees for new development.

Table 5-9: Traffic Signal Fee Summary

Land Use	Cost Per Trip	Trip Generation [1]	Fee (Rounded)	Average Unit Size (SF)	Fee
Residential			(per Unit)		(per SF)
Single Family	$ 85.10	10.00	$ 851.00	2,200	$ 0.39
Multi Family	$ 85.10	5.64	$ 479.96	1,600	$ 0.30
Non-Residential			(per 1,000 SF)		
Commercial [2]	$ 85.10	22.87	$ 1,946.24		
Office	$ 85.10	12.62	$ 1,073.96		
Industrial	$ 85.10	2.92	$ 248.49		

Notes:

1 Institute of Transportation Engineers common Trip Generation Rates (PM Trip Rate) sourced from the ITE Trip Generation Manual, 11th Edition.

2 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40-60%. This study assumes a 50% trip reduction for commercial.

Reduced Traffic Fee

Residential developments near transit stations generate fewer trips than traditional land use configurations that rely on vehicles as the primary mode of transportation. According to various transportation studies, measurable trip reductions result for projects that are near transit stations and where there are a diversity of land uses that promote connectivity and walkability. To account

for the reduced trip rates generated by projects meeting the above characteristics, an additional trip adjustment factor is applied to new residential land uses meeting the following criteria:

1. The housing development is located within one-half mile of a transit station and there is direct access between the project and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
2. Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.
3. The housing development provides either the minimum number of parking spaces required by the local ordinance, or for residential units, no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

For purposes of this reduction, the definition of transit station shall be defined by California Government Code Section 65460.1, "Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station. Also, a "housing development" shall be defined by California Government Code Section 66005.1, which is a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.

Commercial trips often coincide with other trips (i.e., Person A stops by the store on their way home from work, Person B stops by a restaurant after grocery shopping, etc.) This "pass-by" trip reduction amount is factored into the Commercial trip generation estimates (**Table 5-3**) as well as the fee for commercial land use in **Table 5-9**.

Revenue Projections

Table 5-10 summarizes the anticipated Traffic Signal Fee revenue collected at Buildout. The revenue will be used to fund the traffic signal facilities shown on **Table 5-1**.

Table 5-10: Anticipated Traffic Signal Fee Collection at Buildout

Land Use	Proposed Fee [1]	Anticipated Growth	SF Assumptions	Anticipated Fee Collection at Buildout [2]
Residential	(per SF)	(Units)	(SF)	
Single Family	$ 0.39	1,444	2,200	$ 1,238,952
Multi Family	$ 0.30	4,466	1,600	$ 2,143,680
Non-Residential	(per 1,000 SF)	(1,000 SF)		
Commercial	$ 1,946.24	1,020.34		$ 1,985,827
Office	$ 1,073.96	83.92		$ 90,127
Industrial	$ 248.49	1,266.30		$ 314,663
Total				**$ 5,773,249**

Notes:

1 The proposed fee does not include the administrative portion of the fee.

2 Total anticipated fee revenue may differ slightly from cost attributable to fee program due to rounding. Rounded to nearest dollar.

Current Level of Service

Per AB602, when applicable, the nexus study shall identify the existing level of service for each traffic signal facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate. As shown on **Table 5-11**, the proposed Traffic Signal Fee is less than the existing level of service.

Table 5-11: Existing Level of Service per Vehicle Trip

Description		Value
Existing Facilities [1]		
Traffic Signal	$	24,105,000
Communications	$	10,476,800
Subtotal Facilities	*$*	*34,581,800*
Soft Costs [2]	*$*	*13,832,720*
Existing Fund Balance	*$*	*171,452*
Total Costs	***$***	***48,585,972***
Existing Trip Generation [3]		**243,050**
Cost per Trip	**$**	**199.90**

Notes:

1 Existing Facilities values derived from City Engineer cost estimate of replacement value of existing facilities.

2 Soft Costs include 10% - Construction Contingency, 15% - Design and Environmental, and 15% - Construction

3 Existing Trip Generation derived using existing residential units and non-residential land use assumptions.

Nexus Requirement Summary

The proposed Traffic Signal Fee meets the Mitigation Fee Act Requirements, as described in this section.

Requirement 1: Identify the purpose of the fee.

The purpose of the Traffic Signal Fee is to fund planned traffic signal facilities included in **Table 5-1** to serve future development. In order to accommodate this need, new facilities must be built and/or existing facilities expanded.

Requirement 2: Identify the use of the fee.

The fee will be used to fund the planned traffic signal facilities identified in **Table 5-1** that are necessary to serve increased demand. The City identified these future projects as the facilities that are required to mitigate the impact of new development in the City.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Traffic Signal Fee will be used to fund the new traffic signal facilities and improvements that are necessary to serve the increase in transportation demand due to new development. The cost of

the improvements is spread to each land use based on the number of trips generated by each land use. This correlation to trips ensures that each new development pays their fair share of the transportation costs.

The cost per trip calculations is shown in **Table 5-8**. The fee calculation is shown in **Table 5-9**.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new residential and non-residential development within the City will generate additional trips that incrementally adds to the need for new traffic infrastructure and facilities to serve the increased residents and businesses within the City and ensure that traffic facilities can accommodate the increased demand. These facilities are provided by the City. Each new residential and non-residential development pays an impact fee based on the additional trips that is expected to be generated by the new development. To accommodate these additional trips, new traffic signal improvements will be needed city-wide. Utilizing trips generated by each development ensures that each type of development pays their fair share of the required new traffic signal facilities. This calculation is shown in **Table 5-9**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The Traffic Signal fee is based on the System Plan Method, which estimates the costs for an integrated system of existing and future facilities. The traffic signal facilities that are necessary for the new development are summarized in the planned improvements presented in **Table 5-1**. The existing traffic signal facilities are shown on **Table 5-2**. Each land use pays their fair share of costs based on the number of trips generated by that land use as shown in **Table 5-7**. The Traffic Signal Fee is calculated based on the cost per trip generated by existing and new development divided by the Buildout service population. The total cost of the facilities identified in **Table 5-1** and **Table 5-2** is spread over the anticipated total number of trips at buildout (existing and generated by future development), as shown in **Table 5-6**, to calculate the cost per trip. Utilizing trips ensures that each development pays their fair share of the cost.

Section 6 Traffic Mitigation Fee

Background

This section presents an analysis of the City's Traffic Mitigation Fee. The proposed Citywide Traffic Mitigation Fee covers the construction of new traffic facilities to meet the needs of new development.

As shown in **Table 6-1**, the future traffic mitigation facilities were developed by the City of Santee based on facilities necessary to serve new development. Facilities are based on the adopted FY 2024-2028 Capital Improvement Program Budget. The City does not anticipate any future major Traffic Mitigation improvements beyond the facilities identified in the CIP. If the City does determine future Traffic Mitigation improvements need to be added to the fee program, the fee would need to be updated.

Table 6-1: Traffic Mitigation Facilities – Planned Facilities

Facility	Description	Total Project Cost	Percent Attributable to New Development [1]	Fee Program Cost
Traffic Mitigation Facility				
Cottonwood Avenue River Crossing[2]	Extend Cottonwood Avenue from Riverview Parkway to northern end of Cottonwood Avenue	$ 20,786,000	100%	$ 20,786,000
Cottonwood Avenue Widening and Sidewalk Improvements	Widen Cottonwood Avenue and install street improvements between Mission Gorge Road and Prospect Avenue	$ 12,130,000	21.79%	$ 2,643,093
Graves Avenue Street Improvements	Widen Graves Avenue from Pepper Drive to Prospect Avenue	$ 7,544,000	21.79%	$ 1,643,817
Magnolia Avenue Widening	Widen the west side of Magnolia Avenue from the San Diego River to Park Avenue	$ 4,786,000	21.79%	$ 1,042,856
Median Modification - Mission Gorge Road at Marketplace	Realign center median on Mission Gorge Road at Marketplace and Post office to accommodate existing traffic volumes on Mission Gorge Road.	$ 560,000	21.79%	$ 122,022
Olive Lane Improvements	Widen Olive Land from the Forester Creek Bridge to Mission Gorge Road and install street improvements.	$ 2,850,000	21.79%	$ 621,007
Prospect Avenue Improvements - West	Widen Prospect Avenue from Mesa Road to Fanita Drive. Install street improvements and purchase right-of-way.	$ 21,267,000	21.79%	$ 4,634,020
Traffic Signal and Communication Upgrades	Upgrade existing Traffic Signal System on Major roadways in include interconnection, upgraded controllers and vehicle detections systems.	$ 4,083,800	21.79%	$ 889,849
Subtotal Traffic Mitigation Facilities		**$ 74,006,800**		**$ 32,382,664.90**
Soft Cost: Construction Contingency (10%)				**$ 3,238,266.49**
Soft Cost: Design and Environmental (15%)				**$ 4,857,399.74**
Soft Cost: Construction Administration and Inspection (15%)				**$ 4,857,399.74**
Total Traffic Mitigation Facilities Costs				**$ 45,335,730.87**

Notes:
1 Percent attributable to new development based upon additional trips generated by new development over total existing and new trips.
2 Cottonwood Avenue River Crossing project is fully attributable to new development based on conversations with the City and the project is in a fully undeveloped area.

Source:
Adopted FY 2024-2028 Capital Improvement Program Budget.

Service Population

Demand for traffic mitigation facilities is based on the additional trips that will be generated by new development through Buildout conditions. The Traffic Mitigation Fee utilizes the land use trip generation assumptions presented in **Table 6-2** for the various residential and non-residential land uses based on Institute of Transportation Engineers common Trip Generation Rates (PM Trip Rate) sourced from the ITE Trip Generation Manual, 11th Edition**.**

Table 6-2: Future Additional Trips

Land Use	Additional Units / SF	Trips per Unit / 1,000 Bldg. SF	Total Trips (Rounded)
Residential	Units	per Unit	
Single Family	1,444	10.00	14,440
Multi Family	4,466	5.64	25,188
Non-Residential	1,000 Building SF	per 1,000 Building SF	
Commercial[1]	1,020	22.87	23,327
Office	84	12.62	1,060
Industrial	1,266	2.92	3,697
Total			**67,712**

Notes:

1 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40%-60%. This study assumes a 50% trip reduction for commercial/retail center (strip commercial).

Cost Summary

The Traffic Mitigation Fee will fund the expansion and construction of new traffic mitigation facilities necessary to serve new growth. These facilities will be necessary to meet the demands of the growth of the City at Buildout. The percent attributable to new development is calculated as the proportion of new vehicle trips that will be generated by new growth in the City over the total trips at buildout, which is shown below. The cost attributable to the Cottonwood Avenue River Crossing project is 100 percent as this improvement is surrounded by undeveloped land and it is necessary to support new development.

Description	Value
Population	
Existing Trips	243,050
Total Buildout Trips	310,762
Net Future Trips	67,712
Trips Allocation	
Existing Trips	78.21%
Future Trips	21.79%
Total Trips	**100.00%**

As new development occurs, there are additional trips associated with the new development, which correlates to a need for additional traffic mitigation improvements. The Nexus Study acknowledges that the existing development will benefit from these transportation improvements once they are constructed and therefore existing developments' fair share of the improvements (based on trip generation rates) is allocated to existing development and is not spread to new development.

The City will review the potential funding sources for transportation projects to determine the appropriate funding mechanisms as transportation projects move forward as well as identify funding sources through the CIP process and identify action plans in updates to the City's Strategic Plan. It is important for new development to fund their fair share of their impact on transportation facilities. As new development will impact the existing transportation infrastructure, this is a conservative approach that does not burden new development with any existing deficiencies.

Fee Methodology

The Traffic Mitigation Fee uses the Planned Facilities Method to calculate the fee. As stated in the "Impact Fee Nexus Study Template" prepared for the California Department of Housing and Community Development by Terner Center for Housing Innovation at UC Berkeley, the Planned Facilities Method calculates the proposed fee based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities have been define by a long range master plan or expenditure plan which includes specific facilities and cost estimates. As the Planned Facilities Method relies on a long range master plan that may change as the plan is implemented, fees based on this methodology need to be regularly updated to remain consistent with the project lists and current plans.

In order to distribute the share of project costs to each land use type, the total trips generated by new development must be calculated. To calculate the total number of new trips attributable to new development within the City Buildout, the growth projections, detailed in Chapter 3**,** are multiplied by the corresponding trip generation rates as derived from the Institute of Transportation

Engineers (ITE). The Traffic Mitigation Fee is calculated based on the cost per trip generated by new development. The total cost of the facilities attributed to new development identified in **Table 6-1** is spread over the anticipated number of trips that will be generated by future development (as shown in **Table 6-2**) to calculate the cost per trip.

Residential trips are calculated by multiplying the anticipated growth in residential units by the corresponding density's trip generation rates. Non-residential trips were calculated by multiplying the anticipated growth in 1,000 building square feet with the corresponding trip generation rates. Commercial trips often coincide with other trips (i.e., Person A stops by the store on their way home from work, Person B stops by a restaurant after grocery shopping, etc.). Pass-by trips are a subset of trips traveling on a road that stops by a near-by commercial development. They are not new trips. The ITE Trip Generation Manual, 11th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between forty to sixty percent (40-60%). This study assumes a fifty percent (50%) trip reduction for commercial.

To calculate the total number of new trips attributable to new development through Buildout, the growth projections, detailed in Chapter 3**,** are multiplied by the corresponding trip generation rates identified in **Table 6-2**.

Table 6-3 calculates the total number of existing trips attributable to existing development. The existing land uses and employees, detailed within Chapter 3, are multiplied by the corresponding trip generation rates identified in **Table 6-3**. **Table 6-3** displays the ITE Trip Generation Manual, 11th Edition trip generation rates for the land use types within this fee program. The existing trips are calculated to determine future developments responsibility as the total transportation cost is allocated between existing and future trips.

Table 6-3: Existing Trips

Land Use	Existing Units / SF	Trips per Unit / 1,000 Bldg. SF	Total Trips (Rounded)
Residential	Units	per Unit	
Single Family	13,801	10.00	138,010
Multi Family	7,447	5.64	42,001
Non-Residential	1,000 Building SF	per 1,000 Building SF	
Commercial[1]	2,309	22.87	52,807
Office	190	12.62	2,398
Industrial	2,683	2.92	7,834
Total			**243,050**

Notes:

1 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40%-60%. This study assumes a 50% trip reduction for commercial/retail center (strip commercial).

The cost per trip is calculated by taking the total cost of the improvements identified as attributable to future within the City and dividing it by the future trips to determine the cost per trip. This calculation is shown in **Table 6-4.**

Table 6-4: Traffic Mitigation Facilities Cost per Vehicle Trip

Cost per Trip		
Traffic Mitigation Facilities	$	45,335,208.42
Trip Generation	$	67,712
Cost per Trip	**$**	**669.53**

Notes:

1 Fund Balance as of 06/30/2023 and reported in the Annual Development Impact Fee Report (2023).

Fee Summary

The Traffic Mitigation Fee for new development is calculated by multiplying the cost per trip identified in **Table 6-4** by trip generation rate for each land use. The residential fee per unit is converted to a fee per square foot by dividing the fee per unit by the unit size estimated in **Table 3-4**. **Table 6-5** shows the proposed new Traffic Mitigation Fees for new development.

Table 6-5: Traffic Mitigation Fee Summary

Land Use	Cost Per Trip	Trip Generation [1]	Fee	Average Unit Size (SF)	Fee
Residential			(per Unit)		(per SF)
Single Family	$ 669.53	10.00	$ 6,695.30	2,200	$ 3.04
Multi Family	$ 669.53	5.64	$ 3,776.15	1,600	$ 2.36
Non-Residential			(per 1,000 SF)		
Commercial [2]	$ 669.53	22.87	$ 15,312.15		
Office	$ 669.53	12.62	$ 8,449.47		
Industrial	$ 669.53	2.92	$ 1,955.03		

Notes:

1 Institute of Transportation Engineers common Trip Generation Rates (PM Trip Rate) sourced from the ITE Trip Generation Manual, 11th Edition.

2 ITE Trip Generation Manual, 10th Edition notes all Retail and Services land uses are entitled to a "pass-by" trip reduction between 40-60%. This study assumes a 50% trip reduction for commercial.

Reduced Traffic Fee

Residential developments near transit stations generate fewer trips than traditional land use configurations that rely on vehicles as the primary mode of transportation. According to various transportation studies, measurable trip reductions result for projects that are near transit stations

and where there are a diversity of land uses that promote connectivity and walkability. To account for the reduced trip rates generated by projects meeting the above characteristics, an additional trip adjustment factor is applied to new residential land uses meeting the following criteria:

4. The housing development is located within one-half mile of a transit station and there is direct access between the project and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
5. Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.
6. The housing development provides either the minimum number of parking spaces required by the local ordinance, or for residential units, no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

For purposes of this reduction, the definition of transit station shall be defined by California Government Code Section 65460.1, "Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station. Also, a "housing development" shall be defined by California Government Code Section 66005.1, which is a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.

Commercial trips often coincide with other trips (i.e., Person A stops by the store on their way home from work, Person B stops by a restaurant after grocery shopping, etc.) This "pass-by" trip reduction amount is factored into the Commercial trip generation estimates (**Table 6-2**) as well as the fee for commercial land use in **Table 6-5**.

Revenue Projections

Table 6-6 summarizes the anticipated Traffic Mitigation Fee revenue collected at Buildout. The revenue will be used to fund the traffic mitigation facilities shown on **Table 6-1**.

Table 6-6: Anticipated Traffic Mitigation Fee Collection at Buildout

Land Use	Proposed Fee [1]	Anticipated Growth	SF Assumptions	Anticipated Fee Collection at Buildout [2]
Residential	(per SF)	(units)		
Single Family	$ 3.04	1,444	2,200	$ 9,657,472
Multi Family	$ 2.36	4,466	1,600	$ 16,863,616
Non-Residential	(per 1,000 SF)	(1,000 SF)	(1,000 SF)	
Commercial	$ 15,312.15	1,020.34		$ 15,623,599
Office	$ 8,449.47	83.92		$ 709,080
Industrial	$ 1,955.03	1,266.30		$ 2,475,654
Total				**$ 45,329,421**

Notes:
1 The proposed fee does not include the administrative portion of the fee.
2 Total anticipated fee revenue may differ slightly from cost attributable to fee program due to rounding.

Nexus Requirement Summary

The proposed Traffic Mitigation Fee meets the Mitigation Fee Act Requirements, as described in this section.

Requirement 1: Identify the purpose of the fee.

The purpose of the Traffic Mitigation Fee is to fund new developments' share of planned traffic mitigation facilities included in **Table 6-1** to serve future development. In order to accommodate this need, new facilities must be built and/or existing facilities expanded.

Requirement 2: Identify the use of the fee.

The fee will be used to fund the planned traffic mitigation facilities identified in **Table 6-1** and detailed in **Appendix B**, that are necessary to serve increased demand. The improvements were identified through the current City Adopted FY 2024-2028 Capital Improvement Program Budget, City identified projects, and additional City discussions, as the facilities that are required to mitigate the impact of new development in the City.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The Traffic Mitigation Fee will be used to fund new developments' share of the new traffic mitigation facilities and improvements that are necessary to serve the increase in transportation demand due to new development. The cost of the improvements is spread to each land use based on the number of trips generated by each land use. This correlation to trips ensures that each new development pays their fair share of the transportation costs.

The cost per trip calculations is shown in **Table 6-4**. The fee calculation is shown in **Table 6-5.**

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new residential and non-residential development within the City will generate additional trips that incrementally adds to the need for new traffic infrastructure and facilities to serve the increased residents and businesses within the City and ensure that traffic facilities can accommodate the increased demand. These facilities were identified through City discussions based on future growth of the City. Each new residential and non-residential development pays an impact fee based on the additional trips that is expected to be generated by the new development. To accommodate these additional trips, new traffic mitigation improvements will be needed city-wide. Utilizing trips generated by each development ensures that each type of development pays their fair share of the required new traffic mitigation facilities. This calculation is shown in **Table 6-4**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The transportation facilities that are necessary for the new development are summarized in the planned improvements presented in **Table 6-1**. Each land use pays their fair share of costs based on the number of trips generated by that land use as shown in **Table 6-2**. Existing development is netted out from the analysis based on existing trips (calculated on **Table 6-3**), to ensure that future land uses only pays their fair share of the traffic improvements, as calculated in **Table 6-1**. The cost per trip is then spread to each land use based on the Institute of Transportation Engineers common Trip Generation Rates (PM Trip Rate) sourced from the ITE Trip Generation Manual, 11th Edition rates. This calculation is shown in **Table 6-4**. Utilizing trips ensures that each development pays their fair share of the cost.

Section 7 Drainage Fee

Background

The Drainage Fee is collected for the purpose of maintaining and servicing the existing drainage facilities in the City. The Drainage Fee is calculated using the Existing Inventory Methodology. The existing inventory method uses a facility standard based on the ratio of existing facilities to the existing service population on a cost per unit or cost per square foot basis. Under this approach, new development funds the expansion of facilities at the same standard currently serving existing development. By definition, the existing inventory method ensures that no facility deficiencies are spread to future development. This method is often used when a long-range plan for new facilities is not available. An inventory of existing drainage facilities was provided by the City using GIS inventory of drainage facilities the City currently operates and maintains.

Current Level of Service

The current level of service is based on the value of the Drainage Facilities as shown below in **Table 7-1**.

To determine the current level of service, the value of the existing drainage facilities the cost per impervious acre is calculated in **Table 7-2** by totaling the costs associated with the existing drainage facilities, adding the existing fund balance, and dividing by the existing developable impervious acres.

Table 7-1: Existing Drainage Facilities

Facility	Quantity	Unit	Cost Per Unit	Total Cost
Inlets				
Catch Basin	331	EA	$ 10,000	$ 3,310,000
Type A	51	EA	$ 10,000	$ 510,000
Type B	817	EA	$ 10,000	$ 8,170,000
Type C	42	EA	$ 15,000	$ 630,000
Type J	16	EA	$ 10,000	$ 160,000
Other	286	EA	$ 10,000	$ 2,860,000
Subtotal Inlets				*$ 15,640,000*
Cleanouts				
Type A	700	EA	$ 8,500	$ 5,950,000
Type B	119	EA	$ 10,000	$ 1,190,000
Other	116	EA	$ 8,500	$ 986,000
Subtotal Cleanouts				*$ 8,126,000*
Headwalls				
Straight (Type A)	236	EA	$ 8,000	$ 1,888,000
Wing (Type U)	106	EA	$ 8,500	$ 901,000
Type L	12	EA	$ 8,000	$ 96,000
Other	130	EA	$ 8,000	$ 1,040,000
Subtotal Headwalls				*$ 3,925,000*
Pipelines				
36" Diameter Storm Drain	32,262	LF	$ 350	$ 11,291,700
39" Diameter Storm Drain	1,470	LF	$ 400	$ 588,000
42" Diameter Storm Drain	27,720	LF	$ 450	$ 12,474,000
45" Diameter Storm Drain	616	LF	$ 475	$ 292,600
48" Diameter Storm Drain	17,364	LF	$ 500	$ 8,682,000
54" Diameter Storm Drain	17,135	LF	$ 700	$ 11,994,500
60" Diameter Storm Drain	6,944	LF	$ 850	$ 5,902,400
66" Diameter Storm Drain	5,070	LF	$ 900	$ 4,563,000
69" Diameter Storm Drain	487	LF	$ 925	$ 450,475
72" Diameter Storm Drain	2,739	LF	$ 950	$ 2,602,050
84" Diameter Storm Drain	1,150	LF	$ 1,200	$ 1,380,000
96" Diameter Storm Drain	487	LF	$ 1,500	$ 730,500
Subtotal Pipelines				*$ 60,951,225*
Subtotal Facilities				***$ 88,642,225***
Soft Costs				
Construction Contingency (10%)				*$ 8,864,223*
Design and Environmental (15%)				*$ 13,296,334*
Construction Admin / Inspection (15%)				*$ 13,296,334*
Total Facilities				**$ 124,099,115**

Table 7-2: Drainage Facilities Cost per Impervious Acre

Description		Value
Existing Facilities [1]		
Inlets	$	15,640,000
Cleanouts	$	8,126,000
Headwalls	$	3,925,000
Pipelines	$	60,951,225
Subtotal Costs	*$*	*88,642,225*
Soft Costs	*$*	*35,456,890*
Existing Fund Balance	*$*	*1,147,737*
Total Costs	***$***	***125,246,852***
Existing Impervious Acres [2]		**6,044**
Existing Cost per Impervious Acre	**$**	**20,722.51**

Notes:

1 Existing Facilities values derived from City Engineer cost estimate of replacement value of existing facilities.

2 Existing acres in City identified in the Master Drainage Study Update (2023). Excludes park/open space and right away acres.

Planned Level of Service

The City's drainage facilities serve both residents and businesses. Demand for services and associated facilities, is based on the City's impervious acres. The City plans to maintain the current level of service cost per impervious acre, as shown on **Table 7-2**, with appropriate participation from new development. Per AB602, when applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate. This Nexus Study identifies the existing level of service per impervious acre and based on the Nexus Study analysis and discussions with City staff, it has been deemed appropriate to maintain the existing level of service. As described below, this ensures that no facility deficiencies are spread to future development.

Fee Methodology

The Drainage Fee uses the Existing Inventory Method methodology for calculating the fee. As stated in the "Impact Fee Nexus Study Template" prepared for the California Department of Housing and Community Development by Terner Center for Housing Innovation at UC Berkeley, with the Existing Inventory Method "New development will fund the expansion of facilities at the same standard as currently used to service existing development." The fees are calculated based on the value of current facilities divided by existing impervious area. Future development will fund facilities at this same standard, which assumes that future facilities will be needed at the same level as current drainage facilities.

Fee Summary

The Drainage Fee is distributed across the various land uses by multiplying by the impervious factor assumptions to calculate a fee per acre, which is then divided by residential unit density and non-residential floor area ratio assumptions to calculate the fee per unit. This fee per unit is then divided by the average unit assumption for Single Family and Multi-Family to reach a fee per square foot for residential land uses and a fee per 1,000 square feet for non-residential land uses (as shown in **Table 7-3**).

Table 7-3: Drainage Fee Summary

Land Use	Impervious Factor [1]	Cost per Impervious Acre	Fee per Acre	Residential Unit Density / FAR [2]	Fee per Unit	Average Unit Size (SF) / FAR Conversion [3]	Fee
Residential					(per Unit)		(per SF)
Single Family [4]	26%	$ 20,722.51	$ 5,387.85	7.00	$ 769.69	2,200	$ 0.35
Multi Family [5]	73%	$ 20,722.51	$ 15,127.43	22.00	$ 687.61	1,600	$ 0.43
Non-Residential							(per 1,000 SF)
Commercial	85%	$ 20,722.51	$ 17,614.13	0.24		10.45	$ 1,684.85
Office	90%	$ 20,722.51	$ 18,650.26	0.68		29.62	$ 629.63
Industrial	95%	$ 20,722.51	$ 19,686.38	0.35		15.25	$ 1,291.25

Notes:

1 Impervious Factor identified in the Master Drainage Study Update (2023) Table 3-3. The impervious factor represents an estimate of the percentage of surface area that will generate storm water run-off.

2 Residential Unit Density assumes the median of the land use zones included in the Single Family and Multi-Family groupings. Floor Area Ratio based off City provided Impact Fee Unit Assessments Spreadsheet.

3 Average unit size based on planned new development in the City of Santee. Floor Area Ratios used to convert EDU per Acre to per KSF: Commercial (0.24), Office (0.68), and Industrial (0.35).

4 Single Family includes HL, R1, R1-A, R2, and R7 land use data from the Master Drainage Study Update (2023). Impervious Factor takes the average and Residential Density takes the median of these land use zones.

5 Multi Family includes R14 and R22 land use data from the Master Drainage Study Update (2023). Impervious Factor takes the average and Residential Density takes the median of these land use zones.

Capital Improvement Projects and Revenue Projections

Table 7-4 summarizes the anticipated future facilities needed for new development.

Table 7-4: Anticipated Future Drainage Projects

Project ID	Project Name	Construction Cost	Construction Contingency	Subtotal Construction	Design/ Permitting	Project Total Cost
Project 1A	Las Colinas Channel Culvert and Upsizing	$ 2,340,000	$ 710,000	$ 3,050,000	$ 1,220,000	$ 4,270,000
Project 1B	Cottonwood Ave to Mission Gorge Storm Drain Upsize	$ 430,000	$ 130,000	$ 560,000	$ 230,000	$ 790,000
Project 1C	Mission Gorge Culvert Project	$ 840,000	$ 260,000	$ 1,100,000	$ 440,000	$ 1,540,000
Project 2	Buena Vista Channel Upsizing	$ 1,870,000	$ 570,000	$ 2,440,000	$ 980,000	$ 3,420,000
Project 3.1A	Cottonwood Ave - Las Brisas Dr to Mission Gorge Rd Storm Drain Upsize	$ 340,000	$ 110,000	$ 450,000	$ 180,000	$ 630,000
Project 3.1B	Cottonwood Ave - Happy Ln and Mission Gorge Rd Storm Drain Improvements	$ 140,000	$ 50,000	$ 190,000	$ 80,000	$ 270,000
Project 3.2	Cottonwood Ave - El Toro Ln and Buena Vista Ave Storm Drain	$ 220,000	$ 70,000	$ 290,000	$ 120,000	$ 410,000
Project 3.3	Cottonwood Ave - Prospect Ave and Hwy 52 Storm Drain	$ 280,000	$ 90,000	$ 370,000	$ 150,000	$ 520,000
Project 4.1	South Mission Gorge Rd - Olive Ln and Forester Creek Storm Drain Upsize and Extension	$ 1,380,000	$ 420,000	$ 1,800,000	$ 720,000	$ 2,520,000
Project 4.2	North Mission Gorge Rd - Town Center Pkwy and Carlton Hills Storm Drain Extension	$ 200,000	$ 60,000	$ 260,000	$ 110,000	$ 370,000
Project 5.1	Shadow Hill Rd and Woodside Ave Drainage Improvements	$ 1,440,000	$ 440,000	$ 1,880,000	$ 760,000	$ 2,640,000
Project 5.2	Northcote Rd and Woodside Ave Drainage Improvements	$ 2,420,000	$ 730,000	$ 3,150,000	$ 1,260,000	$ 4,410,000
Project 6	Pepper Dr and Graves Ave Drainage Improvements	$ 530,000	$ 160,000	$ 690,000	$ 280,000	$ 970,000
Project 7	Prospect Ave to San Diego River Storm Drain	$ 1,420,000	$ 430,000	$ 1,850,000	$ 740,000	$ 2,590,000
Total Facilities		**13,850,000**	**4,230,000**	**18,080,000**	**7,270,000**	**25,350,000**

Source:
City of Santee Master Drainage Study Update, prepared by Rick Engineering Company (July 20, 2023).

Table 7-5 summarizes the anticipated Drainage Fee revenue that will be utilized to fund the construction and/or expansion of drainage facilities that will serve new development.

Table 7-5: Drainage Fee Estimated Revenue at Buildout

Land Use	Proposed Fee [1]	Anticipated Growth	SF Assumptions	Anticipated Fee Collection at Buildout [2]
Residential	(per SF)	(units)		
Single Family	$ 0.35	1,444	2,200	$ 1,111,880
Multi Family	$ 0.43	4,466	1,600	$ 3,072,608
Non-Residential	(per 1,000 SF)	(1,000 SF)		
Commercial	$ 1,684.85	1020.34		$ 1,719,120
Office	$ 629.63	83.92		$ 52,839
Industrial	$ 1,291.25	1266.30		$ 1,635,110
Total				**$ 7,591,557**

Notes:
1 The proposed fee does not include the administrative portion of the fee.
2 Total anticipated fee revenue may differ slightly from cost attributable to fee program due to rounding.

Nexus Requirement Summary

The Drainage Fee component of this DIF Study meets the Mitigation Fee Act Requirements, as described in this section.

Requirement 1: Identify the purpose of the fee.

The purpose of the Drainage Fee is to fund the Drainage Facilities needs generated by new development in the City, such as new or expanded drainage facilities in the City. Each new resident and worker create additional impervious acres which creates a demand for additional drainage facilities. In order to accommodate these needs, new drainage facilities will be built and/or existing facilities will be expanded.

Requirement 2: Identify the use of the fee.

The Drainage Fee will be used to fund new drainage facilities in order to maintain the City's existing level of service. The anticipated new facilities are show on **Table 7-4** and the associated fee revenue at Buildout is shown on **Table 7-5**, which will be used to fund new or expanded drainage facilities.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The fee will be used to fund new drainage facilities that are necessary to serve the increased impervious acres in the City. New development generates additional impervious acres which increases the demand for drainage facilities. The existing inventory method uses a facility standard based on the ratio of existing facilities to the existing service population on a cost per unit or cost per square foot basis. Under this approach, new development funds the construction of new facilities or the expansion of facilities at the same standard currently serving existing development. By definition, the existing inventory method ensures that no facility deficiencies are spread to future development.

Table 7-1 identifies the existing drainage facilities and **Table 7-2** calculates the existing cost per impervious acre. The cost per impervious acre is then allocated to each development type based on the impervious factor. The cost per acre is then multiplied by the residential density (dwelling units per acre) and the non-residential floor area ratio for a fee per unit for residential and per 1,000 square feet for non-residential. Finally, the estimated persons per household and employees per 1,000 square feet is applied to the fee. **Table 7-3** calculates the cost per square foot for the residential units based on the estimated average unit size and cost per 1,000 square feet for non-residential**.** Calculating the fees based on the anticipated impervious acres ensures a reasonable relationship between the fees use and the type of development planned to be built.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new development is anticipated to generate additional impervious acres that require drainage facilities. The addition of new residents and workers creates the need for new or expanded drainage facilities to maintain the City's existing level of service. The Drainage Fee is based on the

additional impervious acres created by the new development and the impervious factor for each land use. This ensures that the need for the facilities is directly related to a particular development's impact.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

As new development is constructed, new or expanded drainage facilities are needed to meet the City's existing level of service for drainage facilities. The fee is based on the Existing Inventory Method.

The existing level of service is calculated by taking the total drainage facilities cost and dividing it by the existing impervious acres to derive the existing level of service cost per impervious acre as shown in **Table 7-2**. The fee for each land use is then calculated by multiplying the cost per impervious acre by the impervious factor assumptions to calculate a fee per acre, which is then divided by residential unit density and non-residential floor area ratio assumptions to calculate the fee per unit. This fee per unit is then divided by the average unit assumption for Single Family and Multi-Family to reach a fee per square foot for residential land uses and a fee per 1,000 square feet for non-residential land uses as shown in **Table 7-3**. Since the need for the facilities directly correlates to the addition of new residents and workers, determining the fee based on the projected equivalent residents for each land use ensures that new development pays for their fair share of the required future facilities.

Section 8 Parks-in-Lieu Fee

Background

Parkland acquisition under the Quimby Act allows for developers to either dedicate land to satisfy their parkland requirement or pay an in-lieu fee. Parks-in-lieu fees are not charged on non-residential land uses.

Residential development in the City will pay the Parks-in-Lieu Fee at building permit issuance. The park cost was estimated based on the existing City adopted standard of five (5) acres of parkland per 1,000 residents. Parkland acquisition under the Quimby Act requires developers to either dedicate land to satisfy their parkland requirement or pay an in-lieu fee. The in-lieu fee is dependent upon appraised land cost and thus, the amount should be agreed upon between the City and the developer when the land dedication is triggered. The City has an existing Quimby in-lieu fee (also known as a Park In-Lieu Fee). As noted in the General Plan, Park In-Lieu Fees stem from the Quimby Act. Quimby provides for the dedication of land for parks, or in certain instances (i.e. a subdivision is small), a fee in-lieu of dedicating land is provided. It is important to note that for the Park In-Lieu Fee, infill projects are exempt, and the fee applies primarily to parkland and land improvements in new neighborhoods.

Parkland

AB1191, also known as the Quimby Act, was established by the California State Legislature in 1965 and codified as California Government Code Section 66477. The Quimby Act outlines the requirements for imposing fees or land dedication for park purposes with a minimum of three (3) acres and a maximum of five (5) acres of green space per 1,000 residents. The Quimby Act allows the legislative body of a city or county, by ordinance, to require the dedication of land or impose a requirement of the payment of fees in-lieu thereof, or a combination of both, for park or recreational purposes as a condition to the approval of a tentative tract map or parcel map.

Currently, per the City's municipal code 12.40.060, the applicant for any development must, as a condition of approval of the development, dedicate land, pay fees in lieu of land, or a combination of both, pursuant to that chapter for the purpose of providing park or recreation facilities to serve future residents of such development. As stated in municipal code 12.40.070, the City imposes the in-lieu fee a Parks Land Dedication based on five (5) acres per 1,000 residents or the payment of the in-lieu fee. The amount of a fee in lieu of land to be paid pursuant to this municipal code chapter is set by resolution of the City Council and is based on the City-wide average of land available for park purposes within the urbanized area of the City, plus the estimated cost for developing said land into usable parks. The fee is automatically adjusted for inflation on July 1 of each year. The inflation adjustment is two percent or based on the previous calendar year's increase in the San Diego Consumer Price Index (CPI-U: All Items) as published by the Bureau of Labor

Statistics, whichever is higher. The fees received under this chapter are deposited in the park in lieu fund and must be used for the purchase, development and/or rehabilitation of park and recreational facilities.

Service Population

The Parks-in-Lieu Fee is not applied to non-residential development because workers typically do not use parkland.

Current Level of Service

Per data provide by the City, the City has a total of 315.14 acres of developed parkland as shown in **Table 8-1**.Based on a population of approximately 58,086, there are 5.43 acres of existing parkland per 1,000 persons/residents as shown in **Table 8-2**. Thus, the current parkland is more than the standard of 5 acres per 1,000 people on a citywide level.

Table 8-1: Parkland Inventory List

Facility	Address	Acres
Parks		
Big Rock Park	8125 Arlette St.	5.00
Deputy Ken Collier Park	9206 Via De Cristina	0.51
Mast Park	9125 Carlton Hills Blvd.	61.16
Mast Park West Trail	9200 Carlton Hiulls Blvd.	43.26
Shadow Hill Park	9161 Shadow Hill Rd.	5.69
Sky Ranch Park	5850 Cala Lily St.	1.36
Town Center Park - East	550 Park Center Dr.	55.00
Town Center Park - West	9545 Cuyamaca St.	10.20
Walker Preserve	9500 Magnolia Ave	105.08
West Hills Park	8790 Mast Blvd.	8.41
Woodglen Vista Park	10250 Woodglen Vista Dr.	15.00
Weston Park	9050 Trailmark Way	4.47
Total Facilities		**315.14**

Source:
Park data provided by the City of Santee.

Table 8-2: Existing Level of Service per Resident

Description	Acres
Existing Parkland [1]	
Park Acreages	315.14
Existing Service Population [2]	**58,086**
Total Existing Level of Service per Resident	**5.43**

Notes:

1 Existing parkland data from the City of Santee.

2 Existing Service population comprises of just residents and does not factor in non-residential.

Planned Level of Service

AB1191, also known as the Quimby Act, was established by the California State Legislature in 1965 and codified as California Government Code Section 66477. The Quimby Act outlines the requirements for imposing fees or dedicating land for park purposes with a minimum of three (3) acres and a maximum of five (5) acres of green space per 1,000 residents. The Quimby Act authorized cities to require dedication of land or impose a requirement of the payment of fees in-lieu thereof, or a combination of both, for park and recreational purposes as a condition of approval of a tentative map or parcel map. Per the City's municipal code section 12.40.060, except as otherwise provided in that section, only the payment of fees is required for developments containing 50 or fewer parcels, except that when a condominium project, stock cooperative, or community apartment project, as those terms are defined in Sections 4105, 4125, and 4190 of the Civil Code, exceed 50 dwelling units, dedication of land may be required, even though the number of parcels may be less than 50. An applicant for a development containing 50 or fewer parcels may offer to dedicate land in lieu of paying fees, in which event the City Council may elect to accept the land or require the payment of fees, or a combination of both, and in making such election will consider the factors set forth in this section,

1. For developments containing more than 50 parcels, the City Council determines whether to require dedication of land, payment of a fee in lieu of land, or a combination of both, for developments containing more than 50 parcels. In making this determination, the City Council considers the following factors:

2. Conformity of lands offered for dedication with the recreation element of the General Plan;

3. The topography, soils, soil stability, drainage, access, location and general utility of land in the development available for dedication;

4. The size and shape of the development and land available for dedication;

5. The amount, usability, and location of publicly owned property available for combination with dedicated lands in the formation of local park and recreation facilities;

6. The recreation facilities to be privately owned and maintained by future residents of the development.

Currently, per the City's municipal code 12.40.060, the applicant for any development must, as a condition of approval of the development, dedicate land, pay fees in lieu of land, or a combination of both, pursuant to this chapter for the purpose of providing park or recreation facilities to serve future residents of such development. As stated in municipal code 12.40.070, the City imposes the in-lieu fee a Parks Land Dedication based on five (5) acres per 1,000 residents or the payment of the in-lieu fee. This analysis is based on the existing Quimby standard of five (5) acres of parkland per 1,000 residents, where new development will contribute and develop five (5) acres of parkland per 1,000 residents. Developers can either dedicate land to satisfy their parkland requirement or pay the in-lieu fee. The City is currently meeting this goal.

Fee Credits

Credit for Private Parks:

As stated in the City's municipal code section 12.40.100, where a development provides a private area for park and recreational purposes and such area is to be privately owned and maintained by the future owner(s) of the development, such area may be credited against up to 50% of the requirement of land dedication or fees payment, if the Director determines that it is in the public interest to do so, and that all of the following standards either have been or will be met prior to approval of the final subdivision map:

A. That yards, court areas, setbacks, and other open areas, required to be maintained by the zoning and building ordinances and other regulations, will not be included in the computation of such private areas;

B. That the private ownership and maintenance of the area will be adequately provided for by recorded written agreement, covenants or restrictions;

C. That the use of the private area is restricted for park and recreational purposes by an open space easement or other instrument approved by the City Attorney;

D. That the proposed private area is reasonably adaptable for use for park or recreational purposes, taking into consideration such factors as size, shape, topography, geology, access, and location;

E. That the facilities proposed:

1. Are in substantial accordance with the provisions of the recreation element of the General Plan, or adopted community or specific plans,

2. Are appropriate to the recreation needs of the future residents of the development, and

3. Will substitute for the park lands otherwise required to be dedicated in meeting the recreation needs of the residents.

Credit for Public Parks:

As stated in the City's municipal code section 12.40.120, when an applicant has dedicated a park to the public to serve a subdivision for which a tentative map was filed, the City Council may, pursuant to Sections 12.40.060 and 12.40.070, allow the following credits for such park:

A. A credit against up to 100% of the requirement for land dedication;

B. A credit against up to 100% of fee payment required by this chapter for building permits to construct dwellings on the subdivision lots served by the dedicated public park; or

C. A credit against fees required for such building permits for the value of improvements to such park installed or constructed by the applicant; provided that such credit must not exceed the value of improvements normally authorized by the City for similar parks.

Fee Methodology

Table 8-3 shows the parkland cost per resident. Based on data from CoStar, completed in August 2023, the estimated cost per acre for parkland acquisition is approximately $1.0 million.

Table 8-3: Parkland Cost per Resident

Park In-Lieu		
Park Land Cost per Acre [1]	$	1,000,000
Required Acres/1,000 Residents		5.0
Land Acquisition Cost per Resident	$	5,000.00

Notes:

1 Land cost derived from median of CoStar Sale Comps Map & List Report (08/24/2023) provided by the City, rounded to $1,000,000.

Fee Summary

Currently, per the City's municipal code 12.40.060, the applicant for any development must, as a condition of approval of the development, dedicate land, pay fees in lieu of land, or a combination of both, pursuant to this chapter for the purpose of providing park or recreation facilities to serve

future residents of such development. As stated in municipal code 12.40.070, the City imposes the in-lieu fee based on five (5) acres per 1,000 residents or the payment of the in-lieu fee. The Parks-in-Lieu Fee per unit is calculated by multiplying the cost per resident by the average number of residents per unit type (density). The fee per unit must then be converted to a fee per square foot (SF) by taking the total fee per unit and dividing by the estimated average unit size for each land use to arrive at the fee per square foot. These calculations are shown in **Table 8-4**.

Table 8-4: Parks-in-Lieu Fee Cost Summary

Land Use	Cost Per Resident	Density	Fee	Average Unit Size (SF)	Fee
Residential			(per Unit)		(per SF)
Single Family	$ 5,000	2.93	$ 14,650.00	2,200	$ 6.66
Multi Family	$ 5,000	2.37	$ 11,850.00	1,600	$ 7.41

Note that applicants can either dedicate land, pay fees in lieu of land, or a combination of both.

Nexus Requirement Summary

The Parks-in-Lieu Fee meets the Mitigation Fee Act Requirements, as described in this section.

Requirement 1: Identify the purpose of the fee.

The purpose of the Parks-in-Lieu Fee is to fund the parkland needs generated by new development in the City. Each new resident creates a demand for parkland. The Quimby standard for the City is five (5) acres of parkland for each 1,000 residents. In order to accommodate these needs, new parkland will be dedicated, an in-lieu fee will be paid for parkland acquisition, or a combination of both. **Table 8-3** calculates the parkland cost per resident based on the City's Quimby standard for parks and the estimated land acquisition cost.

Requirement 2: Identify the use of the fee.

The Parks-in-Lieu Fee will be used to fund new parkland based on the Quimby standard. New parkland will be dedicated, an in-lieu fee will be paid for parkland acquisition, or a combination of both.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The fee will be used to fund new neighborhood, mini and community parks that are necessary to serve the increased residents in the City. New residential development generates additional residents which increases the demand for parkland. The Parks-in-Lieu Fee is calculated using the

Quimby standard of five (5) acres of park per 1,000 residents. Residential development is responsible for paying its fair share to meet the Quimby requirements. Non-residential uses do not pay the fee since they do not generate additional residents and workers have minimal impact on the City's park system.

Table 8-3 calculates the cost per resident. **Table 8-4** then allocates the cost to each development type based on the estimated persons per household and calculates the cost per square foot for the residential units based on the estimated average unit size**.** By basing the fee on the size of the unit and the estimated number of new residents that is anticipated to be generated by the addition of that square footage, the fee is directly correlated to the increased need for new parks.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new residential development is anticipated to generate new residents. The addition of new residents creates the need for new parkland to meet the City's Quimby requirement of five (5) acres per 1,000 residents. The fee is directly correlated to the number of new residents expected to be generated by each type of development. Non-residential development does not pay for parks as non-residential developments do not generate a significant demand for parkland. Residential development pays its fair share based on the estimated persons the new unit is expected to generate.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

As new residential units are constructed, new parks are necessary to meet the City's Quimby requirement of five (5) acres of park per 1,000 residents. The Parks-in-Lieu Fee is calculated by taking the cost per acre of park acquisition times five (5) acres of parks per 1,000 future residents to determine the cost per resident, as shown in **Table 8-3**. The cost per resident is then allocated to each residential land use based on the persons per household each unit is expected to generate and divided by the average unit size in square feet to determine the fee per square foot as shown in **Table 8-4**. Since the need for parkland is based on the number of new residents, calculating the fee based on the number of persons each unit is expected to generate and converting to a fee per square feet, ensures that each new residential unit is paying only its fair share of the required facilities.

By determining the fee based on the estimated new residents that would be generated by new development, each new residential unit is paying only its fair share of the parkland required to meet the City's Quimby requirement. In order to accommodate these needs, new parkland will be dedicated, an in-lieu fee will be paid for parkland acquisition, or a combination of both. Non-residential land uses are not assessed a Parks-in-Lieu Fee as non-residential development will not generate an increase in parkland demand.

Section 9 Fire Facilities Fee

Background

The Fire Facilities Fee is a new proposed DIF that will be used to help fund the construction of new fire stations and the procurement of apparatus to serve the City. The Fire Facilities Fee is calculated using the System Plan Method. The System Plan Method utilizes an integrated approach to allocate the cost of existing facilities and the costs of planned facilities to the total development in the study area. An inventory of existing fire facilities and equipment was provided by the City using facility information and valuation based upon Property Insurance valuation.

Service Population

Demand for fire facilities is based on the total new residents and employees generated at Buildout conditions.

Cost Summary

The Fire Station Fee will fund the construction of new fire stations and apparatus to serve the City. These facilities will be necessary to meet the demands of the growth of the City at Buildout. The cost for the Fire Facilities Fee is based on the integrated cost of the current and future facilities. As new development occurs, there are new residents and employees associated with the new development, which correlates to a need for additional fire improvements. The Nexus Study acknowledges that the existing development will also benefit from these fire improvements once they are constructed and therefore existing development has a fair share of these improvements. New development also benefits from the existing fire facilities and therefore new development will fund the integrated system of facilities at the existing standard attributable to new development.

Table 9-1 shows the City's current fire inventory of fire stations, vehicles and equipment that serve the City.

Table 9-1: Fire Facilities Inventory List

Facility	Description 1	SF		Cost
Fire Stations [1]				
Fire Station 4	8950 Cottonwood Ave.	15,185	$	-
Fire Station 5	9130 Carlton Oaks Drive	8,118	$	-
Subtotal Fire Stations			*$*	-
Fire Apparatus				
Engine 5	Type I		$	559,899.00
Engine 205	Type I		$	650,000.00
Engine 4	Type I		$	604,402.97
Engine 6128	Type I		$	345,000.00
Engine (New Order)	Type I		$	1,020,779.97
Brush 4	Type III		$	371,036.91
Truck 4	Aerial		$	1,080,907.28
Reserve Engine	Type I		$	650,000.00
Reserve Engine	Type I		$	650,000.00
Medic 4	Ford Ambulance		$	254,865.01
Medic 5	Ford Ambulance		$	211,501.46
BLS 4	Ford Ambulance		$	153,700.00
Reserve Ambulance	Ford Ambulance		$	170,050.71
Reserve Ambulance	Ford Ambulance		$	160,068.34
Reserve Ambulance	Ford Ambulance		$	172,661.16
Patrol 4	Type 6		$	280,000.00
Subtotal Fire Apparatus			*$*	*7,334,872.81*
Support Vehicles				
Carson Trailer	REMS Trailer		$	19,200.00
Ford F-150	Squad		$	39,123.47
Ford F-150	Battalion 2		$	79,058.89
Ford F-150	Battalion 2		$	39,123.47
Ford F-250	Mechanic		$	51,280.00
Ford F-350	Tow Vehicle		$	69,000.00
Ford Explorer	Fire Chief		$	36,143.85
Ford Explorer	Fire Marshal		$	30,618.41
Ford Explorer		4204	$	30,618.41
Ford Escape Hybrid	Pool Car		$	27,746.00
Chevy Tahoe		4202	$	113,000.00
Polaris			$	26,934.70
Subtotal Support Vehicles			*$*	*561,847.20*
Equipment (outfitting engines, trucks, ambulance, vehicles)				
Type 1 Engine	Equipment Cost	5.00		$820,850.00
Type 3 Engine	Equipment Cost	1.00		$133,014.00
Type 6 Engine	Equipment Cost	1.00		$151,304.00
Truck 4	Equipment Cost	1.00		$313,016.00
Ambulance	Equipment Cost	6.00		$897,396.00
Battalion 2	Equipment Cost	2.00		$109,336.00
Squad	Equipment Cost	1.00		$124,128.00
Polaris	Equipment Cost	1.00		$9,000.00
Fire Chief/Deputy Chief Vehicles	Equipment Cost	3.00		$149,000.00
PPE	Equipment Cost	112.00		$544,800.00
Tow Vehicle	Equipment Cost	1.00		$32,520.00
Subtotal Equipment			*$*	*3,284,364.00*
Total Facilities (Rounded)			**$**	**11,181,084**

Notes:

1 Fire Facilities identified in the Santee Fire Department Community Risk Assessment Long-Range Master Plan (March 2023)
Existing cost not included as facilities will be rebuilt and expanded. Fleet maintenance facility is included in the future facilities as well.

2 Fire Station Cost is based on appraised insurance value (2017) provided by the City (09/05/23).

3 Fire equipment cost provided by the Santee Fire Department (3/18/2024).

Table 9-2 shows the City's planned fire stations, vehicles and equipment that serve the City.

Table 9-2: Fire Facilities Planned Facilities

Facility	Description	SF/Number	Cost
Fire Stations/Facilities			
Fire Station 4 Rebuild		18,000	$25,200,000.00
Fire Station 5 Replacement		10,000	$14,000,000.00
Fire Station 20 Construction[1]		13,000	$21,000,000.00
Fire Station 28 Construction[1]		10,000	$16,000,000.00
Fleet Maintenance Facility		4,141	$5,797,400.00
Subtotal Fire Stations/Facilities			*$81,997,400.00*
Fire Apparatus			
Engine 5	Type I		$1,200,000.00
Engine 205	Type I		$1,200,000.00
Engine 4	Type I		$1,200,000.00
Engine 6128	Type I		$0.00
Brush 4	Type III		$690,000.00
Truck 4	Aerial		$2,060,000.00
Patrol 4	Type 6		$300,000.00
Reserve Engine	Type I		$1,200,000.00
Reserve Engine	Type I		$1,200,000.00
Medic 4	Ford Ambulance		$340,000.00
Medic 5	Ford Ambulance		$340,000.00
Remount Ambulance	Ford Ambulance		$340,000.00
Remount Ambulance	Ford Ambulance		$340,000.00
Remount Ambulance	Ford Ambulance		$340,000.00
Remount Ambulance	Ford Ambulance		$340,000.00
Subtotal Fire Apparatus			*$11,090,000.00*
Support Vehicles			
Carson Trailer	REMS Trailer		$16,000.00
Ford F-350	Squad		$100,000.00
Ford F-150	Battalion 2		$80,000.00
Ford F-150	Battalion 2		$80,000.00
Ford F-250	Mechanic		$80,000.00
Ford Explorer	Deputy Chief		$57,000.00
Ford Explorer	Fire Marshal		$57,000.00
Chevy Tahoe	4202		$98,000.00
Ford Escape Hybrid	Pool Car		$19,000.00
Polaris	REMS Unit		$24,000.00
Subtotal Support Vehicles			*$611,000.00*
Equipment (outfitting engines, trucks, ambulance, vehicles)			
Type 1 Engine	Equipment Cost	5.00	$820,850.00
Type 3 Engine	Equipment Cost	1.00	$133,014.00
Type 6 Engine	Equipment Cost	1.00	$151,304.00
Truck 4	Equipment Cost	1.00	$313,016.00
Ambulance	Equipment Cost	6.00	$897,396.00
Battalion 2	Equipment Cost	2.00	$109,336.00
Squad	Equipment Cost	1.00	$124,128.00
Polaris	Equipment Cost	1.00	$9,000.00
Fire Chief/Deputy Chief Vehicles	Equipment Cost	2.00	$99,332.00
PPE	Equipment Cost	112.00	$544,800.00
Subtotal Equipment			*$3,202,176.00*
Total Facilities (Rounded)			**$96,900,576.00**

Notes:

1 Based on the construction cost of $21,000,000 for Station 20 based upon the figures the City received from their designer.

Source: Santee Fire Department (3/18/2024).

Fee Methodology

The Fire Facilities Fee uses the System Plan Method to calculate the fee. As stated in the "Impact Fee Nexus Study Template" prepared for the California Department of Housing and Community Development by Terner Center for Housing Innovation at UC Berkeley, the System Plan Method utilizes an integrated approach to allocate the cost of existing facilities and the costs of planned facilities to the total development in the study area. This method is appropriate when calculating a systemwide fee in which new development will fund an integrated system of facilities at the future standard attributable to new development. By spreading the costs of an integrated system incorporating the existing facilities and planned facilities costs to the total development in the study area, this ensures that new development only pays their proportional share of the total system costs and is not responsible for rectifying any existing deficiencies.

The total fire facilities value is divided by the existing service population to establish the level of service per resident/worker as shown in **Table 9-3**.

Table 9-3: Fire Facilities Level of Service per Capita

Description		Value
Existing Facilities [1]		
Fire Stations (1)	$	-
Fire Apparatus	$	7,334,873
Support Vehicles	$	561,847
Equipment (outfitting engines, trucks, ambulance, vehicles)	$	3,284,364
Subtotal Facilities	*$*	*11,181,084*
Existing Fund Balance		*n/a*
Total Existing Costs	**$**	**11,181,084**
New Facilities [3]		
Fire Stations/Facilities	$	81,997,400
Fire Apparatus	$	11,090,000
Support Vehicles	$	611,000
Equipment (outfitting engines, trucks, ambulance, vehicles)	$	3,202,176
Subtotal Facilities	*$*	*96,900,576*
Total Future Costs	**$**	**96,900,576**
Total Fire Costs	**$**	**108,081,660**
Total Buildout Service Population [2]		**82,028**
Total Cost per Resident	**$**	**1,317.62**
Total Cost Service per Worker	**$**	**487.52**

Notes:

1 Fire Facilities identified in the Santee Fire Department Community Risk Assessment Long-Range Master Plan (March 2023). Existing cost not included as facilities will be rebuilt and expanded. Fleet maintenance facility is included in the future facilities as well.

2 Soft Costs include 10% - Construction Contingency, 15% - Design and Environmental, and 15% - Construction Admin/Inspection. These are applied only to the Fire Stations costs (CIP Structures).

Fee Summary

The Fire Facility Fee per unit is calculated by multiplying the cost per capita by the average number of resident equivalents per unit type (density). The cost per capita for non-residential land uses is weighted using the factors shown in **Table 3-4**. For residential uses, the fee per unit must then be converted to a fee per square foot for each unit type by dividing by the average size of each unit. **Table 9-4** summarizes these calculations.

Table 9-4: Fire Facilities Fee Summary

Land Use	Cost Per Resident / Worker	Density	Fee	Average Unit Size (SF)	Fee
Residential			(per Unit)		(per SF)
Single Family	$ 1,317.62	2.93	$ 3,860.63	2,200	$ 1.75
Multi Family	$ 1,317.62	2.37	$ 3,122.76	1,600	$ 1.95
Non-Residential			(per 1,000 SF)		
Commercial	$ 487.52	1.82	$ 887.29		
Office	$ 487.52	4.00	$ 1,950.08		
Industrial	$ 487.52	0.40	$ 195.01		

Current Level of Service

Per AB602, when applicable, the nexus study shall identify the existing level of service for the fire facilities, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate. As shown on **Table 9-5**, the proposed Fire Facilities Fee is less than the existing level of service.

The Fire Facility Fee includes the facilities that are needed to serve the City at buildout and calculates the percentage attributable to new development based on new developments' proportional share of the new facilities. The percentage attributable to new development is then applied to the costs of the facilities. This methodology conservatively ensures that new development is only funding their proportionate share of the total facilities. As shown in the Nexus Study analysis, based on the cost per capita of the existing facilities, the level of service per capita for existing facilities is lower than the level of service planned for build out. This analysis is based on existing and planned facilities and new developments' proportional fair share of these planned facilities; therefore, this Nexus Study makes the required nexus findings per AB 602.

Government Code section 66001(g) states, "A fee shall not include the costs attributable to existing deficiencies in public facilities, but 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." The CIP, shown in Appendix A, will adopt the new level of service. Furthermore, as shown in **Table 9-3**, the new level of service is the same for both existing residents and new development. The City is not requiring new development to build out at a higher level of service than what is being placed on existing residents at buildout. Rather, the planned level of service, reflected in the City's Capital Improvement Plan for the Fire Facilities Fee, will provide the higher, adopted level of service for both existing residents and future development to be funded by both existing residents and future development. Moreover, the use of a new, increased

level of service is appropriate where, as here, the existing level of service is too low to meet the City's desired standards and future facility needs.

As residents and employees occupying future development projects become existing residents, they will generate general fund revenues for the City through the payment of property and sales taxes. These general fund revenues can be used for general government purposes throughout the City, including the operation and maintenance of fire and other public facilities and the provision of ongoing government services to the existing population. While the City has the discretion to use general fund revenues to fund the existing population's fair share costs of future general governmental facilities, these revenues may also be used for any other legal general government service. In contrast, the Fire Facilities fee revenues may only be used to pay for the costs of fire facilities related to new development.

Table 9-5: Fire Facilities Existing Level of Service

Description		Value
Existing Facilities [1]		
Fire Stations (1)	$	7,790,819
Fire Apparatus	$	7,334,873
Support Vehicles	$	561,847
Equipment (outfitting engines, trucks, ambulance, vehicles)	$	3,284,364
Subtotal Facilities	*$*	*18,971,903*
Soft Costs [2]	*$*	*3,116,328*
Total Costs	*$*	*22,088,231*
Existing Service Population		**66,214**
Total Existing Level of Service per Resident	**$**	**333.59**
Total Existing Level of Service per Worker	**$**	**123.43**

Notes:

1 Fire Facilities identified in the Santee Fire Department Community Risk Assessment Long-Range Master Plan (March 2023). Fire station cost included here to show total existing level of service.

2 Soft Costs include 10% - Construction Contingency, 15% - Design and Environmental, and 15% - Construction Admin/Inspection. These are applied only to the Fire Stations costs (CIP Structures).

Capital Improvements and Revenue Projections

Table 9-7 summarizes the anticipated Fire Facilities Fees. The revenue will be applied to future fire stations and fire equipment to meet the needs of new development. According to discussions with the Fire Chief, the current fire stations are at full capacity and cannot accommodate any additional expansion to meet additional demand. At full Buildout, an additional two fire stations will be needed. The two additional fire stations will also require fire apparatuses, ambulances, and other equipment. Those costs are also shown on **Table 9-2**. Furthermore, the current stations will

need to be rebuilt/replaced. Finally, the fleet maintenance facility will need to be rebuilt as well. **Table 9-6** shows the construction costs for these facilities are shown below:

Table 9-6: Costs of Future Fire Facilities

Facility	SF/Number	Cost
Fire Stations/Facilities		
Fire Station 4 Rebuild	18,000	$25,200,000.00
Fire Station 5 Replacement	10,000	$14,000,000.00
Fire Station 20 Construction[1]	13,000	$21,000,000.00
Fire Station 28 Construction[1]	10,000	$16,000,000.00
Fleet Maintenance Facility	4,141	$5,797,400.00
Subtotal Fire Stations/Facilities		*$81,997,400.00*

Table 9-7 shows the anticipated fee revenue at Buildout.

Table 9-7: Anticipated Fire Facilities Estimated Revenue at Buildout

Land Use	Proposed Fee [1]	Anticipated Growth (units)	Average Unit Size (SF)	Anticipated Growth	Anticipated Fee Collection at Buildout [2]
Residential	(per SF)			(Total SF)	
Single Family	$ 1.75	1,444	2,200	3,176,800	$ 5,559,400.00
Multi Family	$ 1.95	4,466	1,600	7,145,600	$ 13,933,920.00
Non-Residential	(per 1,000 SF)	(1,000 SF)			
Commercial	$ 887.29	1,020.34			$ 905,337.48
Office	$ 1,950.08	83.92			$ 163,650.71
Industrial	$ 195.01	1,266.30			$ 246,941.16
Total					**$ 20,809,249.36**

Notes:
1 The proposed fee includes the administrative portion of the fee.
2 Total anticipated fee revenue may differ slightly from cost attributable to fee program due to rounding.

Nexus Requirement Summary

The Fire Facilities Fee component of this DIF Study meets the Mitigation Fee Act Requirements, as described in this section.

Requirement 1: Identify the purpose of the fee.

The purpose of the Fire Facilities Fee is to fund new development's fair-share portion of new fire facilities, such as new fire stations, vehicles and fire equipment required for the additional fire

personnel that are necessary to mitigate the impacts of new development. Each new resident and worker creates a demand for additional fire facilities. In order to accommodate these needs, new fire facilities will be built and/or existing facilities will be expanded per capita/worker.

Requirement 2: Identify the use of the fee.

The Fire Facilities Fee will be used to fund new development's fair-share portion of the fire facilities, new fire stations, vehicles and fire equipment required to serve new development in order to maintain the City's existing level of service. The anticipated fee revenue at Buildout is shown on **Table 9-7**. The capital improvement projects are identified in **Appendix A**.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The fee will be used to fund new fire facilities that are necessary to serve the increased residents and workers in the City. New development generates additional residents and workers which increases the demand for fire facilities. The System Plan Method calculates the proposed fee utilizing the totality of the existing and proposed improvements and subsequently dividing by the service population, future development funds an integrated system of facilities at the future standard applicable to new development. As the System Plan Method spreads the totality of fire facilities improvements based on the total demand at the horizon year, existing deficiencies are by definition not being spread to future development.

Table 9-1 identifies the existing fire facilities, **Table 9-2** shows the future fire facilities, and **Table 9-3** calculates the existing cost per capita/worker. Workers are weighted less than residents to reflect lower per capita service demand. Non-residential buildings are typically occupied less than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.37-weighting factor for workers is based upon a 45-hour work week (40 hours of work plus 1 hour lunch break) relative to a resident's non-working time of 123 hours (168 hours per week less 45 work hours).

The cost per capita/worker is then allocated to each development type based on the estimated persons per household and employees per 1,000 square feet. **Table 9-4** calculates the cost per square foot for the residential units based on the estimated average unit size and cost per 1,000 square feet for non-residential**.** Calculating the fees based on the new residents or employees generated ensures a reasonable relationship between the fees use and the type of development project.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new development is anticipated to generate new residents and workers. The addition of new residents and workers creates the need for new fire facilities to maintain the City's existing level

of service. The Fire Facilities Fee is based on the number of applicable workers and/or residents each new development is expected to generate, thus ensuring that the need for the facilities is directly related to a particular development's impact. New workers generate a smaller demand than a resident, thus one worker is considered, on average, as equivalent to 0.37 that of a resident. The fee for each unit type is calculated in **Table 9-4**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The Fire Facilities fee is based on the System Plan Method, which estimates the costs for an integrated system of existing and future facilities. The fire facilities that are necessary for the new development are summarized in the planned improvements presented in **Table 9-2**. The existing facilities are shown on **Table 9-1**. **Table 9-3** calculates the total cost per capita based on the total planned and existing cost divided by the Buildout population. The fee for each land use is then calculated by multiplying the cost per capita/worker by the projected number of new resident equivalents that each land use will generate and converting to a fee per square foot for residential and a fee per 1,000 square foot for non-residential land uses as shown in **Table 9-4**. Since the need for the facilities directly correlates to the addition of new residents and workers, determining the fee based on the equivalent residents each land use is expected to generate ensures that each new development pays for their fair share of the required future facilities.

Section 10 Long Range Planning Fee

Background

This section presents an analysis of the new proposed Long Range Planning Fee. The Long Range Planning Fee is a new proposed fee and will be collected for the purpose of contributing to fund updates to the City's General Plan Elements and Sustainable Santee Plan. The General Plan is made up of multiple elements that are updated periodically to account for changes in the City over time. The State of California requires that among these elements be included: Land Use, Conservation, Noise, Environmental Justice, Circulation, Open Space, Safety, Air Quality, and Housing. The City of Santee combines the Safety and Environmental Justice elements and additionally includes a Recreation element.

The City most recently completed an update to the Housing Element in 2022. The next upcoming scheduled update is the Land Use Element, which will be completed in 2024.

Current Level of Service

Table 10-1 describes the planned components of the General Plan update and the Sustainable Santee Plan and their associated costs. **Table 10-2** calculates new developments fair share of the cost based on the population allocation between existing and new service population.

Table 10-1: Long Range Planning Elements Cost

Long Range Planning Documents	Last Updated	Scheduled Next Update		Cost
General Plan Elements [1]				
Land Use [2]	2003	2024	$	680,000
Housing [3]	2022	2028	$	300,000
Mobility [3]	2017	2030	$	400,000
Recreation (Parks & Recreation Master Plan) [4]	2017	2030	$	75,000
Trails (ATP)	2003	2030	$	300,000
Conservation (Subarea Plan) [5]	2003	2075	$	2,800,000
Noise [4]	2003	2030	$	75,000
Safety & Environmental Justice [2]	2003	2024	$	90,000
Community Enhancement [4]	2003	2030	$	75,000
Total Elements			**$**	**4,795,000**
Sustainable Santee Plan	2019	TBD	**$**	**130,000**
Total			**$**	**4,925,000**

Notes:
1 General plan is made up of multiple elements that are updated periodically to account for changes in the City over time.
2 Cost is based on the City budgeted amount for planned update.
3 Cost based on actual costs of last update.
4 Cost based on actual costs of Parks and Recreation Master Plan Update.
5 Cost based on actual costs incurred in the Subarea Plan. The Conservation Element includes Open Space, which was funded by Council and is required to be updated sooner than 2075.

Source:
City provided information.

The future developments fair share of the General Plan updates allocated to new development based on the allocation of future population to Buildout population. The total cost for future development is then divided by the future service population to establish the total cost per resident/worker as shown in **Table 10-2**.

Table 10-2: Long Range Planning Cost per Resident/Worker

Description		Value
Future Facilities		
Long Range Planning Updates	$	4,925,000
Population		
Existing Service Population		66,214
Total Buildout Service Population		82,028
Net Future Population		***15,814***
Population Allocation		
Existing Service Population		81%
Future Additional Population		19%
Total Population		***100%***
Cost Allocation		
Existing Service Population	$	3,989,250
Future Additional Population	$	935,750
Total	**$**	**4,925,000**
Total Cost per Resident	**$**	**59.17**
Total Cost per Worker	**$**	**21.89**

Planned Level of Service

The City plans to allocate the fair share cost of the Long Range Planning documents to new development, as shown on **Table 10-2**. Per AB602, when applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate. This Nexus Study identified the total cost for future General Plan updates and Sustainable Santee Plan and allocated the cost proportionally between existing and new development. The City will have to use other funding sources such as General Fund revenue or Grants to fund existing developments share of the cost.

Fee Methodology

The Long Range Planning Fee is calculated using the Planned Facility Method. As stated in the "Impact Fee Nexus Study Template" prepared for the California Department of Housing and Community Development by Terner Center for Housing Innovation at UC Berkeley, the Planned Facility Method "Estimates the costs for future facilities needed to serve new development based on a long range expenditure plan for these future facility costs." This method is appropriate when planned facilities are mostly for the benefit of new development.

The Long Range Planning Fee per unit is calculated by multiplying the cost per resident/worker by the average number of resident/worker equivalents per unit type (density). The cost per capita for non-residential land uses is weighted using the factors shown in **Table 3-4**. For residential uses, the fee per unit must be converted to a fee per square foot for each unit type by dividing by the average size of each unit. **Table 10-3** summarizes these calculations.

Table 10-3: Long Range Planning Fee Summary

Land Use	Cost Per Resident / Worker	Density	Fee	Average Unit Size (SF)	Fee
Residential			(per Unit)		(per SF)
Single Family	$ 59.17	2.93	$ 173.37	2,200	$ 0.08
Multi Family	$ 59.17	2.37	$ 140.23	1,600	$ 0.09
Non-Residential			(per 1,000 SF)		
Commercial	$ 21.89	1.82	$ 39.84		
Office	$ 21.89	4.00	$ 87.56		
Industrial	$ 21.89	0.40	$ 8.76		

Capital Improvement Projects and Revenue Projections

Table 10-1 shows the planned future projects to be funded by this fee**. Table 10-4** summarizes the anticipated Long Range Planning Fee revenues collected at Buildout. To ensure that the City can meet the needs of the growing community, the City may choose to introduce additional elements to the General Plan.

Using actual costs from previous General Plan updates and budgeted costs for future updates, additional elements may cost between $75,000 and $2,800,000 each. Revenues collected through development impact fees will not fully fund the currently planned updates. **Table 10-4** shows the approximate Long Range Planning Fee revenues collected at Buildout.

Table 10-4: Anticipated Long Range Planning Fee Estimated Revenue at Buildout

Land Use	Proposed Fee [1]	Anticipated Growth (units)	Anticipated Growth	Anticipated Fee Collection at Buildout [2]
Residential	(per SF)		(Total SF)	
Single Family	$ 0.08	1,444	3,176,800	$ 254,144.00
Multi Family	$ 0.09	4,466	7,145,600	$ 643,104.00
Non-Residential	(per 1,000 SF)	(1,000 SF)		
Commercial	$ 39.84	1,020.34		$ 40,650.35
Office	$ 87.56	83.92		$ 7,348.04
Industrial	$ 8.76	1,266.30		$ 11,092.79
Total				**$ 956,339.17**

Notes:
1 The proposed fee includes the administrative portion of the fee.
2 Total anticipated fee revenue may differ slightly from cost attributable to fee program due to rounding.

Nexus Requirement Summary

The Long Range Planning Fee component of this DIF Study meets the Mitigation Fee Act Requirements, as described in this section.

Requirement 1: Identify the purpose of the fee.

The purpose of the Long Range Planning Fee is to fund new development's fair-share portion of updates to the General Plan elements that are necessary to mitigate the impacts of new development. New residents and workers change the landscape of the City and necessitate updates to the General Plan and Sustainable Santee Plan.

Requirement 2: Identify the use of the fee.

The Long Range Planning Fee will be used to fund new development's fair-share portion of the General Plan and Sustainable Santee Plan based on the allocation of costs to existing and new development based on the service population. The anticipated fee revenue at Buildout is shown on using actual costs from previous updates and budgeted costs for future updates, additional elements may cost between $75,000 and $2,800,000 each. Revenues collected through development impact fees will not fully fund the currently planned updates. **Table 10-4** shows the approximate Long Range Planning Fee revenues collected at Buildout.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

The fee will be used to fund new General Plan and Sustainable Santee Plan updates that are necessary to serve the increased residents and workers in the City. New development generates

additional residents and workers which changes the planning landscape of the City. The Planned Facility Method estimates the costs for future facilities needed to serve new development based on a long range expenditure plan for these future facility costs." **Table 10-1** identifies the future general plan costs and **Table 10-2** new developments fair share of the cost and the cost per resident/worker. Workers are weighted less than residents to reflect lower per capita service demand. Non-residential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.37-weighting factor for workers is based upon a 45-hour work week (40 hours of work plus 1 hour lunch break) relative to a resident's non-working time of 123 hours (168 hours per week less 45 work hours).

The cost per capita/worker is then allocated to each development type based on the estimated persons per household and employees per 1,000 square feet. **Table 10-3** calculates the cost per square foot for the residential units based on the estimated average unit size and cost per 1,000 square feet for non-residential**.** Calculating the fees based on the new residents or employees generated ensures a reasonable relationship between the fees use and the type of development project.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new development is anticipated to generate new residents and workers. The addition of new residents and workers creates the need for updates to the Long Range Planning documents. The Long Range Planning Fee is based on the number of applicable workers and/or residents each new development is expected to generate, thus ensuring that the need for the updates is directly related to a particular development's impact. New workers generate a smaller demand than a resident, thus one worker is considered, on average, as equivalent to 0.37 that of a resident. The fee for each unit type is calculated in **Table 10-3**.

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

As new development is constructed, new updates to the General Plan elements are needed for these planning documents. The fee is based on the Planned Facility Method and the total cost of the future updates is allocated between the existing service population and the new service population. Therefore, new development pays their fair share of the of the costs for of the General Plan and other Long Range Planning documents.

Section 11 Program Administration Fee

Background

The City, with assistance from consultants, oversees the implementation and administration of the existing and future Fee Program, consistent with the requirements of the Mitigation Fee Act. AB602, which came into effect on January 1, 2022, adds additional nexus study requirements. Furthermore, AB1483, which became effective January 1, 2020, requires that public agencies make certain information available on their website, increasing the administrative responsibilities of the City.

A two percent (2%) Administrative Fee is added to fund the costs of the City's management and ongoing fee program administration, collection, and reporting, based on an analysis of the cost administrative cost necessary to support the DIF Program. This includes costs associated with City staff and consultant time, studies, and administration to support the program. Furthermore, AB602, adds additional administration and reporting cities are responsible for meeting. Industry standard ranges from three to six percent (3-6%) of the fee for the administrative component of a development fee program. The administrative functions include, but are not limited to, the following:

- Annual fee adjustments
- Annual fee reporting
- Additional fee reporting every five years
- Posting of nexus studies and fee schedules on the City's website
- Nexus study updates every eight years (an AB602 requirement)
- Master Plans necessary to support the Nexus study updates
- Staff and consultant time related to fee preparation, collection, tracking, and administration
- Staff and consultant time needed to track credits and reimbursements for improvements constructed in the fee program

In addition to the aforementioned administrative activities, the City is responsible for both (i) using fee revenues to plan for and construct required capital facilities and (ii) pursue other funding sources, as required, to bridge financial gaps between what is collected and the actual cost to construct needed facilities. A flat fee will impair the City's ability to abide by AB602's rigorous requirements.

Consistent with the Mitigation Fee Act, the Administrative Fee will be collected to fund the cost of the program administrative activities, such as administration, collection, and reporting. The

costs to administer will vary each year. In addition to annual program reporting activities and additional fee reporting requirements every five years, AB602 requires the Nexus Study must be updated at least every eight years.

Table 11-1 shows the proposed Program Administration Fee as two percent (2%) of the total Impact Fees charged on each project.

Table 11-1: Program Administration Fee

Land Use	Public Facilities	Traffic Signal	Traffic Mitigation	Drainage	Park in-Lieu	Fire Facilities	General Plan	Administration [1]
Residential				*(Fee per Square Foot)*				
Single Family	$ 5.21	$ 0.39	$ 3.04	$ 0.35	$ 6.66	$ 1.75	$ 0.08	$ 0.35
Multi-Family	$ 5.79	$ 0.30	$ 2.36	$ 0.43	$ 7.41	$ 1.95	$ 0.09	$ 0.37
Non-Residential				*(Fee per 1,000 Building Square Foot)*				
Commercial	Exempt	$ 1,946.24	$ 15,312.15	$ 1,684.85	Exempt	$ 887.29	$ 39.84	$ 397.41
Office	Exempt	$ 1,073.96	$ 8,449.47	$ 629.63	Exempt	$ 1,950.08	$ 87.56	$ 243.81
Industrial	Exempt	$ 248.49	$ 1,955.03	$ 1,291.25	Exempt	$ 195.01	$ 8.76	$ 73.97

Notes:

1 An administrative fee (2% of each fee) is collected for (1) legal, accounting, and other administrative support and (2) development impact fee program administration costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analysis.

It is anticipated that administrative costs will continue to increase due to the additional requirements of the state legislation. It is also anticipated that revenue and expenditures will vary year to year due to the cyclical nature of five-year reporting requirements, nexus study updates, and the housing market.

The table below estimates the City's administrative cost for the fee program and the fee revenue generated. Based on the City's cost over the past two years related to the administration of the City's development impact fee program, the City has incurred approximately $100,000 annually in administrative cost. Given the increase of state legislation, reporting requirements, potential questions, and agreements, the table below estimates additional staff time moving forward. Given the cyclical nature of nexus updates, reporting requirements, and master plans, the cost are shown for those over eight years. The fee revenue is shown assuming a 2050 Buildout. While the fee revenue is slightly higher, it is assumed that the costs shown are very conservative and a surplus would be needed for additional studies or additional future requirements.

City of Santee
Estimated Administration Cost - Development Impact Fees

Nexus Study		
Finance Manager (Two Year Average)	$	8,407
Director of Finance (Two Year Average)	$	4,172
Attorney Cost (Two Year Average)	$	12,804
Consultant Cost - Harris and Assoc	$	60,990
Total Annual Cost (Two Year Average)	**$**	**86,373**
Mitigation Fee Act Annual Reporting		
FY 23-24 (July-Dec)	$	2,844
FY 23-24 Attorney Costs	$	4,730
	$	**7,574**
Average Cost	**$**	**93,947**
Estimated Future Administrative Cost		
Staff Cost (Including Attorney Cost)	$	50,000
Average Nexus Study (Assumes Updated Every 8 Years)	$	10,000
Master Plan Updates (Assumes 2 Every 8 Years)	$	43,750
Mitigation Fee Act Reporting	$	15,000
Average Annual Cost	**$**	**118,750**
Average Annual Revenue (assuming 2050 Buildout)	**$**	**164,437**

Nexus Requirement Summary

AB 1600 requires that public agencies satisfy five requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project. The required findings are as follows.

Requirement 1: Identify the purpose of the fee.

The purpose of the Program Administration Fee is to provide the funding necessary to administer and update the Fee Program. This includes consultant and City staff time related to services such as providing fee quotes, updating the fee program, tracking revenue and expenditures, updating the City's website, and preparing annual and five-year reports.

Requirement 2: Identify the use of the fee.

The Program Administration Fee will be used to fund the management and administration of the Fee Program. This includes consultant and City staff time related to services such as posting of

nexus studies and fee schedules on the City's website, annual fee adjustments, annual fee reporting, additional fee reporting every five years, application and tracking of fee credits/reimbursements, periodic nexus study updates, staff and consultant time related to fee preparation, collection, tracking and administration.

Requirement 3: Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

New residents and workers that result from new development increases the demand for new infrastructure and facilities. These new infrastructure and facility projects will be funded through the Fee program, which requires City and consultant staff time to manage and administer. The Program Administration Fee is a three percent (3%) mark-up of the DIFs.

Requirement 4: Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Each new development adds residents or workers to the City and in order to maintain the City's desired level of service, public facilities, traffic facilities (including traffic signals), drainage, fire facilities must be built and parkland acquired and general plan documents completed. These facilities are funded through the DIFs. To ensure these fees for new development are administered according to state law, regular updates, tracking and reporting, staff time is required. In addition, City staff must provide fee quotes for new development. To collect the funding for these resulting activities, the Program Administration Fee is based on a three percent (3%) mark-up of the Fee Program as summarized in **Table 11-1**. Using a percentage of the DIFs, ensures that each new development is charged their fair share. A three percent (3%) fee is in alignment with the industry standard range of three to six percent (3-6%).

Requirement 5: Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The Program Administration Fee provides the funding to administer the DIFs. Having an adopted a policy of collecting a three percent (3%) mark-up to administer fee programs is an industry standard and effective. Since this fee is calculated as a mark-up of the other DIFs as summarized in **Table 11-1,** each land use pays for their fair share of the management costs based on their impact to the City's infrastructure.

Section 12 Implementation and Administration

Implementation

According to the California Government Code, prior to levying a new fee or increasing an existing fee, an agency must hold at least one open and public meeting with at least 30 days' notice. In addition, notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. At least ten days prior to this meeting, the agency must make data on infrastructure costs and funding sources available to the public. Notice of the time and place of the meeting and a general explanation of the matter are to be published in accordance with Section 6062a of the Government Code, which states that publication of notice shall occur for ten days in a newspaper regularly published once a week or more. The new or increased fees shall be effective no earlier than 60 days following the final action on the adoption or increase of the fees.

Fee Program Administrative Requirements

The Government Code requires the City to report every year and every fifth year certain financial information regarding the fees. The City must make available within 180 days after the last day of each fiscal year the following information from the prior fiscal year:

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 in the account or fund.
4. The amount of the fee collected and the interest earned.
5. An identification of each public improvement for which fees were expended and the amount of expenditures.
6. An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project.
7. A description of each interfund transfer or loan made from the account and when it will be repaid.
8. Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee related projects.

Beginning in 2024, the code has been expanded to include and expand on some of the requirements. The following requirement was added:

An identification of each improvement identified pursuant to requirement #6 listed on a previous report and whether construction began on the approximate date noted within that report. If construction did not commence by the approximate date provided in the previous report, identify the reason for the delay and a revised approximate commencement date.

In addition, requirement 8 was expanded to now require the following information:

Identification of any refunds made and the number of persons or entities identified to receive those refunds once it is determined that sufficient monies have been collected to fund all fee related projects.

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

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

1. Identify the purpose to which the fee is to be put.
2. Demonstrate a 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 any incomplete improvements.
4. Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account.

Based on new legislation, a local agency shall inform a person paying a fee subject of both of the following:

- The person's right to request an audit pursuant to Section 66023.
- The person's right, pursuant to paragraph (1) of subdivision (b), to file a written request for mailed notice of the local agency's meeting to review the information made public pursuant to paragraph (1) of subdivision (b).

A local agency shall provide a person paying a fee subject to this section a link to the page on the local agency's internet website where the information made public pursuant to paragraph (1) of subdivision (b) is available for review.

Fee Adjustment Procedures

The DIFs may be adjusted periodically to reflect revised facility requirements, receipt of funding from alternative sources (i.e., state or federal grants), revised facilities or costs, changes in demographics, changes in the average unit square footage, or changes in the land use plan. In accordance with Santee Municipal Code section 12.30.050, Santee Development Impact Fees are automatically adjusted for inflation on July 1 of each year. The inflation adjustment is two percent or based on the previous calendar years increase in the San Diego Consumer Price Index (CPI-U: All Items) as published by the Bureau of Labor Statistics, whichever is higher. The Municipal Code will need to be updated to adjusting annually on July 1st based on the Construction Cost Index (CCI) for the 20-City Average as reported by Engineering News Record (ENR) for a twelve-month period or a similar published index if the CCI Index is no longer available.

Timing of Fee Payment

Fees will be collected at the time the building permit for the project is issued. All residential projects will pay a fee based on the livable square footage of the residential unit(s). For high-density residential projects, the fee will be due at the time of the building permit for each building. For high-density residential projects, the non-residential communal portion (i.e., clubhouse, maintenance facility, gym, etc.) will not be assessed impact fees as the impact is assumed to be captured in the residential fees. Area that are accessible by the public (i.e., leasing office) will be charged impact fees according to use.

Credits and Reimbursement Policies

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

Administrative Fee

An administrative fee of three (3) percent is included as part of each of the fees and may be used for costs for legal, accounting, and other administrative support and development impact fee program administration costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analysis. Additionally, the administrative fee may be used to fund the impact fee nexus study updated that must be updated at a minimum every eight (8) years

pursuant to AB602. Please refer to the individual fee calculation tables for a breakdown of the administration fee.

Programming Revenues with the CIP

The City should maintain its CIP to adequately plan for future infrastructure needs. The CIP should commit all projected fee revenues and fund balances to specific projects that are necessary to serve growth as described in this report. The use of the CIP provides documentation necessary for the City to hold funds in a project account for longer than five years if necessary to collect sufficient funds to complete a project. In addition, the CIP is required per AB602. This report outlines the projects that are to be funded with the fee program and forms the basis of the CIP, as shown in **Appendix A**.

Fee Reporting

Assembly Bill No. 1483, which became effective January 1, 2020, requires that public agencies make the following information available on their website. The following information must be provided:

1. A current schedule of fees, exactions, and affordability requirements imposed by the city, county, or special district, including any dependent special districts, of the city or county applicable to a proposed housing development project, which shall be presented in a manner that clearly identifies the fees, exactions, and affordability requirements that apply to each parcel.
2. All zoning ordinances and development standards, which shall specify the zoning, design, and development standards that apply to each parcel.
3. The list of information required to be compiled pursuant to Section 65940.
4. The current and five previous annual fee reports or the current and five previous annual financial reports, which were required pursuant to subdivision.
5. An archive of impact fee nexus studies, cost of service studies, or equivalent, conducted by the city, county, or special district on or after January 1, 2018.

Any updates to the above information must be available within 30 days.

Accessory Dwelling Units

An Accessory Dwelling Unit (ADU) is a second unit that is attached or detached from a single-family home. In accordance with Assembly Bill No. 881 approved on October 9, 2019, fees will not be charged for an ADU that is less than 750 square feet. For an ADU that is 750 square feet or larger, the ADU will be charged proportionately in relation to the square footage of the primary dwelling unit. Since the residential fees are now being charged on a square footage basis, ADU fees will be calculated by multiplying the Single-Family Residential fee by the ADU's square footage.

Specialized Development Projects

The fees in this Report may not apply to specialized development projects such as golf courses, cemeteries, sports stadium, or other specialized land uses. For specialized development projects the City will review the development's impacts to determine the applicable fees. The fee rates presented in this Report may be reduced, exempted, or waived under certain circumstances as determined by the City. Any exemption or reduction in fees will be based on the City's independent analysis and review of the subject property. In addition, for reuse, density increasing, or rezone projects, the developer shall only be responsible for paying fees for the intensification of the development. In cases of disaster, impact fees will not be charged on the rebuilding of the structures that were affected by the disaster to the extent that the overall size and use of the new structure is similar to the structure destroyed by the disaster. The City will review the development's increased impacts to determine the applicable fees.

Some developments may include more than one land use type. In these cases, the fee is calculated separately for each land use. The City has the discretion to impose the fees based on the specific aspects of a proposed development regardless of zoning. The fee imposed should be based on the land use type that most closely represents the impacts of the development.

Rebuild or Expansion Projects

For reuse, expansions, density increasing, or rezone projects, the developer shall only be responsible for paying fees for the intensification or expansion. For example, if a homeowner wishes to build an addition to their home that is 100 square feet, the homeowner would be responsible for paying fees for the 100 square foot addition. The City will review the new development's impacts to determine the applicable fees on a case-by-case basis.

In cases of rebuilding a structure after a demolition, impact fees will not be assessed on the rebuild to the extent that the overall size and use of the new structure is similar to the structure prior to demolition. Similarly, in cases of disaster, impact fees will not be charged on the rebuilding of the structures that were affected by the disaster to the extent that the overall size and use of the new structure is the same as the structure destroyed by the disaster. Impact fees for the new structure will be calculated based on the new rebuilt structure and the fees paid for the previous structure, and the difference between these fees will be assessed. No refunds will be made for rebuilds that have a lower impact fee than the previous structure.

Appendix A: Capital Improvement Plan

Table A-1: Capital Improvement Plan (Page 1 of 2)

Projects	Total Project Cost	Other Funding Expected	DIF Project Cost
Public Facilities			
Santee Community Center	$ 21,000,000	$ 16,800,000	$ 4,200,000
Future Park Recreation Facilities (assumes 74.08 acres) [1]	$ 53,708,000	$ -	$ 53,708,000
Subtotal Public Facilities	*$ 74,708,000*	*$ 16,800,000*	$ 57,908,000
Traffic Signal			
6 Phase Signal (Magnolia Ave & Princess Joann Rd)	$ 415,000	$ -	$ 415,000
6 Phase Signal (Cottonwood Ave & Riverview Pkwy)	$ 415,000	$ -	$ 415,000
8 Phase Signal (Woodside Ave & Mission Del Magnolia/Riderwood Terrance)	$ 450,000	$ -	$ 450,000
6 Phase Signal (Mission Gorge Rd & Marrokal Ln)	$ 415,000	$ -	$ 415,000
Pedestrian Signal - Hawk (Mission Gorge Rd & Forester Creek)	$ 220,000	$ -	$ 220,000
Pedestrian Signal - Hawk (Cuyamaca St & South River Trail)	$ 220,000	$ -	$ 220,000
Pedestrian Signal - Hawk (Prospect Ave & Forester Creek)	$ 220,000	$ -	$ 220,000
Update/replace traffic signal cabinet and controllers	$ 196,000	$ -	$ 196,000
Pedestrian Ramp Upgrades	$ 107,800	$ -	$ 107,800
Audible Pedestrian Signal Button Installation	$ 392,000	$ -	$ 392,000
Smart Signals and Controller/Detection Upgrades	$ 1,680,000	$ -	$ 1,680,000
Signal Modification (Carlton Oaks Dr & Wethersfield Rd)	$ 439,000	$ -	$ 439,000
Signal Modification (Mast Blvd & Calton Hills Blvd)	$ 203,900	$ -	$ 203,900
Install new fiberoptic communication	$ 216,000	$ 160,000	$ 56,000
Install new fiberoptic communication	$ 1,134,000	$ 630,000	$ 504,000
Subtotal Traffic Signal	*$ 6,723,700*	*$ 790,000*	*$ 5,933,700*
Traffic Mitigation			
Cottonwood Avenue River Crossing	$ 20,786,000	$ -	$ 20,786,000
Cottonwood Avenue Widening and Sidewalk Improvements	$ 12,130,000	$ 9,486,992	$ 2,643,008
Graves Avenue Street Improvements	$ 7,544,000	$ 5,900,236	$ 1,643,764
Magnolia Avenue Widening	$ 4,786,000	$ 3,743,177	$ 1,042,823
Median Modification - Mission Gorge Road at Marketplace	$ 560,000	$ 437,981	$ 122,019
Olive Lane Improvements	$ 2,850,000	$ 2,229,013	$ 620,987
Prospect Avenue Improvements - West	$ 21,267,000	$ 16,633,129	$ 4,633,871
Traffic Signal and Communication Upgrades	$ 4,083,800	$ 3,193,980	$ 889,820
Subtotal Traffic Mitigation	*$ 74,006,800*	*$ 41,624,508*	*$ 32,382,292*

Table A-1: Capital Improvement Plan (Page 1 of 2)

Projects	Total Project Cost	Other Funding Expected	DIF Project Cost
Drainage			
Project 1A	$ 4,270,000	$ -	$ 4,270,000
Project 1B	$ 790,000	$ -	$ 790,000
Project 1C	$ 1,540,000	$ -	$ 1,540,000
Project 2	$ 3,420,000	$ -	$ 3,420,000
Project 3.1A	$ 630,000	$ -	$ 630,000
Project 3.1B	$ 270,000	$ -	$ 270,000
Project 3.2	$ 410,000	$ -	$ 410,000
Project 3.3	$ 520,000	$ -	$ 520,000
Project 4.1	$ 2,520,000	$ -	$ 2,520,000
Project 4.2	$ 370,000	$ -	$ 370,000
Project 5.1	$ 2,640,000	$ -	$ 2,640,000
Project 5.2	$ 4,410,000	$ -	$ 4,410,000
Project 6	$ 970,000	$ -	$ 970,000
Project 7	$ 2,590,000	$ -	$ 2,590,000
Subtotal Drainage	*$ 25,350,000*	*$ -*	*$ 25,350,000*
Park In-Lieu			
Future Park Land (assumes 74.08 acres) [1]	$ 74,080,000	$ -	$ 74,080,000
Subtotal Park In-Lieu	*$ 74,080,000*		
Fire Facilities [2]			
Fire Station 4 Rebuild	$ 25,200,000	*$ -*	*$ 114,130,000*
Fire Station 5 Replacement	$ 14,000,000	*$ -*	*$ 227,990,000*
Fire Station 20 Construction	$ 21,000,000	*$ -*	*$ 455,570,000*
Fire Station 28 Construction	$ 16,000,000	*$ -*	*$ 910,620,000*
Fleet Maintenance Facility	$ 5,797,400	*$ -*	*$ 1,818,720,000*
Subtotal Support Vehicles	*$ 81,997,400*	*$ -*	*$ 3,527,030,000*
Long Range Planning			
Land Use Element	$ 680,000	Potential Grants	$ 680,000
Housing Element	$ 300,000	Potential Grants	$ 300,000
Mobility Element	$ 400,000	Potential Grants	$ 400,000
Recreation Element	$ 75,000	Potential Grants	$ 75,000
Trails (ATP)	$ 300,000	Potential Grants	$ 300,000
Conservation Element (Subarea Plan)	$ 2,800,000	Potential Grants	$ 2,800,000
Noise Element	$ 75,000	Potential Grants	$ 75,000
Safety & Environmental Justice Element	$ 90,000	Potential Grants	$ 90,000
Community Enhancement Element	$ 75,000	Potential Grants	$ 75,000
Sustainable Santee Plan	$ 130,000	Potential Grants	$ 130,000
Subtotal General Plan	*$ 4,925,000*	*$ -*	*$ 4,925,000*
Total (Rounded)	**$ 267,710,900**	**$ 59,214,508**	**$ 3,653,528,992**

Notes:

1 The specific location of park improvements will be dictated by the individual developments and cannot be determined at this time. The assumed acreage is calculated using the General Plan

2 standard of 5 acres per 1,000 people and growth assumptions in the City.

Fire Facilities identified in the Santee Adopted Capital Improvement Program (Fiscal Years 2024-28) and by the Fire Chief.