CITY OF VICTORVILLE

DRAFT Report

Development Impact Fee Study

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Executive Summary

The City of Victorville has retained NBS Government Finance Group to prepare this study to analyze the impacts of new development on many types of City capital facilities and to calculate impact fees based on that analysis. The methods used in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000 *et seq*.).

Organization of the Report

Chapter 1 of this report provides an overview of the legal requirements for establishing and imposing such fees, and methods that can be used to calculate impact fees.

Chapter 2 contains data on existing and future development used in this report.

Chapters 3 through 9 analyze the impacts of development on specific types of facilities and calculate impact fees for those facilities. The facilities addressed in this report are listed by chapter below:

Chapter 3. Parks and Recreation Facilities
Chapter 4. Fire Protection Facilities
Chapter 5. Police Facilities
Chapter 6. Public Buildings
Chapter 7. Libraries
Chapter 8. Water System Improvements
Chapter 9. Roads, Bridges and Traffic Control

Chapter 10 calculates an administrative fee. The City incurs costs to comply with the accounting and reporting requirements of the Mitigation Fee Act, including capital budgeting, fee adjustments, mandated annual reports and periodic impact fee study updates. This study proposes that the City add an administrative charge to the impact fees calculated in this report. The percentage increase in the impact fees (0.2%) needed to recover the City's administrative costs is calculated in Chapter 10 of this report. Table S.2, below, shows the amount of the impact fees after the administrative charge is added.

Chapter 11 contains recommendations for adopting and implementing impact fees, including suggested findings to satisfy the requirements of the Mitigation Fee Act.

Attachment D to this report provides an analysis of Sewer Capacity Fees. The timing of this effort was separate from the list of fees reviewed in Chapters 3 through 11, and therefore a separate report was issued. However, all fees are being brought forward for the City Council's review, adoption, and implementation together.

Development Projections

Chapter 2 of this report presents estimates of existing development in Victorville and a forecast of future development out to 2040 based on SCAG projections. Future development shown in Chapter 2 indicates that the City's population could increase by about 43% to almost 177,000 by 2040. Other measures of development such as employment and peak hour traffic are also projected to increase by 43% to 45%. Although the planning horizon for this study is 2040, it is the quantity of development that is significant in this study. The methods used to calculate impact fees in this report do not require assumptions about the rate or timing of future development. So, the future development shown in Chapter 2 may occur sooner or later than 2040 without affecting the impact fee calculations.

Chapter 2 also establishes values for factors such as population per unit, service population per unit, and peak hour trips per unit that are used in the impact fee calculations.

Impact Fee Analysis

The impact fee analysis for each type of facility addressed in this report is presented in a separate chapter. In each case, the relationship, or nexus, between development and the need for a particular type of facility is defined in a way that allows the impact of additional development on facility needs to be quantified.

The impact fees are based on capital costs for facilities and other capital assets needed to mitigate the impacts of additional development. Impact fees may not be used for maintenance or operating costs. The impact fees calculated in this report are compared with the City's existing impact fees later in this chapter.

The following paragraphs briefly discuss the methods used to calculate impact fees for the facilities addressed in this study.

Parks and Recreation Facilities. Chapter 3 of this report calculates impact fees for park land acquisition, park improvements, and community and recreation center facilities.

The City currently does not have an ordinance requiring residential subdivisions to dedicate land for parks or pay fees in lieu of dedication as authorized by the Quimby Act. Therefore, the park land impact fees calculated in Chapter 3 apply to all types of development, regardless of whether they involve a subdivision or not. The park land impact fees are based on the City's existing ratio of improved park acres to population, which is approximately 2.5 acres per 1,000.

Fees for park improvements are also based on Victorville's existing ratio of improved park acreage to population and would apply to all residential development in the City, whether or not a subdivision is involved.

Impact fees for Victorville's community centers and recreation facilities and related vehicles and equipment based on the existing level of service, defined as asset replacement cost per capita of population. That per-capita cost represents the amount needed from each resident associated

with new development to maintain the existing level of service as the City grows. The cost per capita is converted into fees per unit of development based on the estimated average population per unit for each type of residential development defined in this report.

All of the impact fees in Chapter 3 are calculated as a cost per capita and then converted into fees per unit of residential development based on the estimated average population per unit for one of the three types of residential development defined in this report. Because parks and recreation facilities are intended to serve residents of the City, these fees apply only to residential development.

Fire Protection Facilities. Chapter 4 calculates impact fees for fire protection facilities, apparatus and vehicles by allocating costs for both existing and future Fire Department facilities to both existing and future development, so that the impact fees reflect new development's proportionate share of the total capital costs. In this case, "facilities" also includes apparatus and vehicles.

Costs are allocated based on fire department calls for service per year, based on an analysis of the distribution of calls by development type. The impact fees are calculated as a cost per call for service and then converted into fees per unit of development based on the average number of calls for service-per-unit-per-year for each type of development defined in this report. Fire protection impact fees are intended to apply to all types of new development in the City.

Police Facilities. Chapter 5 calculates impact fees for police facilities, vehicles and equipment based on the existing level of service defined as asset replacement cost per capita of service population.

Costs for police facilities, vehicles and equipment are allocated in Chapter 5 using service population because data on calls for service were not available from the San Bernardino County Sheriff's Department. Service population is a weighted composite of residents and employees (see Chapter 2 for a discussion of Service Population). The impact fees are calculated as a cost per capita of service population which represents the amount needed from each added unit of service population to maintain the existing level of service as the City grows. The cost per capita is converted into fees per unit of development based on the estimated average service population per unit for each type of development defined in this report. Police impact fees are intended to apply to all types of new development in the City.

Public Buildings. Chapter 6 calculates impact fees for Victorville's public buildings including City Hall, the Public Works yard and several other City facilities, as well as related vehicles and equipment. The impact fees are based on the existing level of service, defined as asset replacement cost per capita of service population. That per-capita cost represents the amount needed from each added unit of service population to maintain the existing level of service as the City grows. The cost per capita is converted into fees per unit of development based on the estimated average service population per unit for each type of development defined in this report. Impact fees for public buildings are intended to apply all types of new development in the City.

Libraries. Chapter 7 calculates impact fees for library buildings and library materials based on the existing level of service for libraries in the City. The existing level of service for library facilities is defined in terms of square feet of building area per capita of resident population. That square footage standard is converted into a cost per capita using the estimated cost of new library facilities from the Library Master Plan. The level of service for library materials (books and other items) is defined as replacement cost per capita.

The combined per-capita costs for library facilities and materials represents the amount needed from each resident associated with new development to maintain the existing level of service as the City grows. The cost per capita is converted into fees per unit of development based on the estimated average population per unit for each type of residential development defined in this report. Library impact fees are intended to apply only to new residential development in the City.

Water System Capacity Fees. Chapter 8 calculates capacity charges for water system improvements needed to serve new development in Victorville. The capacity charge calculations are based on the cost of three types of water system improvements: new distribution pipelines, new wells, and new reservoir storage as well as the cost of acquiring additional water rights. The basic measure of demand used to allocate those improvement costs to new development is average day demand (ADD) in gallons per day (GPD). However, the demand for water supply and storage capacity is defined in terms of maximum day demand (MDD), which is 1.5 times ADD. The cost per GPD used in the capacity charge calculations is based on unit costs for each type of improvement in terms of either ADD or MDD depending on the type of improvement.

Water capacity charges are calculated in terms of water meter size. This study equates a single-family dwelling unit connection to a ¾" meter, so the costs associated with a ¾" meter connection are based on the ADD and MDD for a single-family dwelling unit connection. The cost per gallon per day for each type of water system improvement is multiplied by the estimated ADD or MDD for a single-family dwelling unit to get the cost per unit for a single-family dwelling unit connection to the system. Since the standard water meter size for a single-family dwelling unit (SFDU) is a ¾" meter, the capacity charge for a ¾" meter is equated to the cost per SFDU. Capacity charges for larger meter sizes are scaled up relative to the ¾" meter using flow factors based on meter capacity for the larger meters.

Water capacity charges are intended to apply to all new development in the area served by the Victorville Water District.

Roads. Chapter 9 calculates road impact fees using new development's share of the estimated costs for a set of needed road, bridge and traffic control improvements identified by the City Engineer based on the Circulation Element of the City's General Plan. New development's share of the cost of those improvements is divided by the projected increase in peak hour trips generated by new development to get a cost per peak hour trip.

The cost per peak hour trip is converted into fees per unit of development using the number of peak hour trips per unit generated by each type of development defined in this report. Peak hour trips per unit are based on rates for the p.m. peak hour of the adjacent street from 10th edition

of the Institute of Transportation Engineers (ITE) manual, *Trip Generation.* Road impact fees are intended to apply to all types of new development in the City.

Sewer Capacity Fees. Attachment D to this report calculates capacity fees for sewer improvements needed to serve future development in Victorville. Demand for sewer capacity is represented by average daily wastewater flows generated by development. Those flows are stated in equivalent dwelling units (EDU). The capacity fees calculated in Attachment D are based on the cost of sewer system improvements needed to serve future development and the projected wastewater flows associated with future development.

Impact Fee Summary

Table S.1 shows the impact fees calculated in this report, except for water capacity fees which are shown in Table S.5. The blank area in the table indicates that some impact fees are not calculated for non-residential development.

Table S.1: Summary of Proposed Citywide Impact Fees

Development Type	Unit Type [1]	Parks & Recreation	Library	Fire	Police	Public Buildings	Roads	**Total**
Residential - Detached	DU	$ 6,942	$ 253	$ 284	$ 292	$ 1,198	$ 9,625	**$ 18,594**
Residential - Attached	DU	$ 4,900	$ 178	$ 374	$ 206	$ 847	$ 5,445	**$ 11,950**
Residential - Mobile Home Park	DU	$ 4,288	$ 156	$ 239	$ 180	$ 742	$ 4,472	**$ 10,078**
Retail/Service Commercial	KSF			$ 486	$ 104	$ 429	$ 37,042	**$ 38,062**
Professional Office	KSF			$ 666	$ 84	$ 344	$ 11,181	**$ 12,274**
Lodging	Room			$ 247	$ 47	$ 191	$ 3,695	**$ 4,179**
Industrial/Business Park	KSF			$ 52	$ 28	$ 113	$ 5,153	**$ 5,346**
High-Cube Warehouse	KSF			$ 7	$ 19	$ 78	$ 972	**$ 1,077**
Self-Service Storage	KSF			$ 22	$ 1	$ 4	$ 1,653	**$ 1,680**
Gasoline/Service Station	Pump			$ 628	$ 12	$ 51	$ 47,640	**$ 48,331**
Institutional	KSF			$ 67	$ 23	$ 94	$ 6,320	**$ 6,503**

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

Table S.2 on the next page shows the proposed impact fees from Table S.1 with the administrative charge added, as discussed in Chapter 10.

Table S.2: Summary of Proposed Citywide Impact Fees Including Administration Charge

Development Type	Unit Type [1]	Parks & Recreation	Library	Fire	Police	Public Buildings	Roads	**Total**
Residential - Detached	DU	$6,956	$253	$285	$292	$1,201	$9,644	**$18,631**
Residential - Attached	DU	$4,910	$179	$375	$207	$849	$5,455	**$11,974**
Residential - Mobile Home Park	DU	$4,296	$156	$240	$181	$743	$4,481	**$10,098**
Retail/Service Commercial	KSF			$487	$105	$430	$37,116	**$38,138**
Professional Office	KSF			$667	$84	$344	$11,203	**$12,298**
Lodging	Room			$247	$47	$192	$3,702	**$4,188**
Industrial/Business Park	KSF			$52	$28	$113	$5,163	**$5,357**
High-Cube Warehouse	KSF			$7	$19	$78	$974	**$1,079**
Self-Service Storage	KSF			$22	$1	$4	$1,656	**$1,683**
Gasoline/Service Station	Pump			$629	$12	$51	$47,735	**$48,428**
Institutional	KSF			$67	$23	$94	$6,332	**$6,516**

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

Table S.3 shows the City's existing impact fees. The impact fees calculated in this report include fees for a more detailed breakdown of commercial and industrial development types. The blank rows in Table S.3 indicate development types not included in the City's existing impact fee schedule.

Table S.3: Summary of Existing Citywide Impact Fees

Development Type	Unit Type [1]	Parks & Recreation	Library	Fire	Police	Public Buildings	Roads	**Total**
Residential - Detached	DU	$5,046		$329	$139	$1,334	$4,470	**$11,318**
Residential - Attached	DU	$3,847		$232	$98	$717	$2,745	**$7,639**
Residential - Mobile Home Park	DU							
Retail/Service Commercial	KSF			$170	$170	$1,340	$7,600	**$9,280**
Professional Office	KSF							
Lodging	Room							
Industrial/Business Park	KSF			$10	$10	$440	$2,980	**$3,440**
High-Cube Warehouse	KSF			$20	$20	$250	$1,580	**$1,870**
Self-Service Storage	KSF							
Gasoline/Service Station	Pump							
Institutional	KSF							

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

Table S.4 shows the difference between the existing fees in Table S.3 and the proposed fees with the administrative charge in Table S.2. Numbers in parentheses indicate that the proposed fees are lower than the existing fees.

Table S.4: Difference Between Existing and Proposed Citywide Impact Fees

Development Type	Unit Type [1]	Parks & Recreation	Library	Fire	Police	Public Buildings	Roads	**Total**
Residential - Detached	DU	$1,910	$253	($44)	$153	($133)	$5,174	**$7,313**
Residential - Attached	DU	$1,063	$179	$143	$109	$132	$2,710	**$4,335**
Residential - Mobile Home Park	DU							
Retail/Service Commercial	KSF			$317	($65)	($910)	$29,516	**$28,858**
Professional Office	KSF							
Lodging	Room							
Industrial/Business Park	KSF			$42	$18	($327)	$2,183	**$1,917**
High-Cube Warehouse	KSF			($13)	($1)	($172)	($606)	**($791)**
Self-Service Storage	KSF							
Gasoline/Service Station	Pump							
Institutional	KSF							

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

Note: The difference shown in this table = the proposed fees including the administrative charge shown in Table S.2 less the existing fees shown in Table S.3

Table S.5 shows existing and proposed water capacity fees, which are based on water meter size. Note that the City currently uses the term "water connection fee" instead of "water capacity fee." Those terms are commonly used interchangeably, and the City may decide to update terminology as needed.

Table S.5: Proposed and Existing Water Capacity Charges

Meter Size	Proposed Cap Charges [1]	Cap Charge + Admin Charge [2]	Existing Capacity Fees	Difference [3]
3/4"	$ 5,687	$ 5,698	$ 5,142	$ 556
1"	$ 9,497	$ 9,516	$ 7,672	$ 1,844
1-1/2"	$ 18,936	$ 18,974	$ 16,671	$ 2,303
2"	$ 30,310	$ 30,370	$ 26,954	$ 3,416
3"	$ 56,866	$ 56,980	$ 54,129	$ 2,851
4"	$ 94,795	$ 94,985	$ 90,250	$ 4,735
6"	$ 189,534	$ 189,913	$ 180,464	$ 9,449
8"	$ 303,266	$ 303,872	$ 283,291	$ 20,581

[1] The proposed water capacity chartges shown in this table include the equivalent of the Alternate Water Source Fee currently charged by the City addition to the water connection fee

[2] Proposed impact fees including the administrative charge discussed in Chapter 10

[3] Difference between the existing fees and the proposed impact fees including the administrative charge

Regarding Sewer Capacity Fees, the calculated cost per EDU shown in Attachment D is $2,867. The EDUs assigned to a given customer is a measure of the expected impact on the sewer utility relative to the average impact of a single-family residential (SFR) user. The measure is based on a customer's expected flow. One EDU is equivalent to one single-family dwelling unit. The estimated daily flow for one single-family dwelling unit is estimated to be 149 gallons per day (GPD). EDU assignments for connecting customers are based on customer classification determined by City staff. The EDU assignments are then used to calculate the capacity fee for connecting customers. For example, a standard single-family dwelling would be assessed a capacity fee of $2,867 for the sewer connection (1 EDU × $2,867). If a connecting customer is assigned 3 EDUs (based on flow), presumably for a larger residential property or a commercial property, the sewer capacity fee would be $8,601 (3 EDUs × $2,867) for this connecting customer. Please see Attachment D for further presentation of the Sewer Capacity Fee analysis and outcomes.

Chapter 1. Introduction

Purpose

The purpose of this study is to analyze the impacts of development on the need for several types of public facilities provided by the City of Victorville and to calculate impact fees based on that analysis. This report documents the approach, data and methodology used in this study to calculate impact fees.

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

Legal Framework for Developer Fees

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

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

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

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

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

Defining the "Nexus." While courts have not been entirely consistent in defining the nexus required to justify exactions and impact fees, that term can be thought of as having the three

elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard.* The elements of the nexus discussed below mirror the three "reasonable relationship" findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

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

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

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

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

Proportionality. Impact fees must be proportional to the impact created by a particular development project. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that those costs are allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIIIA. However, that objection is valid only

if the fees charged to a project exceed the cost of providing facilities needed to serve the project. In that case, the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act.

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

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

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

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

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

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and requires annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the implementation chapter of this report.

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

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,
3. Determine that there is a reasonable relationship between:
   a. The use of the fee and the development type on which it is imposed;

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

c. The amount of the fee and the facility cost attributable to the development project. (Applies when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

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

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

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

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

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

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

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

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section

66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

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

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

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

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

Recent Legislation

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

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

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

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

Existing law requires a water or sewer connection fee or capacity charge for an accessory dwelling unit requiring a new or separate utility connection to be based on either the accessory dwelling

unit's size or the number of its plumbing fixtures. SB 13 revises the basis for calculating the connection fee or capacity charge to either the accessory dwelling unit's square feet or the number of its drainage fixture units.

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

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

- A nexus study must identify the existing level of service for each facility, identify the proposed new level of service (if any), and explain why the new level of service is appropriate.
- If a nexus study supports an increase in an existing fee the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
- Large jurisdictions (counties over 250,000 and cities within those counties) must adopt a capital improvement plan as part of the nexus study.
- All impact fee nexus studies shall be adopted at a public hearing with at least 30 days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin and impact fee nexus study of the date of the hearing.
- Nexus studies shall be updated at least every eight years, from the period beginning on January 1, 2022.
- A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units in the development. A nexus study is not required to comply with this requirement if the local agency makes certain findings specified in the law. A local agency that imposes a fee proportionately to the square footage of units in the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.
- Authorizes any member of the public, including an applicant for a development project, to submit evidence that impact fees proposed by an agency fail to comply with the Mitigation Fee Act, and requires the legislative body of the agency to consider such evidence and adjust the proposed fee if deemed necessary.

SB 9, the California Housing Opportunity and More Efficiency ("HOME") Act. SB 9 facilitates the subdivision of existing residential lots and allows for ministerial approval (without discretionary review or hearings) of no more than two dwelling units, including duplexes, on parcels zoned for single-family

dwellings if the property satisfies certain requirements. To qualify under SB 9 the property must be located within either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, within the boundaries of an urbanized area or urban cluster.

The law allows for qualifying lot splits to be approved ministerially upon meeting certain requirements. Each parcel may not be smaller than forty (40%) percent of the original parcel size and each parcel must be at least one thousand two hundred (1,200) square feet in size unless permitted by local ordinance. The parcel must be limited to residential use.

The law does not allow demolition or alteration of certain types of dwellings, including: (a) housing that is subject to a recorded covenant, ordinance, or law that restricts rents to affordable levels; (b) housing subject to rent control; (c) housing that has been tenant-occupied in the last three years; or (d) housing located in a historic district. In addition, the proposed development may not demolish more than 25% of the exterior structural walls of an existing unit, unless expressly permitted by a local ordinance.

A local agency may impose objective zoning standards, subdivision standards, and design standards unless they would preclude either of the two units from being at least 800 square feet in floor area.

No setback may be required for an existing structure, or a structure constructed in the same location and dimensions as an existing structure. Otherwise, a local agency may require a setback of up to four feet from the side and rear lot lines. Off-street parking of up to one space per unit may be required by the local agency, unless the project is located within a half-mile walking distance of a high-quality transit corridor or a major transit stop, or if there is a car share vehicle within one block of the parcel. If a local agency makes a written finding that a project would create a specific, adverse impact upon public health and safety or the environment without a feasible way to mitigate such impact, the agency still may deny the project.

It is impossible to predict how much SB 9 will affect the number of future residential units constructed in the City. Unlike recent laws dealing with accessory dwelling units, SB 9 does not address the imposition of impact fees on the new dwelling units it allows, and it appears at this point that such units would be subject to the same impact fees as other new residential development.

Impact Fee Calculation Methodology

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

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

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

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

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

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

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

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

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

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

Park impact fees are commonly calculated this way. The level of service standard for parks is typically stated in terms of acres of parks per thousand residents. A cost-per-acre for park land

or park improvements can usually be estimated without knowing the exact size or location of a particular park. The ratio of park acreage to population and the cost per acre for parks is used to calculate a cost per capita. The cost per capita can then be converted into a cost per unit of development based on the average population per dwelling unit for various types of residential development.

Facilities Addressed in this Study

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

- Parks and Recreation Facilities
- Fire Protection Facilities
- Police Facilities
- Public Buildings
- Libraries
- Water System Improvements
- Roads, Bridges and Traffic Control

Each of those facilities is addressed in a separate chapter of this report, beginning with Chapter 3. Chapter 2 contains data on existing and future development used in the impact fee analysis.

Chapter 2. Development Data

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

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

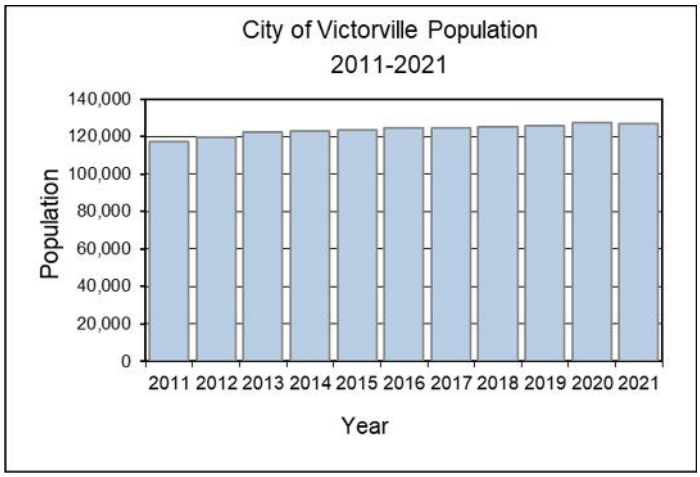
Study Area and Time Frame

The study area for this study is the planning area defined in Victorville's General Plan 2030, which includes both the existing incorporated City and the sphere of influence. The future development scenario used in this study is based on the Southern California Association of Governments (SCAG) development projections to 2040.

However, it is the quantity of future development shown in this study, not the target date, that is significant. Buildout of the additional development projected for Victorville in this study may occur sooner or later than 2040 without affecting the impact fee calculations.

Population Growth

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



The DOF population estimate for Victorville has grown at an average rate of about 0.8% per year since 2011. That growth rate was around 2% in 2011 and 2012 has since slowed, and the City has grown at only about 0.5% per year since 2015. The City's estimated total population for January 1, 2021 is 127,170, an increase of 9.7% from the 2010 Census population of 115,903.

The figures shown above reflect the City's total population, including both household population and population in group quarters such as dormitories, group homes and correctional facilities. The group quarters population in Victorville was estimated at 3,818 in 2021, which is approximately 3% of the City's total population. Most of that number are inmates at the Federal Correctional Complex in Victorville. The population numbers used in this study include only household population, because where population is used to represent the impact of development on City facilities, the inmate population is not a factor.

Development Types

The development types defined in this study are intended to reflect actual land uses rather than zoning or general plan land use designations. The following breakdown of development types is used to calculate impact fees in this study:

- Residential – Detached
- Residential – Attached
- Residential – Mobile Home Park
- Retail/Service Commercial
- Professional Office
- Lodging *
- Industrial/Business Park
- High-Cube Warehouse *
- Self-Service Storage *
- Gasoline/Service Station*
- Institutional *
- Public Facilities

While the full list of development types shown above is reflected in Figure 2A and in Table 2.1 in this chapter and is used to calculate impact fees in this report, the categories marked with an asterisk (*) are omitted from Tables 2.2 through 2.4 which show estimates of existing development and forecasts of future development. In Tables 2.2 through 2.4, the development in those categories is grouped into broader categories because specific data on existing and/or future development are not available for those categories. For example, development in the High-Cube Warehouse and Self-Storage categories is combined with other industrial development in the Industrial/Business Park category. However, because factors such as employees per unit and peak hour trips per unit can be estimated for those development types, it is possible to calculate impact fees for those categories in this report.

The following paragraphs define the development types used in this report.

Residential - Detached - Any residential building containing one dwelling unit on one parcel of land, including a single-family residence, single family residential condominium or detached townhome, and a manufactured home on an individual lot.

Residential - Attached - Apartments, townhomes, condominiums or any other residential unit that is attached to any other residential unit; usually corresponding to land use district designation that allows attached units, such as Medium Density, High Density or Mixed Use. Mixed Use Residential Units are attached residential dwelling units built above or beside commercial uses and are treated as attached units for purposes of assessing impact fees.

Accessory Dwelling Unit (ADU) or Second Unit - A smaller, independent residential dwelling unit located on the same lot as a stand-alone single-family home. Government Code Section 65852.2

(f)(3)(a) states that impact fees may not be charged to ADUs less than 750 square feet, and that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the ADU in relation to the square footage of the primary dwelling unit. Because of the latter requirement, impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis. Therefore, no schedule of impact fees for ADUs is shown in this report. The formula for calculating impact fees for ADUs of 750 square feet or more can be stated as:

Impact fee for detached dwelling unit X (ADU square feet / primary unit square feet)

Mobile Home Park – Units developed at an existing mobile home park or units developed on an undeveloped parcel zoned for mobile home use where a structure is designed for human habitation and for being moved on a street or highway will be located. This designation also applies to modular or manufactured homes that are developed is a similar type of mobile home park setting.

Retail/Service Commercial – Any building with a primary use of general retail sales, restaurant, office and/or services; usually corresponding to uses in the Neighborhood Service Commercial (C-1), General Commercial (C-2), and Commercial Manufacturing (C-M) land use designations.

Professional Office – A building designed primarily for office uses. This includes office uses, such as banks, other financial institutions, professional and medical offices, usually located in commercial land use designations.

Lodging - A building with the primary use as either a hotel, motel or residence inn or a building containing six (6) or more rooms intended to be used for sleeping purposes for guests.

Industrial/Business Park – A building with the primary use of warehouse, manufacturing, or distribution, including multi-tenant buildings designed for industrial uses usually located within the Industrial Park District (IPD), Light Industrial (M-1) and Heavy Industrial (M-2) land use designation.

High-Cube Warehouse – A building used for the storage of manufactured goods prior to their distribution to retail outlets. These facilities consist of large shell buildings with a typical ceiling height of 24 to 30 feet. They are also characterized by a small employment count due to a high level of mechanization.

Self-Service Storage – Facilities in which storage space, also known as "storage units," including rooms, lockers, containers, and/or outdoor space, are rented to tenants.

Gasoline/Service Station – Facilities in which vehicles refuel from an on-site pump.

Institutional – Buildings used as private schools, private meeting/assembly places, such as churches and other places of worship, occurring in any land use designation.

In addition to the development types specifically addressed by this Study, the City has developed a number of additional procedures for other development types. The City requested the following definitions be included within the Development Impact Fee Study report:

Square Feet/Building Area – The area of each floor and mezzanine within the exterior walls of a building, exclusive of the vent shafts and courts. When no exterior walls are provided, the square footage shall be the usable area under the roof or floor above (e.g. fueling canopy, service canopy, storage canopy). Exterior accessory hardscaped areas (e.g. customer/employee daily parking, walkways, courtyards) covered by a roof shall be excluded.

Solar Power Plant – a primary use of land that converts sunlight into electricity, either directly using photovoltaics (PV), or indirectly using concentrated solar power (CSP). These facilities shall be assessed Industrial Use development impact fees based on the square footage of any building and utility/equipment enclosures on site.

Wireless Communication Facilities – any public or private structure that supports antennae, microwave dishes, and other related equipment that sends and/or receives radio frequency signals. These facilities shall be assessed Industrial Use development impact fees based on the square footage on site.

Demolition Credit – The square footage or unit count of a demolished building or buildings that previously paid Development Impact Fees may be deducted from the development impact fees of a new development provided the new development is located on the same parcel of land, subject to the review and approval of the Building Official.

Demand Variables

To calculate impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Certain measurable attributes of development (for example, population or vehicle trips) are used as "demand variables" in those formulas to represent the impact of different types of development on various types of facilities.

Demand variables are selected either because they directly measure the service demand created by various types of development, or because they are reasonably correlated with that demand.

For example, the need for parks in a community is typically defined in terms of the relationship between population and acres of parks. As population grows, more parks are needed to maintain that relationship. Logically, then, the increase in population related to new residential development is an appropriate yardstick, or demand variable, for use in measuring the impact of development on the need for additional parks.

Each demand variable has a specific value for each type of development defined in this study. Those values may be referred to as "demand factors." So, if the demand variable used to calculate impact fees for a particular type of facility is added population, the demand factor for single-family residential development would be the population per dwelling unit for that specific type of development.

Demand variables used in this study are discussed below. Specific demand factors can be found in Table 2.1 on page 2-7.

Population. Household population is used in this study to represent the need for facilities such as parks and community centers that are intended to serve residents of the City. Those facilities are impacted by the additional population associated with residential development and are not impacted substantially by non-residential development or by population in group quarters such as prisons.

Peak Hour Trips. The demand variable used to calculate impact fees for street system improvements in this report is weekday p.m. peak hour vehicle trips. The p.m. peak hour trip generation factors used in this study are for the street adjacent to the development rather than for the development itself. Peak hour trips-per-unit-per-day factors for each type of development are from *Trip Generation*, published by the Institute of Transportation Engineers (ITE) and are shown in Table 2.1.

Fire Department Calls for Service per Year. In analyzing the impact of development on the need for fire protection and emergency response services, this study uses calls for service per year as the demand variable. NBS analyzed a random sample of one year of calls to the Victorville Fire Department to establish the distribution of calls by development type, and to calculate calls per-unit-per-year factors for each development type. See Chapter 5 for more details.

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

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

Because the impact of one new resident is not necessarily the same as the impact of one new employee, each component of the service population is given a weight relative to a base weight of 1.0 for a hypothetical resident who spends 100% of his/her time in the City.

Service population is intended to reflect the relative impact of various types of development on certain types of City services and the facilities that support them. Service population is based on the number of residents or employees associated with one unit of development for each development type defined in this study. Weighting of residents or employees for each development type is based on the estimated number of hours they spend in the City during an average week.

It is difficult to estimate that number precisely for several reasons. Some residents work in the City, some residents commute to work outside the City, and some residents don't work at paid jobs. Non-residents may be present in the City for work, shopping, recreation, or any number of other reasons.

Our estimate of the average number of hours per week that residents spend in the City is based in part on an analysis of how many residents commute to work outside the City. We also assume

the average resident spends four hours a week outside the City for activities like shopping and recreation.

The Department of Finance 2018 household population estimate for Victorville was 119,331. 2018 data from the Census Bureau's American Community Survey show that 52.9% of Victorville residents over age 16 are in the labor force with 48.7% employed and 4.2% unemployed. About 74% of employed residents work outside the City, according to 2016 Census data summarized in the SCAG 2019 Local Profile for Victorville.

Using 2018 data, we estimate that Victorville's out-commuters numbered 30,817. If we assume they spent 47.5 hours a week (9.5 hours per day) outside the City at work and commuting, and that all residents spend 4 hours a week outside the City for shopping and recreation, we can conclude that out-commuters spent an average of 116.5 (168 – 47.5 – 4) hours per week in the City. That's a total of 3,590,181 hours.

If the remaining 88,514 residents spent 164 (168-4) hours per week in the City, that would be 14,516,296 hours. So, with 119,331 residents spending a total of 18,106,447 hours in the City, the average for all residents is 151.7 hours. Dividing that number by the total of 168 hours per week gives us a weight of 0.903 for all residents.

The weights assigned to employees of business associated with various types of non-residential development are based on the estimated hours per week of operation divided by 168 total hours per week. Exhibit 2A shows the estimated hours of operation per week for non-residential development types and the resulting weight for each category of non-residential development. That exhibit also shows the weighting of population for residential development types, as discussed above.

Exhibit 2A: Service Population Weights

Development Type	Avg Hrs per Wk	Total Hrs per Wk	Svc Pop Weight [1]
Residential - Detached	151.7	168.0	0.903
Residential - Attached	151.7	168.0	0.903
Residential - Mobile Home Park	151.7	168.0	0.903
Retail/Service Commercial	84.0	168.0	0.500
Professional Office	45.0	168.0	0.268
Lodging	84.0	168.0	0.500
Industrial/Business Park	45.0	168.0	0.268
High-Cube Warehouse	45.0	168.0	0.268
Self-Service Storage	84.0	168.0	0.500
Gasoline/Service Station	112.0	168.0	0.667
Institutional	40.0	168.0	0.238
Public Facilities	45.0	168.0	0.268

[1] Service population weight = average hours per week / total hours per week

Demand Factors

Table 2.1 shows the values of demand factors used in this study by development type.

Table 2.1: Demand Factors

Development Type	Unit Type [1]	Population per Unit [2]	Employees per Unit [3]	Svc Pop per Unit [4]	Pk Hr Trips per Unit [5]	Fire Calls per Unit [6]
Residential - Detached	DU	3.40		3.07	0.99	0.38
Residential - Attached	DU	2.40		2.17	0.56	0.50
Residential - Mobile Home Park	DU	2.10		1.90	0.46	0.32
Retail/Service Commercial	KSF		2.20	1.10	3.81	0.65
Professional Office	KSF		3.30	0.88	1.15	0.89
Lodging	Room	0.98		0.49	0.38	0.33
Industrial/Business Park	KSF		1.10	0.29	0.53	0.07
High-Cube Warehouse	KSF		0.73	0.20	0.10	0.01
Self-Service Storage	KSF		0.02	0.01	0.17	0.03
Gasoline/Service Station	Pump		0.19	0.13	4.90	0.84
Institutional	KSF		1.00	0.24	0.65	0.09
Public Facilities	KSF		3.30	0.88	0.94	0.90

[1] DU = dwelling unit; KSF = 1,000 gross sq ft of building area; Room = guest room or suite; Pump = vehicle fueling position

[2] Average household population per unit based on analysis of data from U. S. Census Bureau, 2018 American Community Survey (2017, 5-Year Estimate), Tables B25032 and B25033

[3] Employees per unit estimated by NBS using data from multiple sources including a 2001 employment density study by the Natelson Co. for the Southern California Association of Governments (SCAG) and a summary of Census Bureau data from ESRI

[4] Service population per unit = population or employees per unit X the service population weight from Exhibit 2A; see discussion of service population weighting in text

[5] Peak hour trips per unit based on p.m. peak hour trip generation rates for the adjacent street from from the Institute of Transportation Engineers (ITE) manual, *Trip Generation* , 10th Edition with pass-by trip reductions of 30% for the Retail/Service Commercial category and 65% for the Gasoline/ Service Station category

[6] Fire calls per unit per year; see discussion in Chapter 4

Existing and Future Development

Summaries of existing and future development by development type are presented in Tables 2.2 through 2.4.

Please note that the list of development types in those tables is somewhat different from those listed in Table 2.1. The breakdown of development types shown in Table 2.1 is used to calculate impact fees in this report and the demand factors shown in that table are specific to those development types. However, because limited detail is available in data sets for existing and

future development, some of the development types shown in Table 2.1 do not appear in Tables 2.2 through 2. For example, the three industrial categories (industrial/business park, high-cube warehouse and self-service storage) are lumped into a single industrial category in those tables.

Consequently, the factors used to convert units into employees per unit, service population per unit and peak hour trips per unit in Tables 2.2 through 2.4 are composites intended to reflect the average rate for the broader industrial category. As long as the totals for population, service population and peak hour trips in those tables are reasonably accurate, the impact fee calculations will meet the reasonable relationship standard required by the Mitigation Fee Act.

Table 2.2 shows estimated existing development in the City as of January 1, 2021.

Table 2.2: Existing Development January 1, 2021 - City of Victorville

Development Type	Dev Acres [1]	Unit Type [2]	No. of Units [3]	Popu-lation [4]	Emplo-yees [5]	Service Pop [6]	Pk Hour Trips [7]	Fire Calls per Year [8]
Residential - Detached	7,697	DU	30,788	104,993		94,525	30,480	11,828
Residential - Attached	489	DU	6,107	14,657		13,235	3,420	3,040
Residential - Mobile Home Park	175	DU	1,763	3,702		3,343	811	562
Subtotal Residential	**8,361**		**38,658**	**123,352**		**111,104**	**34,711**	**15,430**
Retail/Service Commercial	768	KSF	8,369		19,238	9,619	31,884	5,467
Professional Office	154	KSF	2,007		6,691	1,793	2,308	1,788
Industrial	337	KSF	5,141		4,470	1,198	2,337	357
Public Facilities	128	KSF	1,676		5,532	1,483	1,576	1,507
Subtotal Non-residential	**1,387**		**17,193**		**35,931**	**14,093**	**38,106**	**9,119**
Totals	**9,748**			**123,352**	**35,931**	**125,196**	**72,817**	**24,549**

[1] Existing developed acres estimated based on number of units and estimated residential densities or non-residential floor areas by development type

[2] DU = dwelling unit; KSF = 1,000 gross sq ft of building area

[3] Number of existing residential units based on the January 2021 CA Department of Finance E-5 report; existing non-residential units estimated using ESRI Business Summary employee data and employee density factors from Table 2.1

[4] Existing household population = existing residential units X population per unit from Table 2.1

[5] Existing employees = estimated by NBS based on data from ESRI 2021 Business Summary for Victorville and SCAG 2020 projections

[6] Existing service population = existing employees X service population weight from Exhibit 2A; see discussion in text

[7] Existing peak hour trips = existing units X peak hour trips per unit; see discussion in text

[8] Existing fire calls per year; see discussion in Chapter 4

Table 2.3 shows potential future development in Victorville to 2040, reflecting the difference between 2040 development in Table 2.4 and existing development in Table 2.2.

Table 2.3: Future Development to 2040 - City of Victorville Planning Area

Development Type	Dev Acres	Unit Type	No. of Units	Popu-lation	Emplo-yees	Service Pop	Pk Hour Trips	Fire Calls per Year
Residential - Detached	3,387	DU	13,547	45,746		41,589	13,412	5,204
Residential - Attached	257	DU	2,840	6,816		6,163	1,590	1,414
Residential - Mobile Home Park	37	DU	353	741		671	162	113
Subtotal Residential	**3,680**		**16,740**	**53,303**		**48,423**	**15,164**	**6,731**
Retail/Service Commercial	357	KSF	3,891		8,946	6,319	14,827	2,542
Professional Office	74	KSF	963		3,111	820	1,107	858
Industrial	247	KSF	3,766		2,079	583	1,712	262
Public Facilities	31	KSF	399		1,383	343	375	359
Subtotal Non-residential	**708**		**9,019**		**15,519**	**8,066**	**18,021**	**4,020**
Totals	**4,389**			**53,303**	**15,519**	**56,489**	**33,185**	**10,750**

Note: the numbers in Table 2.3 represent the difference between 2040 development in Table 2.4 and existing development in Table 2.2

Table 2.4 on the following page shows total development in the Victorville planning area in 2040, as projected by SCAG.

Table 2.4: Total 2040 Development - City of Victorville Planning Area

Development Type	Dev Acres [1]	Unit Type [2]	No. of Units [3]	Popu-lation [4]	Emplo-yees [5]	Service Pop [6]	Pk Hour Trips [7]	Fire Calls per Year [8]
Residential - Detached	11,084	DU	44,335	150,739		136,108	43,892	17,032
Residential - Attached	746	DU	8,947	21,473		19,415	5,010	4,454
Residential - Mobile Home Park	212	DU	2,116	4,444		4,020	973	675
Subtotal Residential	**12,041**		**55,398**	**176,655**		**159,544**	**49,875**	**22,161**
Retail/Service Commercial	1,126	KSF	12,260		28,184	15,938	46,711	8,009
Professional Office	227	KSF	2,970		9,802	2,614	3,416	2,646
Industrial	584	KSF	8,906		6,549	1,781	4,050	619
Public Facilities	159	KSF	2,075		6,915	1,826	1,951	1,866
Subtotal Non-residential	**2,096**		**26,211**		**51,450**	**22,159**	**56,126**	**13,139**
Totals	**14,137**			**176,655**	**51,450**	**181,703**	**106,001**	**35,299**

[1] Buildout developed acres estimated based on the Southern California Association of Governments (SCAG) 2040 development projections of housing and employment and densities and floor area ratios estimated by NBS

[2] DU = dwelling unit; KSF = 1,000 gross sq ft of building area; Room = guest room or suite

[3] Buildout units based on 2040 projections by the Southern California Association of Governments (SCAG); distribution of units by type assumes a small increase in the percentage of attached units and a small decrease in the percentage of mobile homes.

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

[5] Buildout employees based on 2040 projections by the Southern California Association of Governments (SCAG); distribution of employees by non-residential development category assumes the same percentage increase for all categories except public facilities which assumes a slighly smaller percentage increase

[6] Buildout service population = buildout units X service pop. per unit; see Exhibit 2A and discussion in text

[7] Buildout peak hour trips = buildout units X peak hour trips per unit; see discussion in text

[8] Buildout fire calls per year; see discussion in Chapter 4

The amount of growth shown in the tables above indicates a potential increase of between 43% and 45% in population, employees, service population, peak hour trips and fire department calls for service in the City from 2021 to 2040.

Chapter 3. Parks and Recreation Facilities

This chapter calculates impact fees for park land acquisition, park improvements and recreation facilities. As used in this chapter, recreation facilities include community centers and several other types of facilities listed in Table 3.7 in this chapter.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The standard used to calculate impact fees for park land acquisition and park improvements in this chapter is the City's existing ratio of developed park acres to population. The standard used to calculate Impact fees for recreation facilities is the relationship between the existing population and the value of the City's existing recreation. The impact fee calculated using that method are intended to maintain the existing level of service as the City grows.

Service Area

Parks and recreation impact fees calculated in this chapter are intended to apply to all new residential development in the City.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in impact fee calculation formulas to represent the impact of development. The demand variable used to calculate park impact fees in this chapter is population.

Population is used here because the need for parks is typically defined in terms of the relationship between park acreage and population and the Victorville General Plan establishes a level-of-service standard for parks that is based on population (see the Level of Service section, below). Population is also widely used to represent the demand for recreation facilities.

Population per dwelling unit varies by development type, so the average population per unit is estimated for each type of residential development defined in this study. Those individual population-per-unit factors are shown in Table 2.1 in Chapter 2.

Because added population is associated with residential development, the impact fees calculated in this chapter apply only to residential development.

The next section of this chapter deals with park impact fees and is followed by a section addressing impact fees for recreation facilities.

Existing Level of Service – Parks

The Resource Element of the Victorville General Plan (Objective 2.1 and Policy 2.1.1) establishes a standard of three acres of park land per 1,000 residents. In this chapter, calculation of impact fees for park land acquisition and park improvements is based on the City's existing level of service at the time of this study. Table 3.1 lists the City's existing parks and shows both City-owned acres and improved acres of parks.

Table 3.1: Existing Parks

Park Name	City-Owned Acres	Improved Acres
Avalon Park	4.4	4.4
Brentwood Park	7.3	7.3
Center Street Park	5.4	5.4
Doris Davies Park (Pool)	22.2	22.2
Eagle Ranch Park	6.7	6.7
Eva Dell Park	13.1	13.1
Grady Trammel Park	2.6	2.6
Green Tree Golf Course	148.5	148.5
Hollyvale Park [1]	0.0	0.8
Hook Park [1]	0.0	25.3
Liberty Park [1]	0.0	8.5
Mesa Linda Park [1]	0.0	11.6
Mojave Riverwalk	0.2	0.2
Mojave Vista Park	9.2	9.2
Old Victor Park	1.3	1.3
Rockview Park	9.6	9.6
Schmidt Park	11.2	11.2
Sunset Ridge Park	15.7	15.7
Village Park	2.6	2.6
Total	**260.0**	**306.2**

Source: City of Victorville 2020 Parks and Recreation Master Plan and Park Atlas; Las Haciendas Park is not included in this list because it was a developer-initiated park

[1] Site leased from school district; improvements funded by the City of Victorville

Table 3.2 calculates the existing levels of service in terms of developed acres per capita and acres per 1,000 population for total City-owned park land and City-improved park land. The difference between the two numbers is the acreage of several parks developed by the City on land owned by school districts as indicated in Table 3.1. Because the City has paid for the improvements to those parks, they are included in the total of City-owned park land in Table 3.2.

Table 3.2: Existing Level of Service - Parks

Facility	Existing Acres[1]	Existing Population[2]	Acres per Capita [3]	Acres per 1,000 [4]
City-owned Park Land	260.0	123,352	0.002108	2.108
Improved Park Land	306.2	123,352	0.002482	2.482

[1] See Table 3.1

[2] See Table 2.2

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

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

The level-of-service standard used to calculate impact fees for park land acquisition and park improvements in this study is the existing ratio of improved park land to population as shown in Table 3.2.

The park improvement impact fees also include the cost of park maintenance vehicles and equipment. The standard used to calculate impact fees for park maintenance vehicles and equipment in this study is the existing cost per capita as shown in Table 3.3.

Table 3.3: Cost per Capita - Park Maintenance Vehicles & Equipt

Acquisition Cost[1]	Existing Population[2]	Cost per Capita [3]
$3,068,620	123,352	$24.88

[1] Acquisition cost from the City's asset inventory; see Appendix A for a detailed list of vehicles and equipment

[2] See Table 2.2

[3] Cost per capita = acquisition cost / existing population

Cost Per Capita - Parks

Table 3.4 shows per-capita costs for park land, park improvements, and park maintenance vehicles and equipment. Per-capita costs for park land and park improvements are based on existing improved park acres per capita from Table 3.2. The per-capita cost for park maintenance vehicles and equipment is from Table 3.3.

Table 3.4: Cost per Capita - Parks

Fee Type	Cost per Acre[1]	Acres per Capita [2]	Cost per Capita[3]
Park Impact Fee (Park Land Acquisition)	$ 153,000	0.002482	$ 379.75
Park Impact Fee (Park Improvements)	$ 554,823	0.002482	$ 1,377.07
Park Impact Fee (Vehicles and Equipment)			$ 24.88

[1] Cost per acre for park land and improvements estimated by the City of Victorville

[2] Acres per capita for park land and improvements is the existing ratio of improved parks per 1,000 population from Table 3.2

[3] Cost per capita for park land and park improvements = cost per acre X acres per capita; cost per capita for vehicles and equipment from Table 3.3

In the next section, the per-capita costs from Table 3.4 are used to calculate impact fees per unit of development.

Impact Fees per Unit - Parks

Park Land Acquisition Impact Fees. Table 3.5 shows the calculation of park land impact fees per unit of development, by development type. Those fees are calculated using per-capita costs from Table 3.4 and average population per dwelling unit from Table 2.1.

Table 3.5: Park Land Impact Fees per Unit

Development Type	Units [1]	Cost per Capita [2]	Population per DU [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$379.75	3.40	$ 1,291.15
Residential - Attached	DU	$379.75	2.40	$ 911.40
Residential - Mobile Home Park	DU	$379.75	2.10	$ 797.48

[1] Units of development: DU = dwelling unit

[2] See Table 3.4

[3] See Table 2.1

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

Park Improvement Impact Fees (Including Park Maintenance Vehicles and Equipment). Table 3.6 shows the calculation of park improvement impact fees per unit of development, by development type. The park improvement impact fees include the cost of park maintenance vehicles and equipment. These fees are calculated using the combined per-capita costs for park improvements and park maintenance vehicles and equipment from Table 3.4.

Table 3.6: Park Improvement Impact Fees per Unit

Development Type	Units [1]	Cost per Capita [2]	Population per DU [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$1,401.95	3.40	$4,766.63
Residential - Attached	DU	$1,401.95	2.40	$3,364.68
Residential - Mobile Home Park	DU	$1,401.95	2.10	$2,944.10

[1] Units of development: DU = dwelling unit

[2] Includes the combined per-capita costs for park improvements and park maintenance vehicles and equipment; see Table 3.4

[3] See Table 2.1

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

The following section calculates impact fees for recreation facilities.

Existing Level of Service – Recreation Facilities

Table 3.7 on the next page lists the City's existing community and recreation centers with their square footage, building replacement cost and the value of existing furniture fixtures and equipment. Land cost is also included for facilities not located in parks.

Table 3.7: Existing Recreation Facilities

Facility	Square Feet [1]	Building Repl Cost [2]	FF&E Value [3]	Site Acres [4]	Land Value [5]	Impact Fee Cost Basis [6]
Community Center-Hook Park	33,000	$ 5,579,828	$ 381,289	-	$ -	$ 5,961,117
Victorville Activities Center	12,373	$ 3,983,299	$ 104,390	1.93	$ 295,290	$ 4,382,979
Old Victor School	7,400	$ 2,206,435	$ -	1.90	$ 290,700	$ 2,497,135
Westwinds Sports Center		Owned by SCLA				
8th St. Community Center (HDCFTA)	1,155	$ 218,625	$ -	0.81	$ 123,930	$ 342,555
15609 8th St. (Small Bldg at 8th St.)	840	$ 159,055	$ -	0.81	$ 123,930	$ 282,985
Fire Museum (15615 8th St.)	6,370	$ 2,059,376	$ 339,000	0.33	$ 50,490	$ 2,448,866
Bad News Bear Den #1	1,418	$ 278,204	$ 42,931	-	$ -	$ 321,135
Bad News Bear Den #2	1,160	$ 227,587	$ 42,931	-	$ -	$ 270,518
Doris Davies Recreation Building	6,774	$ 1,283,442	$ 70,702	-	$ -	$ 1,354,144
Sunset Ridge Community Center	7,572	$ 1,458,651	$ -	-	$ -	$ 1,458,651
Westwinds Activity Center		Owned by SCLA				
GreenTree Golf Course Clubhouse	25,636	$ 11,553,115	$ 848,826	-	$ -	$12,401,941
Rockview Nature Center	1,678	$ 327,817	$ 29,628	-	$ -	$ 357,445
Total		**$ 29,335,434**	**$1,859,697**	**5.78**	**$ 884,340**	**$32,079,471**

[1] Building square feet from City of Victorville Property Schedule

[2] Estimated building replacement cost from City of Victorville Property Schedule; Westwinds facilities are owned by SCLA, not by the City

[3] Furniture, fixtures and equipment (FF&E) from the City's of property schedule, personal property column

[4] Site acres provided by the City of Victorville' no site acreage is inluded for facilities located in parks

[5] Land value = site acres X land value per acre ($153,000) estimated by the City of Victorville

[6] Impact fee cost basis = building replacement cost + FF&E value + land value

The City has not adopted a formal level of service standard for community and recreation centers. The level of service standard used to calculate impact fees for those facilities in this chapter is the relationship between the City's existing population and the replacement cost of Victorville's existing community and recreation centers.

That relationship is represented by a cost per capita, which is calculated in Table 3.8 using the replacement costs from Table 3.7 and the existing population from Table 2.2 in Chapter 2.

Table 3.8: Cost per Capita - Recreation Facilities

Impact Fee Cost Basis[1]	Existing Population [2]	Cost per Capita [3]
$32,079,471	123,352	$260.06

[1] See Table 3.7

[2] See Table 2.2

[3] Cost per Capita = impact fee cost basis / existing population

Below, the cost per-capita from Table 3.8 is used to calculate impact fees per unit of development, by development type, for recreation facilities.

Impact Fees per Unit – Recreation Facilities

Table 3.9 shows the calculation of recreation facilities impact fees per unit of development, by development type. Those fees are calculated using the cost per capita from Table 3.8 and average population per dwelling unit from Table 2.1.

Table 3.9 Impact Fees per Unit - Recreation Facilities

Development Type	Units [1]	Cost per Capita [2]	Population per Unit [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$260.06	3.40	$ 884.20
Residential - Attached	DU	$260.06	2.40	$ 624.14
Residential - Mobile Home Park	DU	$260.06	2.10	$ 546.13

[1] DU = dwelling unit

[2] See Table 7.2

[3] See Table 2.1

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

Combined Impact Fees per Unit – Parks and Recreation Facilities

Table 3.10 combines the impact fees for park land acquisition, park improvements and recreation facilities into a single impact fee for parks and recreation facilities. Each of the combined fees is the sum of impact fees from Tables 3.5, 3.6 and 3.9.

Table 3.10 Combined Parks and Recreation Impact Fees

Development Type	Units [1]	Impact Fee per Unit [2]
Residential - Detached	DU	$ 6,941.98
Residential - Attached	DU	$ 4,900.22
Residential - Mobile Home Park	DU	$ 4,287.71
Total		

[1] DU = dwelling unit

[2] Sum of impact fees from Tables 3.5, 3.6 and 3.9

Projected Revenue

Table 3.11 calculates projected revenue from the combined parks and recreation impact fees based on the impact fees per unit from Table 3.10 and the number of future units projected in Table 2.3, Chapter 2.

Table 3.11: Projected Revenue - Parks and Recreation Impact Fees

Development Type	Units [1]	Impact Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Detached	DU	$ 6,941.98	13,547	$ 94,043,003
Residential - Attached	DU	$ 4,900.22	2,840	$ 13,916,625
Residential - Mobile Home Park	DU	$ 4,287.71	353	$ 1,513,562
Total				**$ 109,473,190**

[1] Units of development: DU = dwelling unit

[2] See Table 3.10

[3] See Table 2.3

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

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

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

Satisfying those requirements also ensures that the fees meet the “rational nexus” and “rough proportionality” standards enunciated in leading court decisions bearing on impact fees and

other exactions. (For more detail, see "Legal Framework for Impact Fees" in Chapter 1.) The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for parks and recreation facilities in Victorville.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional parks and recreation facilities to mitigate the impacts of new development in the City. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

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

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

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

Chapter 4. Fire Protection Facilities

This chapter calculates impact fees for fire protection and emergency response facilities apparatus and equipment needed to serve future development in the area served by the City of Victorville (City). Where the general term "facilities" is used in this chapter, it is intended to include all types of capital assets needed by the City to carry out its mission.

At present, the City operates six fire stations. Five stations are owned by the City and a sixth station located within the Southern California Logistics Airport (SCLA) area of the City is leased from the Federal government. The City is responsible for all repairs, maintenance and upgrades to the SCLA station. One additional fire station is planned for the Southwest area of the City (Fire Management Zone 316).[1]

As discussed in more detail below, the impact fees calculated in this chapter are based on the forecasted level of service at buildout, defined as the relationship between projected calls for service per year at buildout and the replacement cost of the department's existing and future facilities.

Service Area

Victorville's fire facilities serve the entire City, so the fire facilities impact fees are intended to apply to all future development in the City, including any areas annexed in the future.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development on a certain type of capital facilities. The demand variable used to calculate impact fees for fire facilities in this report is calls for service per year.

As part of this study, NBS analyzed a random sample of the 24,559 calls for service logged by the City between March 30, 2019 and March 30, 2020 to estimate the number of calls per unit per year generated by each type of development defined in this study. Chapter 2 discusses that analysis and Table 2.1 shows the calls per unit per year factors derived from that analysis. Those factors are used to calculate impact fees per unit later in this chapter.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees allocate costs of a specific set of facilities to a specific increment of development.

In this case, the costs for all existing and future fire facilities, apparatus and equipment are allocated to all existing and future development, so that impact fees charged to future

[1] Public Safety Plan Staff Report, April 29, 2020, Page 38

development will pay future development's proportionate share of the overall cost of those assets.

Facilities, Apparatus and Equipment

Table 4.1 lists the City's existing and planned fire stations. Six of the fire stations shown in Table 4.1 are existing. Station 316 is planned for future construction. Station 319 is a leased facility and its value is not included in the impact fee calculations.

The building replacement cost in the table includes the depreciated replacement cost for existing buildings. For future fire stations, the costs shown are estimates based on current costs and those costs are not depreciated.

Table 4.1: Existing and Future Fire Stations

Facility		Constr Date	Building Sq Ft [1]	Site Acres [2]	Bldg Cost/ Repl Cost [3]	Useful Life [4]	Est Land Cost [5]	Impact Fee Cost Basis [6]
Fire Station 311	Existing	1975	10,500	1.10	$2,116,333	50	$168,300	$ 2,284,633
Fire Station 312	Existing	2005	5,384	1.08	$2,803,592	50	$165,240	$ 2,968,832
Fire Station 313	Existing	1988	4,800	0.94	$ 872,595	50	$143,820	$ 1,016,415
Fire Station 314	Existing	1994	6,000	1.04	$1,087,403	50	$159,120	$ 1,246,523
Fire Station 315	Existing	2009	4,676	0.67	$2,300,949	50	$102,510	$ 2,403,459
Fire Station 319	Existing							$ -
Fire Station 316	Future	n/a	10,000	0.98	$7,000,000	50	$149,940	$ 7,149,940
Total								**$ 17,069,802**

[1] Sourced from City asset records

[2] Sourced from City Fire Chief and City GIS Analyst

[3] Replacment cost for existing stations sourced from City Insured Property Schedule; future station . cost assumed at $700 per square foot; Station 319 is a leased facility in the SCLA area and excluded

[4] Sourced from City asset records

[5] Average value of recent land sales provided by City of Victorville at $153,000

[6] Impact fee cost basis = sum of building, FF&E and site cost or value

Table 4.2 on the next page lists the City's existing firefighting apparatus and other vehicles and equipment. Costs for all vehicles and equipment shown in the far-right column of Table 4.2 are depreciated replacement costs based on the useful life shown in that table. Vehicles and equipment are assumed to have a residual value of at least 15% of replacement cost, regardless of age.

Table 4.2: Existing Fire Apparatus and Vehicles

Model Year	Description	Location	Useful Life (Yrs)	Replacement Cost [1]	Depr Repl Cost [2]	Impact Fee Cost Basis [3]
1996	International Brush Engine	STA 312	15	$ 400,000	$ 60,000	$ 60,000
1998	Crash Truck M-15, Oshkosh 1977	SCLA	8	$ 800,000	$ 120,000	$ -
2001	E-One Truck	STA 314	8	$ 800,000	$ 120,000	$ 120,000
2001	Ford F-450	SCLA	8	$ 55,000	$ 8,250	$ -
2002	Westates Pumper	STA 311	10	$ 800,000	$ 120,000	$ 120,000
2002	Westgate Pumper	STA 311	10	$ 800,000	$ 120,000	$ 120,000
2003	Remanufacture Vehicle Oshkosh Crash	SCLA	10	$ 800,000	$ 120,000	$ -
2005	Chevy Colorado Compact Pickup		6	$ 55,000	$ 8,250	$ 8,250
2005	Fire Apparatus (Truck)	STA 314	12	$ 800,000	$ 120,000	$ 120,000
2006	Fire Department Communication Trailer		8	$ 40,000	$ 6,000	$ 6,000
2006	Ford F250 2WD Supercab Truck		8	$ 55,000	$ 8,250	$ 8,250
2006	Fire Suppression System	SCLA	12	$ 650,000	$ 97,500	$ -
2006	Pierce Enforcer Pumper	TBD	10	$ 800,000	$ 120,000	$ -
2006	Pierce Dash 75' Heavy Aerial Ladder	STA 311	10	$ 1,400,000	$ 210,000	$ 210,000
2006	Pierce Enforcer Pumper	TBD	10	$ 800,000	$ 120,000	$ -
2012	Oshkosh Crash Fire Rescue Vehicle	SCLA	10	$ 800,000	$ 80,000	$ -
2014	KME Pumper Fire Truck	STA 311	10	$ 800,000	$ 240,000	$ 240,000
2018	Ford Explorer	STA 311	10	$ 55,000	$ 38,500	$ 38,500
2018	Ford Explorer	STA 311	10	$ 55,000	$ 38,500	$ 38,500
2018	Ford Explorer	STA 311	10	$ 55,000	$ 38,500	$ 38,500
2018	Ford Explorer	STA 311	10	$ 55,000	$ 38,500	$ 38,500
2018	Ford Explorer	STA 311	10	$ 55,000	$ 38,500	$ 38,500
2018	Paramedic Squad Unit	STA 311	10	$ 190,000	$ 133,000	$ 133,000
2018	Paramedic Squad Unit	STA 313	10	$ 190,000	$ 133,000	$ 133,000
2019	KME Pumper Fire Truck	STA 312	15	$ 800,000	$ 693,333	$ 693,333
2019	KME Pumper Fire Truck	STA 313	15	$ 800,000	$ 693,333	$ 693,333
2020	BME International (Type 3 Brush Engine)	TBD	15	$ 400,000	$ 373,333	$ 373,333
2020	Dodge Durango	City Hall	6	$ 55,000	$ 45,833	$ 45,833
2020	Ford F-250	City Hall	8	$ 55,000	$ 48,125	$ 48,125
2020	Eagle Air Traler	STA 313	8	$ 125,000	$ 109,375	$ 109,375
2021	Ford F-350	City Hall	8	$ 55,000	$ 55,000	$ 55,000
2021	ATC Enclosed Trailer	STA 315	8	$ 40,000	$ 40,000	$ 40,000
Total				**$13,640,000**	**$ 4,195,083**	**$ 3,529,333**

[1] Replacement cost provided by the City of Victorville

[2] Depreciated replacement cost using straight-line depreciation over the useful life of the asset; minimum depreciated value = 15% of replacement cost

[3] Impact fee cost basis equals the depreciated replacement cost; SCLA assets and assets shown in Table 4.3 as replacements of existing assets are excluded

Table 4.3 lists the future vehicles and equipment that will be needed. The costs shown in Table 4.3 are estimated costs for the items listed.

Table 4.3: Future Fire Apparatus, Vehicles and Equipment

Planned Purchase Yr.	Description	Location	No. of Units [1]	Cost per Unit [1]	Impact Fee Cost Basis [2]
FY 2022	Type 1 Engine (grant funded)	STA 311	1	$ 800,000	$ -
FY 2022	Type 1 Engine (grant funded)	STA 315	1	$ 800,000	$ -
FY 2022	Type 1 Engine (grant funded)	STA 314	1	$ 800,000	$ -
FY 2022	Ladder Truck (grant funded)	STA 311	1	$1,600,000	$ -
FY 2023	SCLA ARF Unit	SCLA	2	$ 750,000	$ -
FY 2024	Brush Engine	STA 315	1	$ 400,000	$ 400,000
FY 2025	Type 1 Engine	STA 314	2	$ 800,000	$ 1,600,000
FY 2025	Medic Squad	STA 311	1	$ 150,000	$ 150,000
FY 2025	Medic Squad	STA 313	1	$ 150,000	$ 150,000
FY 2025	Water Tender	STA 316	1	$ 320,000	$ 320,000
FY 2026+	Type 1 Engine	STA 316	2	$ 800,000	$ 1,600,000
FY 2026+	Ladder Truck	TBD	1	$1,600,000	$ 1,600,000
Total				**$8,970,000**	**$ 5,820,000**

[1] Number, type and cost per unit sources from May 2020 Public Safety Plan and City of Victorville

[2] Impact fee cost basis equals the cost per unit x number of units; SCLA and grant funded assets are excluded

Table 4.4 summarizes the costs from the preceding three tables and adds the existing cash balance of the Fire Impact Fee Fund. Additionally, a reduction in the total cost basis equivalent to the outstanding principal on an interfund loan to the fire impact fee fund from the roads impact fee fund is warranted.

Table 4.4: Impact Fee Cost Basis - Existing and Future Assets

Component	Total Cost Basis [1]
Existing and Future Fire Stations	$ 17,069,802
Existing Fire Apparatus and Vehicles	$ 3,529,333
Future Fire Apparatus and Vehicles	$ 5,820,000
Fire Impact Fee Fund Balance	$ (19,394)
Total Cost	**$ 26,399,741**

[1] See Tables 4.1, 4.2 and 4.3; Fire Impact Fee fund balance as of 6/30/21

Cost per Call for Service

Table 4.5 calculates the cost per call for service for City fire facilities, apparatus and equipment using the total cost from Table 4.4 and the projected number of calls for service per year at buildout.

Table 4.5: Cost per Call for Service

Total Cost Basis[1]	2040 Calls for Service per Year [2]	Cost per Call for Service per Year [3]
$26,399,741	35,299	$747.89

[1] Total asset cost; see Table 4.4

[2] Projected 2040 Calls for Service for the City; see Table 2.4

[3] Cost per call for service = total cost basis / buildout calls for service

Impact Fees per Unit

Table 4.6 below shows the calculation of fire facilities impact fees per unit of development, by development type. Those fees are calculated using the cost per call for service from Table 4.5 and the calls-per-unit-per-year factors from Table 2.1.

Table 4.6 Impact Fee per Unit

Development Type	Units [1]	Cost per CFS [2]	CFS per Unit [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$747.89	0.38	$ 284.20
Residential - Attached	DU	$747.89	0.50	$ 373.95
Residential - Mobile Home Park	DU	$747.89	0.32	$ 239.32
Retail/Service Commercial	KSF	$747.89	0.65	$ 486.13
Professional Office	KSF	$747.89	0.89	$ 665.62
Lodging	Room	$747.89	0.33	$ 246.80
Industrial/Business Park	KSF	$747.89	0.07	$ 52.35
High-Cube Warehouse	KSF	$747.89	0.01	$ 7.48
Self-Service Storage	KSF	$747.89	0.03	$ 22.44
Gasoline/Service Station	Pump	$747.89	0.84	$ 628.23
Institutional	KSF	$747.89	0.09	$ 67.31
Public Facilities	KSF	$747.89	0.90	$ 673.10

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

[2] Cost per call for service per year; see Table 4.5

[3] Calls for service per unit per year; see Table 2.1

[4] Impact fee per unit = cost per call for service X calls for service per unit

Projected Revenue

Potential revenue from the fire facilities impact fees can be estimated by applying the fees per unit from Table 4.6 to forecasted future units from Table 2.3. Table 4.7 shows the projected revenue to buildout from the fire facilities impact fees calculated in this chapter.

This projection assumes that future development occurs as shown in Chapter 2. Due to a lack of data, no revenue is projected for future units for lodging, high-cube warehouse, self-service storage, assemblies, churches or private schools. Instead, for purposes of analysis, the projected revenue analysis counts those types of future units as either Retail/Service Commercial, Professional Office, or Industrial/Business Park, as appropriate.

Table 4.7 Projected Revenue

Development Type	Units [1]	Impact Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Detached	DU	$ 284.20	13,547	$ 3,850,057
Residential - Attached	DU	$ 373.95	2,840	$ 1,062,018
Residential - Mobile Home Park	DU	$ 239.32	353	$ 84,480
Retail/Service Commercial	KSF	$ 486.13	3,891	$ 1,891,532
Professional Office	KSF	$ 665.62	963	$ 640,992
Industrial/Business Park	KSF	$ 52.35	3,766	$ 197,150
Total				**$ 7,726,229**

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

[2] Impact fee per unit see Table 4.6

[3] Future units see Table 2.3

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

The total revenue projected in Table 4.7 is approximately 60% of the cost of future planned facilities, vehicles and equipment shown tables 4.1 and 4.3. Additional funding will be required to cover the entire cost to construct and equip the future fire station.

Although this analysis accounts for the cost of serving public institutions and facilities such as schools, the City either may not have authority, or may not be likely to charge impact fees to other governmental agencies. Consequently, no revenue is attributed to public facilities. We estimate the costs allocated to these facilities are approximately $1.1 million.

Updating the Fees

The impact fees calculated in this chapter are based the current estimated replacement costs for fire facilities, with depreciation as shown in this chapter. We recommend that the fees be

reviewed and adjusted annually using local cost data or an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for fire facilities provided by the City of Victorville.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional fire facilities to mitigate the impact of new development on the need for those facilities in the City. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional fire facilities and to serve the added demand for fire protection and other emergency services associated with new development in Victorville.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the demand for fire protection and other emergency services provided by the City. Without additional facilities, apparatus and equipment, the increase in demand associated with new development would negatively impact the ability of the City of Victorville to provide services efficiently and effectively to all development in the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the fire facilities impact fees charged to a development

project will depend on the increase in calls for service associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated calls for service per unit per year for that type of development in in the City's service area. Thus, the fee charged to a development project reflects the impact of that project on the overall need for facilities, apparatus and equipment used by the City to serve development in the City.

Chapter 5. Police Facilities

This chapter calculates impact fees for police facilities needed to serve future development in the City. The San Bernardino Sheriff's Department has provided contract law enforcement services for the City since 1962. The Victorville Station located at 14200 Amargosa Road is owned by the City and serves as a headquarters for County personnel assigned to the Victorville Police Department.

As discussed in more detail below, the police facilities impact fees calculated in this chapter are based on the existing level of service, defined as the relationship between the population served by the Police Department, and the replacement cost of the City's existing police facilities and equipment.

Service Area

The City's Police Department serves the entire City, so the police facilities impact fees are calculated for a single service area encompassing the entire City.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development on a certain type of facilities. The demand variable used to calculate impact fees for police facilities is service population. See Chapter 2 for a discussion of service population.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development.

In this case, the standard is the existing level of service as discussed in the next section. This approach is used so that the police facilities impact fees paid by new development are based on the cost of maintaining the current level of service as the City grows.

Level of Service

The City completed a Public Safety Master Plan in May 2020, which discusses the current and recommended level of service for the Victorville Police Department. The Master Plan recommends increased staffing over time to respond to anticipated increases in call volume but does not make recommendations for expansion of the existing police station, future stations, or acquisition of additional vehicles and equipment needed to serve future increase call volume or future development. Through the contract with the County Sheriff's Department, most capital needs are included such as use of County buildings, vehicles and equipment. However, it should be noted that staff have indicated that the existing Police headquarters building is over capacity.

Therefore, the existing level of service used to calculate impact fees in this chapter is defined as the relationship between the replacement cost of City-owned police facilities, vehicles, and equipment shown in tables 5.1, 5.2, and 5.3, and the City's existing service population as shown in Table 2.2 in Chapter 2.

Table 5.1 shows the estimated replacement cost of the City's existing police station. Replacement cost is used in this analysis as an indicator of the cost of constructing additional facilities to serve future development. In Table 5.1, the replacement cost of the existing building is calculated using the square footage of the building and the cost per square foot for a police facility constructed in Hesperia in 2010. That cost per square foot was about 3% lower than the cost of another police facility constructed in Yucaipa in 2014. Costs for both buildings were escalated 2021 levels using the *Engineering News Record* Building Cost Index before they were compared.

Table 5.1: Existing Police Building Replacement Cost

Existing Sq Ft [1]	Estimated Repl Cost per Sq Ft [2]	Replacement Cost [3]
15,828	$586.70	$9,286,288

[1] Existing Police building square feet from City asset records

[2] Estimated replacement cost per square foot based on the cost of a police facility constructed in Hesperia in 2010; that cost has been escalated to current levels using the *Engineering News Record* Building Cost Index

[3] Total replacement cost = existing square feet X estimated cost per square foot, rounded to the nearest dollar

Table 5.2 on the following page lists the existing City-owned police vehicles and equipment and their acquisition cost.

Table 5.2: Existing Police Vehicles and Equipment

Model Year	Description	Impact Fee Cost Basis [1]
1999	Honda CRV SUV	$ 8,689
2002	Trailer, Sobriety Check Point	$ 18,463
2003	Spacesaver System	$ 16,981
2006	Generator	$ 7,966
2006	Mobile Command Post Vehicle Equipment	$ 5,846
2008	Light Tower	$ 7,602
2008	GMC Comms Equipment	$ 12,098
2008	GMC 3500 HD Crew Cab Truck	$ 30,402
2009	Evidence Storage System	$ 142,207
2010	Surveilance Tower	$ 12,846
2010	Boxing Ring	$ 7,069
2011	Thermal Imager	$ 27,296
2011	Phone Reader system	$ 7,686
2018	Radar Speed Display Trailer	$ 11,808
2018	Radar Speed Display Trailer	$ 11,808
2020	License Plate Reader	$ 444,914
Total		**$ 773,681**

[1] Impact fee cost basis = acquisition cost sourced from City asset inventory

Table 5.3 summarizes the costs from the preceding two tables, and also shows a credit for the current cash balance in the City's Public Safety Impact Fee Fund as well as the amount owed to that fund by the Road Fund. Those amounts are existing assets that can be used to upgrade or expand the existing police headquarters to meet current requirements.

Table 5.3: Impact Fee Cost Basis - Existing Assets

Component	Impact Fee Cost Basis [1]
Existing Police Station	$ 9,286,288
Existing Police Building Land Value (1.4 Acres at $153,026)	$ 214,236
Existing Police Vehicles and Equipment	$ 773,681
Existing Police Impact Fee Fund - Balance Owed from Roads DIF	$ 1,023,437
Existing Police Impact Fee Fund - Cash	$ 597,578
Total Cost	**$11,895,220**

[1] See Tables 5.1 and 5.2; Public Safety Impact Fee Fund cash balance and balance owed provided by City Finance Department as of June 30, 2021

Cost per Capita

Table 5.4 calculates the replacement cost per capita of service population for police facilities and equipment using the impact fee cost basis from Table 5.3 and the existing service population from Table 2.1.

Table 5.4 Cost per Capita

Impact Fee Cost Basis[1]	Existing Service Population [2]	Cost per Capita [3]
$11,895,220	125,214	$95.00

[1] Impact Fee Cost Basis; see Table 5.3

[2] Existing service population; see Table 2.2

[3] Cost per Capita = Total Cost Basis / Existing Service Population

Impact Fees per Unit

Table 5.5 shows the calculation of police facilities impact fees per unit of development, by development type. Those fees are calculated using the cost per capita from table 5.4 and the service population per unit factors from Table 2.1 in Chapter 2.

Table 5.5 Impact Fees per Unit

Development Type	Units [1]	Cost per Capita [2]	Service Pop per Unit [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$95.00	3.07	$ 291.65
Residential - Attached	DU	$95.00	2.17	$ 206.15
Residential - Mobile Home Park	DU	$95.00	1.90	$ 180.50
Retail/Service Commercial	KSF	$95.00	1.10	$ 104.50
Professional Office	KSF	$95.00	0.88	$ 83.60
Lodging	Room	$95.00	0.49	$ 46.55
Industrial/Business Park	KSF	$95.00	0.29	$ 27.55
High-Cube Warehouse	KSF	$95.00	0.20	$ 19.00
Self-Service Storage	KSF	$95.00	0.01	$ 0.95
Gasoline/Service Station	Pump	$95.00	0.13	$ 12.35
Institutional	KSF	$95.00	0.24	$ 22.80
Public Facilities	KSF	$95.00	0.88	$ 83.60

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

[2] Cost per Capita; see Table 5.4

[3] Service Population per Unit; see Table 2.1

[4] Impact Fee per Unit = Cost per Capita X Service Popluation per Unit

Projected Revenue

Potential revenue from the police facilities impact fees can be estimated by applying the fees per unit from Table 5.5 to forecasted future units from Table 2.3.

Table 5.6 shows the projected revenue to 2040 from the police facilities impact fees calculated in this chapter. This projection assumes that future development occurs as shown in Chapter 2. Due to a lack of data, no revenue is projected for future units for lodging, High-Cube Warehouse, Self-Service Storage, or Assemblies, Churches and Private Schools. Instead, the revenue projection counts those types of future units as either Retail/Service Commercial, Professional Office, or Industrial/Business Park, as appropriate.

Table 5.6 Projected Revenue

Development Type	Units [1]	Impact Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Detached	DU	$ 291.65	13,547	$ 3,950,983
Residential - Attached	DU	$ 206.15	2,840	$ 585,466
Residential - Mobile Home Park	DU	$ 180.50	353	$ 63,717
Retail/Service Commercial	KSF	$ 104.50	3,891	$ 406,610
Professional Office	KSF	$ 83.60	963	$ 80,507
Industrial/Business Park	KSF	$ 46.55	3,766	$ 175,307
Total				**$ 5,262,590**

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

[2] Impact fee per unit; see Table 5.5

[3] Future units; see Table 2.3

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

Although this analysis accounts for the cost of serving public institutions and facilities such as schools, the City either may not have authority, or may not be likely to charge impact fees to other governmental agencies. Consequently, no revenue is attributed to public facilities. We estimate the costs allocated to these facilities are approximately $33,500 dollars.

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for police facilities in Victorville.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional police facilities to mitigate the impact of new development on the need for those facilities in the City.

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

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional police facilities and to serve the added demand for law enforcement services associated with new development in Victorville.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the need for police facilities to maintain the existing level of service, as described earlier in this chapter. Without additional police facilities, the increase in demand associated with new development would negatively impact the ability of the Victorville Police Department to provide services efficiently and effectively to all development in the City.

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

Chapter 6. Public Buildings

This chapter calculates impact fees for public buildings and general governmental vehicles and equipment needed to serve future development in the City. Public buildings included in this chapter include City Hall, corporate yards and maintenance buildings, the Victor Valley Transportation Center, and the animal control building.

As discussed in more detail below, the impact fees calculated in this chapter are based on the existing level of service, defined as the relationship between the population served by these buildings, vehicles, and equipment, and their respective replacement cost.

Service Area

Victorville's public buildings and general government vehicles serve the entire City, so the impact fees calculated in this chapter will apply to all new development in the City.

Demand Variable

Victorville's public buildings and vehicles provide services to both residential and non-residential development in the City, so the demand variable used to calculate impact fees for those facilities is service population, which represents both residential and non-residential development. See Chapter 2 for a detailed explanation of service population.

Methodology

The method used to calculate impact fees in this chapter is the standard-based method discussed in Chapter 1. The standard used to calculate impact fees in this chapter is the existing level of service defined below.

Level of Service

The level of service used to calculate impact fees in this chapter is the existing level of service, which is defined as the relationship between the replacement cost of City-owned facilities, vehicles, and equipment shown in tables 6.1, 6.2, and 6.3, and the City's existing service population as shown in Table 2.2 in Chapter 2.

Table 6.1 on the next page lists the City's existing public buildings with their estimated replacement cost and land value. Building replacement cost is used here because it will be necessary for the City to build additional public buildings to maintain the existing level of service as the City grows.

Table 6.1: Existing Public Buildings

Facility	Square Feet [1]	Building Repl Cost [2]	FF&E [3]	Site Acres [4]	Land Value [5]	Impact Fee Cost Basis [6]
City Hall	107,545	$32,114,143	$4,922,974	7.37	$1,127,610	$ 38,164,727
Public Works Yard	17,000	$ 4,551,383	$1,006,857	5.88	$ 899,640	$ 6,457,880
Sign Shop	2,268	$ 428,831	$ 102,981	-	$ -	$ 531,812
CNG Fueling Station - PW Yard	900	$ 447,554	$ -	-	$ -	$ 447,554
Animal Control	18,888	$ 4,186,584	$ 520,610	-	$ -	$ 4,707,194
Victor Valley Transportation Center	6,500	$ 1,862,475	$ -	5.17	$ 791,010	$ 2,653,485
CNG Fueling Station - Transportation Ctr	900	$ 447,554	$ -	-	$ -	$ 447,554
Palmdale Satellite Yard	1,200	$ 54,849	$ -	2.37	$ 362,610	$ 417,459
Building 999	3,800	$ 350,614	$ -	2.00	$ 306,000	$ 656,614
8th Street Facilities Building	5,124	$ 968,923	$ 191,085	0.33	$ 50,490	$ 1,210,498
Total		**$45,412,910**	**$6,744,507**	**23.12**	**$3,537,360**	**$ 55,694,777**

[1] Building square feet from COV Property Schedule

[2] Estimated building replacement cost from COV Property Schedule

[3] Furniture fixtures and equipment (FF&E) from the COV Property Schedule

[4] Site acres provided by City of Victorville; buildings without site acreage are located in the Public Works Yard/ Transportation Center; acreage shown for Public Works Yard excludes the Police Building site

[5] Average value of recent land sales provided by City of Victorville at $153,000

[6] Impact Fee Cost Basis = Building Replacement Cost + FF&E + Land Value

Table 6.2 lists the existing City-owned general government vehicles and equipment with their acquisition cost. Vehicles and equipment considered in this analysis exclude those used for public safety and recreation, and assets in proprietary funds. The full detailed list of vehicle and equipment assets can be found as Appendix B to this report.

Table 6.2 Existing General Government Vehicles and Equipment

Department	Impact Fee Cost Basis [1]
Public Works	$ 7,888,479
Administrative Services	$ 307,819
Engineering	$ 1,555,076
Development Services	$ 515,700
City Manager	$ 35,973
Total Cost	**$ 10,303,047**

[1] Acquisition cost sourced from City asset inventory

Table 6.3 summarizes the costs from the preceding two tables and shows a credit for the current balance in the City's public buildings impact fee fund which is an existing asset and can be used to fund additional facilities. In addition, the Impact Fee Cost Basis is also reduced by the amount of remaining principal on interfund loans that were utilized to pay for City Hall.

Table 6.3: Impact Fee Cost Basis - Existing Assets

Component	Impact Fee Cost Basis [1]
Existing Buildings	$ 55,694,777
Existing Vehicles and Equipment	$ 10,303,047
City Hall - Outstanding Debt Owed to DIF funds [2]	$ (17,156,991)
Public Buildings Impact Fee Fund Balance [2]	$ 40,539
Total Cost	**$ 48,881,372**

[1] See Tables 6.1 and 6.2

[2] Impact Fee Fund cash balance and balance owed provided by City Finance Department as of 6/30/21

Cost per Capita

Table 6.4 calculates the replacement cost per capita of service population for public building facilities using the impact fee cost basis from Table 6.3 and the existing service population from Chapter 2.

Table 6.4: Cost per Capita of Service Population

Impact Fee Cost Basis[1]	Existing Service Population [2]	Cost per Capita [3]
$48,881,372	125,214	$390.38

[1] Total asset cost; see Table 6.3

[2] Existing Service Population; see Table 2.2

[3] Cost per Capita = Impact Fee Cost Basis / Existing Service Population

Impact Fees per Unit

Table 6.5 shows the calculation of impact fees per unit of development, by development type, for public buildings, vehicles and equipment. Those fees are calculated using the cost per capita from Table 6.4 and the service population per unit factors from Table 2.1 in Chapter 2.

Table 6.5 Impact Fees per Unit

Development Type	Units [1]	Cost per Capita [2]	Svc Pop per Unit [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$390.38	3.07	$ 1,198.47
Residential - Attached	DU	$390.38	2.17	$ 847.13
Residential - Mobile Home Park	DU	$390.38	1.90	$ 741.73
Retail/Service Commercial	KSF	$390.38	1.10	$ 429.42
Professional Office	KSF	$390.38	0.88	$ 343.54
Lodging	Room	$390.38	0.49	$ 191.29
Industrial/Business Park	KSF	$390.38	0.29	$ 113.21
High-Cube Warehouse	KSF	$390.38	0.20	$ 78.08
Self-Service Storage	KSF	$390.38	0.01	$ 3.90
Gasoline/Service Station	Pump	$390.38	0.13	$ 50.75
Institutional	KSF	$390.38	0.24	$ 93.69
Public Facilities	KSF	$390.38	0.88	$ 343.54

[1] DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

[2] Cost per capita; see Table 6.4

[3] Service population per unit; see Table 2.1

[4] Cost per unit = cost per capita X service popluation per unit

Projected Revenue

Potential revenue from the public buildings impact fees can be estimated by applying the fees per unit from Table 6.5 to forecasted future units from Table 2.3.

Table 6.6 shows the projected revenue to buildout from the public buildings impact fees calculated in this chapter. This projection assumes that future development occurs as shown in Chapter 2. Due to a lack of data, no revenue is projected for future units for lodging, high-cube warehouse, self-service storage, assemblies, churches or private schools. Instead, for purposes of analysis, the projected revenue analysis counts those types of future units as either Retail/Service Commercial, Professional Office, or Industrial/Business Park, as appropriate.

Table 6.6 Projected Revenue

Development Type	Units [1]	Impact Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Detached	DU	$ 1,198.47	13,547	$ 16,235,673
Residential - Attached	DU	$ 847.13	2,840	$ 2,405,849
Residential - Mobile Home Park	DU	$ 741.73	353	$ 261,831
Retail/Service Commercial	KSF	$ 429.42	3,891	$ 1,670,873
Professional Office	KSF	$ 343.54	963	$ 330,829
Industrial/Business Park	KSF	$ 113.21	3,766	$ 426,349
Total				**$ 21,331,404**

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

[2] Impact fee per unit see Table 6.5

[3] Future units see Table 2.3

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

Although this analysis accounts for the cost of serving public institutions and facilities such as schools, the City either may not have authority, or may not be likely to charge impact fees to other governmental agencies. Consequently, no revenue is attributed to public facilities. We estimate the costs allocated to these facilities are approximately $138,000 dollars.

Updating the Fees

The impact fees calculated in this chapter are based the current estimated replacement costs for public buildings and general governmental vehicles and equipment. We recommend that the fees be reviewed and adjusted annually using local cost data or an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for public buildings and general government vehicles and equipment in Victorville.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional public buildings, vehicles, and equipment to mitigate the impact of new development on the need for those facilities in the City.

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

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to pay for the cost of public buildings and general government vehicles and equipment needed to maintain the existing level of service in Victorville as the City grows.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. All development creates a need for additional public buildings and general government vehicles and equipment. The impact fees calculated in this chapter will pay for additional assets needed to maintain the existing level of service in the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the public buildings and vehicles impact fees charged to a development project will depend on the amount of added service population associated with that project. The fees per unit of development calculated in this chapter for each type of development are based on the estimated service population per unit for that type of development in Victorville. Thus, the fee charged to a development project reflects that project's proportionate share of the cost of the City's public buildings and general government vehicles.

Chapter 7. Libraries

This chapter calculates impact fees for library facilities and materials needed to serve future development in the City. The City owns and operates the Victorville City Library which is housed in an existing building on Circle Drive in Old Town. The City completed a Library Master Plan in April 2021 to guide the future of the Library.

Service Area

Impact fees calculated in this chapter are intended to apply to all new residential development in the City.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development. The demand variable used to calculate impact fees for libraries is population.

Population is used as the demand variable for these fees because the need for libraries is commonly defined in terms of the size of the population to be served. Added population is used in this chapter to measure the impact of new development on the need for library facilities.

Because population per dwelling unit varies by development type, the average population per unit is estimated for each type of residential development defined in this study. Those individual "demand factors" are shown in Table 2.1 in Chapter 2.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development.

In this case, the standard is the existing level of service as discussed in the next section. This approach is used so that the library impact fees paid by new development are based on the cost of maintaining the current level of service as the City grows.

Level of Service – Library Buildings

The City has not adopted a formal level of service standard for libraries and, as stated in the recently completed Library Master Plan, the American Library Association long ago stopped publishing such standards. Consequently, the level of service standard used to calculate impact fees for library buildings in this chapter is the relationship between the City's existing population and the size of the existing Victorville Library in square feet. For library materials, the standard is the relationship between the City's existing population and the value of the estimated existing Library collection.

Table 7.1 shows the estimated cost per capita to be used for Library buildings in the impact fee calculations. That cost is based on the square feet per capita of existing Library space in the City and the estimated cost per square foot for the preferred building program in the 2021 Victorville Library Master Plan. That cost per capita represents the cost of providing additional library space to serve future residents at the same level of service provided to the existing population of Victorville in terms of square feet per capita.

Table 7.1: Existing Library Building Cost per Capita

Existing Sq Ft [1]	Existing Population [2]	Sq Ft per Capita [3]	Est Cost per Sq Ft [4]	Cost per Capita [5]
8,229	123,352	0.0667	$594.74	$39.68

[1] Existing library building square feet from the 2021 Victorville Library Master Plan

[2] See Table 2.2

[3] Square feet per capita = existing square feet / existing population

[4] Estimated cost per square foot including furniture, fixtures and equipment from the 2021 Victorville Library Master Plan, Table 8.1, 73,200 sq ft option

[5] Cost per capita = square feet per capita X estimated cost per square foot

Level of Service – Library Materials

Table 7.2 calculates the existing level of service for library materials based on the City's existing population and the estimated value of the existing Library collection.

Table 7.2: Existing Library Materials Cost per Capita

Est Value of Existing Materials [1]	Existing Population [2]	Cost per Capita [3]
$4,273,576	123,352	$34.65

[1] Estimated value of existing library materials from the City of Victorville property schedule

[2] See Table 2.2

[3] Cost per Capita = estimated value of existing library materials / existing population

In the next section, the replacement cost per-capita from Table 7.2 is used to calculate library impact fees per unit of development, by development type.

Total Cost per Capita for Library Building and Library Materials

Table 7.3 shows the sum of the costs per capita from Tables 7.1 and 7.2, as well as the percentages represented by each component. Those percentages may be used for tracking expenditures of impact fee revenue for library buildings and materials.

Table 7.3: Total Cost per Capita

Cost Component	Cost per Capita [1]	Percent of Total
Library Building	$39.68	53.4%
Library Materials	$34.65	46.6%
Total	**$74.33**	**100.0%**

[1] See Tables 7.1 and 7.2

Impact Fees per Unit

Table 7.4 shows the calculation of library impact fees per unit of development, by development type. Those fees are calculated using the total cost per capita from Table 7.3 and average population per dwelling unit from Table 2.1.

Table 7.4 Impact Fee per Unit

Development Type	Units [1]	Total Cost per Capita [2]	Population per Unit [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$74.33	3.40	$ 252.72
Residential - Attached	DU	$74.33	2.40	$ 178.39
Residential - Mobile Home Park	DU	$74.33	2.10	$ 156.09

[1] DU = dwelling unit

[2] See Table 7.3

[3] See Table 2.1

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

Projected Revenue

Potential revenue from the library impact fees can be estimated by applying the fees per unit from Table 7.4 to forecasted future units from Table 2.3. Because population is used as the demand variable in calculating these impact fees and population is a function of residential development, the fees apply only to residential development.

Table 7.5 shows the projected revenue from the library impact fees calculated in this chapter. This projection assumes that future development occurs as shown in Chapter 2

Table 7.5 Projected Revenue

Development Type	Units [1]	Impact Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Detached	DU	$ 252.72	13,547	$ 3,423,598
Residential - Attached	DU	$ 178.39	2,840	$ 506,628
Residential - Mobile Home Park	DU	$ 156.09	353	$ 55,100
Total				**$ 3,985,326**

[1] DU = dwelling unit

[2] See Table 7.4

[3] See Table 2.3

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

It is important to note that the total projected revenue from the impact fees would represent less than 10% of the project cost for the 73,200 square foot option proposed in the Library Master Plan. In addition, only 53.4% of that revenue is attributable to the library building portion of the impact fees. The rest is based on the cost of library materials.

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

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

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for library facilities and materials in Victorville.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional library facilities and materials to mitigate the impact of new development on the need for those facilities in the City.

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

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

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

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

Chapter 8. Water System Improvements

This chapter calculates capacity charges for water system improvements and water rights needed by the Victorville Water District to serve future development. System improvements include water distribution pipelines, additional operational and emergency reservoir storage and additional ground water wells.

The water system capacity charges calculated in this chapter also include the cost of acquiring rights to additional ground water or alternative sources of supply. The Victorville Water District is currently exceeding its adjudicated base annual production rights for the Alto Basin and currently has no additional water rights available to serve new customers. The water rights component of the overall water system capacity charges are based on the cost of acquiring additional ground water rights, but may be used to purchase permanent supplemental water from outside the Alto Basin if ground water rights in the basin are not available. This charge could also be used for projects and technology that would provide permanent supplemental water to the basin in lieu of ground water rights.

Service Area

Water service in Victorville is provided by the Victorville Water District, which is a subsidiary District of the City of Victorville. The City Council members also serve as the Board of Directors of the Water District which serves the City as well as some areas within the City's sphere of influence (SOI) not currently within the city limits.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development. The demand variable used to calculate capacity charges for water system improvements in this chapter is average day demand (ADD) in gallons per day.

Methodology

This chapter calculates water system capacity charges using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for specific improvements to new development served by those improvements.

Level of Service

Level of service for a water system involves a number of considerations related to water supply, water quality, storage capacity, water pressure and reliability. The 2021 Water Master Plan Update spells out the criteria used to engineer the system needed to serve existing and future development within the water district.

Government Code Section 66016.5, added by AB 602 in 2021, states that, when applicable, a 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. However, that requirement does not apply to the water system capacity charges calculated in this chapter because it excludes fees or charges pursuant to Section 66013, which governs capacity charges for water and sewer systems.

System Improvement Needs

The water system improvements needed to serve future development in Victorville include additional water distribution pipelines, reservoir storage and ground water wells. Table 8.1 lists the new water distribution pipelines needed to serve future development in Victorville out to 2040, along with the estimated cost of those pipelines.

Table 8.1: Future Water Distribution Pipelines

Improvement Type	Linear Feet (LF)	Cost per LF [1]	Impact Fee Cost Basis [2]
12" Pipelines	202,161.17	$ 230.72	$ 46,642,625
16" Pipelines	50,793.60	$ 279.46	$ 14,194,779
24" Pipelines	27,984.00	$ 447.36	$ 12,518,922
30" Pipelines	792.00	$ 512.35	$ 405,781
Total	**281,730.77**		**$ 73,762,107**

Source: Linear feet and estimated costs by the City of Victorville City Engineer, based on the 2021 Water Master Plan; costs updated to 2021 levels using the *Engineering News Record* Construction Cost Index

[1] Costs for 12" and 16" pipelines include the cost of laterals

[2] Impact fee cost basis = linear feet X cost per linear foot, rounded to the nearest dollar

Cost per Gallon per Day - Pipelines

Table 8.2 converts the total cost of pipelines from Table 8.1 into a cost per gallon per day using the projected increase in average daily demand (ADD) from 2021 to 2040.

Table 8.2: Cost per GPD of Average Day Demand - Pipelines

Impact Fee Cost Basis-Pipelines [1]	2021-2040 Increase in ADD (MGD) [2]	Cost per Gallon per Day [3]
$73,762,107	9.65	$7.644

[1] See Table 8.1

[2] 2021-2040 increase in average daily demand (ADD) in millions of gallons per day (MGD) based on the 2021 Water Master Plan Update, Table 4-8

[3] Cost per gallon per day (GPD) = impact fee cost basis / (Increase in ADD X 1,000,000)

Cost per Single-Family Dwelling Unit (SFDU) - Pipelines

Table 8.3 calculates a cost per single-family dwelling unit for new water pipelines, using the cost-per-gallon-per-day from Table 8.2 and the estimated average day demand in gallons per day. Average day demand is estimated at 319 gallons per day per single family residential connection using data presented in the Victorville Water District's 2020 Urban Water Management Plan, Table 4-7. For purposes of calculating water system capacity charges in this chapter, a single-family dwelling unit is equated to a 3/4" water meter.

Table 8.3: Cost per Single Family Dwelling Unit - Pipelines

Average Day Demand per SFDU (GPD) [1]	Cost per GPD [2]	Cost per SFDU (3/4" Meter) [3]
319.00	$7.644	$2,438.44

[1] Average day demand per single family dwelling unit (SFDU) provided by the Victorville Water District based on data presented in the 2020 Urban Water Management Plan, Table 4-7

[2] See Table 8.2

[3] Cost per single family dwelling unit with a 3/4" meter = average day demand per SFDU in gallons per day (GPD) X cost per GPD

Cost per Single-Family Dwelling Unit (SFDU) – New Wells and Storage

Table 8.4 calculates the cost per single-family dwelling unit for new ground water wells and reservoir storage. The storage requirement is based on capacity needed for operational storage and emergency storage. No cost is included for fire flow storage.

The cost of new ground water wells is calculated here based on the cost and capacity of a 1,500 gallon per minute (GPM) well. The cost of storage is calculated based on the cost and capacity of a five-million-gallon steel tank reservoir. Costs for those facilities were estimated by WSC, the consultant for the District's 2021 Water Master Plan Update.

The need for water supply and storage capacity is stated in the 2021 Water Master Plan Update in terms of maximum day demand (MDD). The systemwide average MDD is shown in Table 4-10 of the 2021 Water Master Plan as 1.5 X average day demand (ADD). Water supply sources (e.g., wells) are required to provide 1.0 X MDD. The capacity factors for operational storage and emergency storage are defined as 0.25 MDD and 0.5 MDD, respectively.

Table 8.4: Cost per Single Family Dwelling Unit - Wells and Storage

System Component	Max Day Demand [1]	Capacity Factor [2]	Required Capacity [3]	Cost per GPD or Gal [4]	Cost per SFDU [5]
Water Supply/Wells (GPD)	478.50	1.00	478.500	$1.75	$837.38
Operational Storage (Gallons)	478.50	0.25	119.625	$1.54	$184.22
Emergency Storage (Gallons)	478.50	0.50	239.250	$1.54	$368.45
Total					**$1,390.05**

[1] Maximum day demand = average day demand from Table 8.3 X MDD peaking factor of 1.5, which is the systemwide MDD peaking factor from Table 4-10 in the 2021 Water Master Plan

[2] Capacity factor = required capacity relative to MDD

[3] Required capacity = maximum day demand X capacity factor

[4] Cost per gallon per day (water supply) or per gallon (storage) based on estimates by Water Master Plan consultant WSC for a 1,500 GPM well and a 5 MG gallon reservoir

Cost per Single-Family Dwelling Unit (SFDU) – Water Rights

Table 8.5 calculates the cost per single-family dwelling unit for additional ground water pumping rights needed to supply new development in the District, based on the cost per acre foot per year and the acre feet required for a single-family dwelling unit based on the Average Day Demand of 319 gallons shown in Table 8.3.

Table 8.5: Cost per Single Family Dwelling Unit - Water Rights

System Component	Cost per Acre Foot [1]	Acre Feet per SFDU [2]	Cost per SFDU [3]
Water Rights	$5,200.00	0.357326	$1,858.10

[1] Current cost per acre foot per year for Alto Basin groundwater pumping rights estimated by the Victorville Water District

[2] Acre feet per year per single family dwelling unit = (319 gallons per day X 365 days per year) / 325,851 gallons per acre foot

[3] Cost per single family dwelling unit

Water System Capacity Charges by Meter Size

Table 8.6 calculates water system capacity charges by meter size for meters from 3/4" to 8". The charge for each meter size is based on the capacity of the meter relative to the capacity of a 3/4" meter.

In Table 8.6, the cost basis for the capacity charge associated with a ¾" meter is based on the combined cost per single-family dwelling unit (SFDU) connection for pipelines from Table 8.3, for water supply and storage facilities from Table 8.4 and for water rights from Table 8.5.

The cost per ¾" meter equivalent in the fourth column from the left is the sum of the costs per SFDU from Tables 8.3, 8.4 and 8.5.

Table 8.6: Water System Capacity Charges by Meter Size

Meter Size	Capacity (GPM) [1]	Flow Factor [2]	Cost per 3/4" Meter Equiv [3]	Water System Capacity Charge [4]
3/4"	30	1.00	$5,686.59	$ 5,686.59
1"	50	1.67	$5,686.59	$ 9,496.61
1-1/2"	100	3.33	$5,686.59	$ 18,936.34
2"	160	5.33	$5,686.59	$ 30,309.52
3"	300	10.00	$5,686.59	$ 56,865.90
4"	500	16.67	$5,686.59	$ 94,795.46
6"	1000	33.33	$5,686.59	$ 189,534.04
8"	1600	53.33	$5,686.59	$ 303,265.84

[1] Meter capacity in gallons per minute based on data from the American Water Works Association (AWWA)

[2] Flow factor = meter capacity / 3/4" meter capacity

[3] Combined cost per single family dwelling unit from Tables 8.3, 8.4 and 8.5; demand for one SFDU is equated to a 3/4" meter

[4] Water system capacity charge = flow factor X cost per 3/4" meter equivalent

Projected Revenue

No projection of water system capacity charge revenue is provided in this chapter because the capacity charges are based on meter size. It is not possible to forecast with a reasonable degree of accuracy the number and size of meters that will be needed by future development.

Updating the Capacity Charges

The water system capacity charges calculated in this chapter are based the current estimated costs for water system improvements and ground water rights identified in this chapter. We recommend that the charges be reviewed and adjusted annually using local cost data or an index

such as the *Engineering News Record* Construction Cost Index (CCI. See the Implementation Chapter for more on indexing of fees.

Nexus Summary

Government Code Section 66013 exempts water connection charges from the requirements of the Mitigation Fee Act Sections 66000 through 66008, including the requirement that the governing body make findings regarding the purpose and use of the charges and to establish that there is a reasonable relationship between those charges and the impacts of development subject to the charges.

However, these capacity charges have been calculated in such a way as to establish a defensible nexus in terms of the relationship between the capacity charges and the burden imposed by development on the water system.

Chapter 9. Road Improvements

This chapter calculates impact fees for road, bridge, interchange and traffic signal improvements including both locally funded facilities and those funded in part by Measure I, a half-cent sales tax collected throughout San Bernardino County for transportation Improvements. Originally approved by voters in 1989, Measure I was re-authorized in 2004 for an additional thirty years, from 2010 to 2040.

One requirement of the Measure I 2010-2040 Ordinance is that Measure I funds not be used to replace developer funding of transportation improvements. The San Bernardino County Transportation Authority (SBCTA) 2016 Congestion Management Plan (CMP) and the 2020 Development Mitigation Nexus Study, which is part of the CMP, establish the amounts to be collected by local agencies from developers to help fund projects which are partially funded by SBCTA public funds, including Measure I Major Local Highways funding. The developer share of costs for those projects, labeled "Nexus Study" projects in this chapter are identified in Table 9.1.

Service Area

Victorville's road improvements serve the entire City, so the road impact fees calculated in this chapter apply to all new development in the City.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development. The demand variable used to calculate impact fees for road improvements in this study is peak hour trip generation, specifically trips generated during the P.M. peak hour of the adjacent street as estimated by the Institute of Transportation Engineers (ITE) in the 10th edition of its *Trip Generation* manual.

Because the number of peak hour trips per unit varies by development type, the specific trip generation rates to be used for each type of development defined in this study are shown in Table 2.1 in Chapter 2.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for specific improvements to new development served by those improvements.

Level of Service

Level of service for streets and intersections is commonly defined in terms of level-of-service (LOS) categories A through F as defined in the Highway Capacity Manual published by the Transportation Research Board. The Circulation Element of the current Victorville General Plan adopted level of service standards on that basis. The need for road improvements identified in this chapter has been determined by the City using the LOS standard.

Improvement Needs

Table 9.1 summarizes the list of road improvements needed to serve future development in Victorville, along with the cost of those improvements. Table 9.1 shows both total improvement costs and the share of those costs to be recovered through impact fees calculated in this chapter.

Cost estimates for arterial roads include only the two interior lanes and cost estimates for super arterial roads include only the four interior lanes. Because the two outer lanes on arterial roads are not included in the cost estimates, only the interior lanes are eligible for impact fee credits.

In Table 9.1, SCLA refers to the area covered by the Southern California Logistics Airport Specific Plan. As explained earlier, projects designated as SBCTA Nexus Study projects are partly funded by Measure I Major Local Highways or other public funding from SBCTA. Cost estimates and descriptions for each improvement project are available from the Victorville City Engineer.

Table 9.1: Road Improvements

Improvement Type	Project Cost [1]	New Dev Share [2]	Impact Fee Cost Basis [3]
Local Road Improvmts and Bridges (except SCLA)	$ 143,339,107	89.2%	$ 127,873,454
Local Road Imprvmts Under Pwr Lines (except SCLA)	$ 8,667,564	100.0%	$ 8,667,564
Local Traffic Signals (except SCLA)	$ 18,414,000	100.0%	$ 18,414,000
Local Interchanges	$ 28,510,465	65.8%	$ 18,758,065
Local Road Improvements (SCLA)	$ 33,691,983	100.0%	$ 33,691,983
Local Intersection Improvements & Signals (SCLA)	$ 8,724,969	96.2%	$ 8,396,943
Subtotal Local Road Improvements	**$ 241,348,088**	**89.4%**	**$ 215,802,009**
SBCTA Nexus Study Road Improvements and Bridges	$ 100,538,856	47.1%	$ 47,358,254
SBCTA Nexus Study Interchanges	$ 167,391,501	35.5%	$ 59,477,189
Subtotal SBCTA Nexus Study Road Improvements	**$ 267,930,357**	**39.9%**	**$ 106,835,443**
Total Road Improvements	**$ 509,278,445**	**63.4%**	**$ 322,637,452**

[1] Estimated project costs provided by the City of Victorville City Engineer; detailed cost estimates are available from the City Engineer; costs for SBCTA Nexus Study projects are subject to the the requirements of the SBCTA Congestions Management Plan (CMP) and the Development Mitigation Nexus Study (CMP Appendix G) and are partly funded by SBCTA

[2] New development share of project costs provided by the City Engineer

[3] Impact fee cost basis = project cost X new development share

Cost per Peak Hour Trip

Table 9.2 calculates a cost per peak hour trip for road improvements using the impact fee cost basis from Table 9.1 and the added peak hour trips from Table 2.3 in Chapter 2.

Table 9.2: Cost per Peak Hour Trip

Impact Fee Cost Basis [1]	Added Peak Hour Trips [2]	Cost per Peak Hour Trip [3]
$322,637,452	33,185	$9,722.39

[1] See Table 9.1

[2] See Table 2.3

[3] Cost per peak hour trip = impact fee cost basis / added peak hour trips from Table 2.3

Impact Fees per Unit

Table 9.3 shows the calculation of road impact fees per unit of development, by development type. Those fees are calculated using the cost per peak hour trip from Table 9.2 and the peak hour trips per unit factors from Table 2.1.

Table 9.3: Road Impact Fees per Unit

Development Type	Units [1]	Cost per Pk Hr Trip [2]	Pk Hr Trips per Unit [3]	Impact Fee per Unit [4]
Residential - Detached	DU	$9,722.39	0.99	$ 9,625.17
Residential - Attached	DU	$9,722.39	0.56	$ 5,444.54
Residential - Mobile Home Park	DU	$9,722.39	0.46	$ 4,472.30
Retail/Service Commercial	KSF	$9,722.39	3.81	$ 37,042.31
Professional Office	KSF	$9,722.39	1.15	$ 11,180.75
Lodging	Room	$9,722.39	0.38	$ 3,694.51
Industrial/Business Park	KSF	$9,722.39	0.53	$ 5,152.87
High-Cube Warehouse	KSF	$9,722.39	0.10	$ 972.24
Self-Service Storage	KSF	$9,722.39	0.17	$ 1,652.81
Gasoline/Service Station	Pump	$9,722.39	4.90	$ 47,639.71
Institutional	KSF	$9,722.39	0.65	$ 6,319.55
Public Facilities	KSF	$9,722.39	0.94	$ 9,139.05

[1] Units of development; DU = dwelling unit; KSF = 1,000 gross sq. feet of building area; Room = guest room or suite; Pump = vehicle fueling position

[2] See Table 9.2

[3] Peak hour trips per unit; see Table 2.1

[4] Cost per unit = cost per peak hour trip X peak hour trips per unit

Project-Specific Fees

Impact fees are calculated in Table 9.3 for a fairly detailed breakdown of development types. Even so, the City may receive applications for projects that don't fit neatly into one of those categories. In that case, it is an easy matter to calculate a customized road impact fee for an

individual project using the cost per peak hour trip from Table 9.2 and an estimate of the peak hour trips per day to be generated by the development project. Project-specific peak hour trip rates can be based on either a traffic study for the project or the appropriate rate from ITE's *Trip Generatio*n manual.

Projected Revenue

Potential revenue from the road impact fees can be estimated by applying the fees per unit from Table 9.3 to forecasted future units from Table 2.3. However, since the list of development types in Table 2.3 is less detailed than the list for which impact fees are calculated in this chapter, projected revenue is only an approximation. See the discussion in Chapter 2 for an explanation of the reasons for that difference in the breakdown of development types.

Table 9.4 shows the projected revenue to 2040 from the road impact fees calculated in this chapter. This projection assumes that future development occurs as forecasted in Chapter 2. It should also be noted that no revenue is projected for the Public Facilities development type because it is unlikely the City would be able to collect road impact fees for facilities constructed by other public agencies including school districts.

Table 9.4: Road Impact Fees - Projected Revenue

Development Type	Units [1]	Impact Fee per Unit [2]	Future Units [3]	Projected Revenue [4]
Residential - Detached	DU	$ 9,625.17	13,547	$ 130,392,178
Residential - Attached	DU	$ 5,444.54	2,840	$ 15,462,494
Residential - Mobile Home Park	DU	$ 4,472.30	353	$ 1,578,722
Retail/Service Commercial	KSF	$ 37,042.31	3,891	$ 144,131,628
Professional Office	KSF	$ 11,180.75	963	$ 10,767,062
Industrial/Business Park	KSF	$ 5,152.87	3,766	$ 19,405,708
Total				**$ 321,737,792**

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

[2] Impact fee per unit; see Table 9.3

[3] See Table 2.3

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

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for road, bridge, interchange and traffic signal improvements in Victorville.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional road, bridge, interchange and traffic signal improvements to mitigate the impact of new development on the need for those facilities in the City.

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

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide road, bridge, interchange and traffic signal improvements to serve the needs of additional development in Victorville.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development creates a need for additional road system improvements to maintain acceptable levels of service on the City's road system. A failure to provide those improvements would result in increased congestion on Victorville's road system.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the road impact fees charged to a development project will depend on the estimated increase in peak hour vehicle trips associated with that project. The

fees per unit of development calculated in this chapter for each type of development are based on the number of peak hour trips per unit generated by that type of development. Thus, the fee charged to a development project reflects the impact of that project on the need for road, bridge, interchange and traffic signal improvements in the City.

Chapter 10. Administrative Fee

This chapter provides a cost-of-service analysis to substantiate an administrative fee that is added to each impact fee (see Executive Summary). This charge recovers the cost of accounting, reporting and other administrative activities required by the Mitigation Fee Act, as well as the cost of periodic updates to the impact fee study.

The following table establishes an Administrative Fee for the impact fee program.

Table 10.1: Administrative Fee Calculation

Annual Administrative Costs for CIF funds	$	45,271	[1]
Annualized Fee Study Costs	$	14,000	[2]
Total Annual Costs	**$**	**59,271**	
Projected Revenue		$543,278,638	[3]
Annualized Revenue		$ 27,163,932	[4]
Fee Program Administration as Percent of Fees		**0.20%**	

[1] Cost Allocation Plan prepared by NBS; costs adjusted annually by CPI to 2021

[2] Estimated and amortized cost of fee/nexus every five years,

[3] Estimated revenue collected from impact fees through 2040/buildout

[4] 20 year annualized revenue for analysis purposes

NBS recently completed a Citywide Cost Allocation Plan (CAP) analysis for the City of Victorville. CAP analyses are widely utilized by local governments nationwide for purposes of establishing a fair and reasonable allocation of centralized administrative costs to various funds, departments, and/or divisions within the organization that provide services to the public. Common applications of the results of a CAP analysis include use as a tool in recovering overhead costs from special and/or enterprise revenue funds, calculating fully burdened hourly rates for use in billing or calculating fees for service, and recovering administrative costs from various grants or inter-agency funding agreements. In fact, use of a CAP analysis as a tool for justifying recovery of administrative costs from impact fee funds was most recently supported by the *Walker v. City of San Clemente* decision made by the California Court of Appeals on August 28, 2015.

The table above includes the allocated costs of program administration as established by the CAP analysis, and the annualized costs of completing a comprehensive impact fee analysis every five years. The projected and annualized revenue assumptions were developed throughout the various chapters included in the body of this report. Two percent of the impact fee amount is a widely implemented administrative fee in California for impact fee programs. Comparatively, the fee calculated above for the City of Victorville's program is well within the range of similar fees charged for other California local government agencies.

Chapter 11. Implementation

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

Statutory requirements for the adoption and administration of fees imposed as a condition of development approval (impact fees) are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Adoption

The form in which development impact fees are enacted should be determined by the City attorney.

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

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

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

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

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

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

Sample Finding: Use of the Fee. The City Council finds that revenue from the impact fees hereby enacted will be used to provide public facilities needed to mitigate the impacts of new development in the City and identified in the 2021 City of Victorville Development Impact Fee Study by NBS. [2]

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

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

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

Administration

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Earmarking and Expenditure of Fee Revenue. Section 66006 (a) mandates that fees be deposited “with other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the

fee was collected." Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;

4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

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

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

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

In most cases, the CIP identifies projects for a limited number of years and may not include all improvements needed to serve future development covered by the impact fee study. To the extent allowed by Government Code amendments adopted in AB 602, we recommend that the City Council cite this development impact fee study as the public document identifying the use of the fees.

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

Impact Fees for Accessory Dwelling Units (ADUs)

Government Code Section 65852.2 (f)(3)(A) states that impact fees may not be charged to ADUs less than 750 square feet, and that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the ADU in relation to the square footage of the primary dwelling unit. Because of the latter requirement, impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis. The formula for calculating impact fees for ADUs of 750 square feet or more can be stated as:

Impact fee for detached dwelling unit X (ADU square feet / primary unit square feet)

Requirements Imposed by AB 602

In 2021, the California Legislature passed AB 602 and the Governor signed it into law. AB 602 creates some new requirements for impact fees that will go into effect in 2022. The new law amends Government Code Section 65940.1 and adds Section 66016.5 to impose the following requirements:[3]

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

[3] Water and Sewer fees are pursuant to GC 66013 and not subject to the requirements in GC 66016.5, as stat-ed in section (b).

a reasonable relationship between the fee charged and the burden posed by the development. The law outlines some possible exceptions to this requirement.

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

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

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

Training and Public Information

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

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

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

Recovery of Administrative Costs

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

APPENDIX A

Parks – Vehicles & Equipment

Parks - Vehicles & Equipment

Appendix A

Year	Location	Description	Acquisition Cost [1]
1989	COMM SVCS/PARKS	FORD L-8000, BOBTAIL, 1989	$ 40,000.00
1996	COMM SVCS/PARKS	BACKHOE LOADER, JOHN DEERE 510D	$ 20,877.00
1997	COMM SVCS/PARKS	GRAFFITI REMOVAL TRAILER	$ 31,786.00
1986	COMM SVCS/PARKS	MIXER, CONCRETE CONTINENTAL TRLR	$ 20,000.00
1989	COMM SVCS/PARKS	TRENCHER, MODEL 380	$ 15,520.00
1990	COMM SVCS/PARKS	DUMP TRUCK, FORD LN8000	$ 20,000.00
1991	COMM SVCS/PARKS	LOADER, LANDSCAPE-JOHN DEERE 310C	$ 34,889.00
1995	COMM SVCS/PARKS	SPRAYER, 200G KOHLER ELEC	$ 7,753.00
2001	COMM SVCS/PARKS	MOWER, RIDING 48" LAYER	$ 5,875.95
2002	COMM SVCS/PARKS	MOWER, ROTARY JACOBSEN, MODEL H	$ 48,147.10
2003	COMM SVCS/PARKS	JOHN DEERE TRACTOR CANOPY-OFF ROAD EQPT	$ 21,047.65
2003	COMM SVCS/PARKS	AERIAL DEVICE, TELELECT MODEL TL38 BOOM	$ 68,205.75
2004	COMM SVCS/PARKS	RIDING LAWNMOWER W/HITCH & MULCH	$ 6,610.47
2004	COMM SVCS/PARKS	RIDING SAND RAKE	$ 10,243.79
2003	COMM SVCS/PARKS	TRAILER, BIG TEX MODEL#10EQ	$ 6,535.75
2003	COMM SVCS/PARKS	UTILITY VEHICLE CUSHMAN PTO ACCESSORIES	$ 12,907.37
2003	COMM SVCS/PARKS	DIESEL RAKE, SAND SCORPION	$ 13,025.90
2003	COMM SVCS/PARKS	SPRAYER, CUSHMAN DS-175	$ 13,841.56
1990	COMM SVCS/PARKS	MIXER, CONCRETE	$ 19,870.00
1991	COMM SVCS/PARKS	1991 GREEN&BLUE REC VAN	$ 25,230.00
2001	COMM SVCS/PARKS	DODGE RAM 2500 TRUCK, 2001	$ 22,872.68
2003	COMM SVCS/PARKS	CHEV BLAZER SUV 4DR, 2003	$ 22,143.14
2003	COMM SVCS/PARKS	FORD F350 TRUCK, 2003	$ 28,890.77
2004	COMM SVCS/PARKS	CHEV MALIBU, 2003	$ 13,055.54
2004	COMM SVCS/PARKS	CHEV COLORADO TRUCK, 4WD, 2004	$ 18,777.21
2001	COMM SVCS/PARKS	DODGE DAKOTA, 2001	$ 21,995.20
2001	COMM SVCS/PARKS	DODGE DAKOTA TRUCK, CREW CAB, 2001	$ 21,995.20
1990	COMM SVCS/PARKS	GMC 1990 PICKUP	$ 17,626.00
1995	COMM SVCS/PARKS	CHEV 3500 UTILITY ONE TON TRUCK, 1995	$ 20,651.00
2003	COMM SVCS/PARKS	CHEV 2500 HD TRUCK, 2002	$ 28,202.10
2004	COMM SVCS/PARKS	DODGE RAM 2500 TRUCK, 2004	$ 20,995.78
2004	COMM SVCS/PARKS	DODGE 2500 RAM FULL SIZE 2WD, 2004	$ 20,995.78
2004	COMM SVCS/PARKS	DODGE 2500 RAM, FULL SIZE CREW CAB, 2004	$ 20,995.78
2004	COMM SVCS/PARKS	FORD F350, HD CREW CAB FLAT BED, 2004	$ 28,212.72
2005	COMM SVCS/PARKS	BB150A BOX SCRAPER GROOM MASTER	$ 13,117.49
2005	COMM SVCS/PARKS	CHEV COLORADO PICK-UP 4 DOOR, 2005	$ 18,732.00
2005	COMM SVCS/PARKS	DODGE DR2500, FULL SIZE PICKUP, 2005	$ 22,679.00
2005	COMM SVCS/PARKS	GMC CANYON COMPACT PICKUP, 2005	$ 13,283.00

Parks - Vehicles & Equipment

Appendix A

Year	Location	Description	Acquisition Cost [1]
2005	COMM SVCS/PARKS	CHEV EXPRESS VAN, FULL SIZE, 2005	$ 16,419.00
2005	COMM SVCS/PARKS	DODGE DR2500 FULL SIZE PICKUP, 2005	$ 22,679.00
2005	COMM SVCS/PARKS	STAGE SECTIONER, STAIRS, CADDIES, SKIRT	$ 6,958.84
2005	COMM SVCS/PARKS	WEATHER STATION	$ 8,256.59
2005	COMM SVCS/PARKS	POWER WASHER FOR TRASH TRUCK	$ 6,442.32
2006	COMM SVCS/PARKS	GMC SIERRA 3500, EXTENDED CAB, 2006	$ 33,445.78
2006	COMM SVCS/PARKS	FORD F350, 2005	$ 28,122.38
2006	COMM SVCS/PARKS	FORD F350 FLAT BED, 2006	$ 24,484.22
2006	COMM SVCS/PARKS	GMC SIERRA 3500, 2005	$ 33,118.64
2006	COMM SVCS/PARKS	TURF TRUCK	$ 16,730.35
2006	COMM SVCS/PARKS	TURF TRUCK	$ 16,730.34
2006	COMM SVCS/PARKS	TURF TRUCK	$ 16,730.34
2006	COMM SVCS/PARKS	JOHN DEERE LANDSCAPE LOADER, 2006	$ 61,052.20
2007	COMM SVCS/PARKS	GMC 3500 EXTENDED CAB TRUCK, 2006	$ 30,764.91
2007	COMM SVCS/PARKS	CHEV COLORADO, 2007	$ 21,816.19
2007	COMM SVCS/PARKS	ROTARY MOWER, LG AREA, JACOBSEN	$ 71,814.30
2007	COMM SVCS/PARKS	TURFCAT, JACOBSEN 628D 28HP 4 WD	$ 19,512.45
2007	COMM SVCS/PARKS	BALLFIELD PREP MACHINE/ GROOM MASTER II	$ 17,310.04
2007	COMM SVCS/PARKS	FLASHCAM-880 VANDAL DETERRENT SYS/DIGITL	$ 6,489.62
2007	COMM SVCS/PARKS	CHEV KODIAK C4500 DMP TRK 3YD BED, 2007	$ 37,423.46
2007	COMM SVCS/PARKS	TRENCHER, VERMEER RT450	$ 38,077.77
2007	COMM SVCS/PARKS	TRENCHER, VERMEER RT100, 2006	$ 9,923.78
2007	COMM SVCS/PARKS	MOWER, NEW 48" EXMARK 17HP HYDRO MIDSIZE	$ 5,631.02
2008	COMM SVCS/PARKS	JOHN DEERE TURF GATOR	$ 6,298.82
2009	COMM SVCS/PARKS	FLASH CAMERA (CAM-880) -VANDALISM DETECT	$ 15,282.15
2004	COMM SVCS/PARKS	RIDING MOWER, 72"	$ 15,818.79
1988	COMM SVCS/PARKS	GREEN TORO AERATOR	$ 9,325.00
2000	COMM SVCS/PARKS	UTILITY VEHICLE, JAC84040 CUSHMAN	$ 12,907.37
2003	COMM SVCS/PARKS	TOP DRESSER, TOW TYPE	$ 8,070.00
2005	COMM SVCS/PARKS	JOHN DEERE TRACTOR 4120	$ 20,560.31
2007	COMM SVCS/PARKS	TURF GATOR, JOHN DEERE CX UTIL VEHICLE	$ 6,276.44
2007	COMM SVCS/PARKS	TURF GATOR, JOHN DEERE CX SM UTIL VEHICL	$ 6,276.44
2009	COMM SVCS/PARKS	JACOBSEN 9016 ROTARY MOWER	$ 73,226.50
2007	COMM SVCS/PARKS	TURF GATOR, JOHN DEERE CX SM UTIL VEHICL	$ 6,276.44
2007	COMM SVCS/PARKS	FORD F150 TRUCK, 2007	$ 21,759.17
2005	COMM SVCS/PARKS	CHEV SILVERADO 2500 TRUCK, 2004	$ 36,627.29
2002	COMM SVCS/PARKS	FORD RANGER TRUCK, 2002	$ 16,861.00
2002	COMM SVCS/PARKS	FORD RANGER TRUCK, 2002	$ 17,007.00

Parks - Vehicles & Equipment

Appendix A

Year	Location	Description	Acquisition Cost [1]
2003	COMM SVCS/PARKS	FORD WINDSTAR VAN, 2003	$ 22,556.35
2003	COMM SVCS/PARKS	CHEV SILVERADO 2500 DURAMAX, 2003	$ 27,027.09
2003	COMM SVCS/PARKS	CHEV SILVERADO 2500 TRUCK, 2003	$ 33,739.03
1998	COMM SVCS/PARKS	GMC 1 TON UTILITY TRUCK, 1998	$ 37,732.00
2002	COMM SVCS/PARKS	GMC SIERRA 1500, 2002	$ 28,850.06
2004	COMM SVCS/PARKS	CHEV S-10 TRUCK, 2003	$ 18,795.00
2000	COMM SVCS/PARKS	DODGE DAKOTA, 2001	$ 14,517.16
2000	COMM SVCS/PARKS	DODGE DAKOTA, 2001	$ 14,517.16
2014	COMM SVCS/PARKS	ZIEMAN 818 TRAILER	$ 6,879.60
2014	COMM SVCS/PARKS	ZIEMAN 418 TRAILER	$ 6,879.60
2017	COMM SVCS/PARKS	JACOBSEN HR800 MOWER	$ 85,338.00
2017	COMM SVCS/PARKS	CARSON DUMP TRAILER	$ 7,787.63
2018	COMM SVCS/PARKS	FORD F250 XL SRW PICKUP 2018	$ 33,592.15
2019	COMM SVCS/PARKS	KENWORTH T270 REFUSE TRUCK 2019	$ 126,565.31
2020	COMM SVCS/PARKS	JACOBSEN TURFCAT MOWER	$ 26,797.09
2020	COMM SVCS/PARKS	KENWORTH T370 GRAPPLE TRUCK	$ 199,011.90
2001	GOLF COURSE	MOWER, ROTARY JACOBSEN HR 9016	$ 48,147.10
2004	GOLF COURSE	RIDING MOWER, 72" MDI#946714	$ 15,818.78
1986	GOLF COURSE	SAND PRO, TORO 14HP	$ 6,900.00
1988	GOLF COURSE	DRESSER, TURFCO	$ 5,782.00
1994	GOLF COURSE	MOWER, TORO GREEN MASTER	$ 16,053.00
2000	GOLF COURSE	MOWER, JAFLF34005 GANG	$ 25,425.77
2000	GOLF COURSE	UTILITY VEHICLE, JAC84040	$ 12,907.37
2000	GOLF COURSE	MOWER, TEE JAC1900D3 GANG	$ 14,740.20
2000	GOLF COURSE	MOWER, REEL JAFLF34005 GANG	$ 25,425.77
2000	GOLF COURSE	MOWER, ROTARY, JCHR9016 ROTARY	$ 48,259.07
2000	GOLF COURSE	MOWER, TEE, JAC1900D3 GANG	$ 14,740.20
2001	GOLF COURSE	GREEN AERATOR, TORO MODEL0912	$ 10,712.51
2002	GOLF COURSE	MOWER, GREENS KING V12WD	$ 22,335.28
2002	GOLF COURSE	MOWER, GREENS KING V12WD	$ 22,335.28
2002	GOLF COURSE	JMC SAND SCORPION 3WD WITH BOX	$ 13,025.90
2004	GOLF COURSE	EXPRESS DUAL 3000 REEL GRINDER W/C	$ 20,397.07
2004	GOLF COURSE	SV UTILITY TRUCK, MD#898627	$ 42,261.72
2004	GOLF COURSE	WHEEL TURF TRKSTR KOHLER ENGINE 4WHEEL	$ 9,697.51
1989	GOLF COURSE	GMC JIMMY, 1989	$ 16,500.00
1992	GOLF COURSE	CHEV S-10 TRUCK, 1992	$ 13,389.00
1988	GOLF COURSE	NISSAN PICK UP, 1986	$ 6,081.00
2005	GOLF COURSE	ROTARY MOWER	$ 42,538.62

Parks - Vehicles & Equipment

Appendix A

Year	Location	Description	Acquisition Cost [1]
2005	GOLF COURSE	GREEN AERATOR; 4 TINE	$ 16,417.50
2006	GOLF COURSE	GREEN MOWER EPLEX II 898868	$ 24,161.86
2006	GOLF COURSE	MOWER JACOBSEN 628 D	$ 19,041.58
2006	GOLF COURSE	FAIRWAY MOWER 67945 JACOBSEN 2WS	$ 31,862.74
2006	GOLF COURSE	FAIRWAY MOWER 67945 JACOBSEN 2WS	$ 31,862.74
2006	GOLF COURSE	TORO WORKMAN 1100 VEHICLE WITH CANOPY	$ 7,074.06
2006	GOLF COURSE	TORO WORKMAN 1100 VEHICLE WITH CANOPY	$ 7,074.06
2007	GOLF COURSE	JACOBSEN TRI-KING 1900D REEL MOWER	$ 23,353.74
2002	GOLF COURSE	JACOBSEN TRI-KING 1900D REEL MOWER	$ 20,317.50
2007	GOLF COURSE	JACOBSEN TRI-KING 1900D REEL MOWER	$ 23,353.74
2007	GOLF COURSE	CUSHMAN TURF-TRUCKSTER #84043	$ 18,533.00
2015	GOLF COURSE	TOYOTA TACOMA REG CAB 2001	$ 5,000.00
2009	GOLF COURSE	G27AF GAS UTILITY RANGE PICKER, 2008	$ 7,219.25
2009	GOLF COURSE	PROCORE 864 CMAS GOLF AERATORS	$ 49,197.35
TOTAL			$3,068,620.34

[1] Acquisition cost sourced from City asset inventory; vehicles and equipment for public safety, recreation, and proprietary funds excluded

APPENDIX B

Public Buildings – Vehicles & Equipment

Public Buildings - Vehicles & Equipment

Appendix B

Year	Location	Description	Impact Fee Cost Basis [1]
1986	PUBLIC WOR	TIRE BALANCER WB400 MANUAL SNAP-ON	$ 5,089
1987	PUBLIC WOR	TRAILER, EQUIPMENT	$ 12,287
1987	PUBLIC WOR	ROLLER, EAGER BEAVER	$ 5,000
1987	ADMIN SERV	DESK, EXECUTIVE	$ 5,100
1989	DEVELOPMEN	MICROFILM, READER & PRINTER	$ 5,135
1989	ENGINEERIN	LETTER CUTTING MACHINE	$ 6,115
1989	ENGINEERIN	GMC 3500, 1989	$ 16,500
1990	PUBLIC WOR	TRAILER, 5TH WHEEL, LANDOLL 350	$ 38,780
1990	PUBLIC WOR	ROLLER, DD35, INGERSOLL RAND	$ 27,119
1991	PUBLIC WOR	CRAWLER TRACTOR 650-G	$ 83,489
1991	PUBLIC WOR	TIRE CHANGER HT 5000	$ 6,079
1991	PUBLIC WOR	HI WASHER PRESSURE	$ 5,220
1991	PUBLIC WOR	AERIAL LIFT WITH UTILITY BODY	$ 54,728
1991	ENGINEERIN	COPIER, 5028 ZOOM	$ 5,460
1991	ADMIN SERV	COPIER, 5028 ZOOM	$ 5,460
1991	ENGINEERIN	DISTOMAT W/REC	$ 11,411
1991	PUBLIC WOR	FORD LN8000 FLATBED CHASSIS	$ 40,823
1991	PUBLIC WOR	CHEV 1 TON FLAT BED, 1991	$ 23,800
1992	PUBLIC WOR	SMITH COMPRESSOR	$ 11,517
1992	DEVELOPMEN	MICROFILM MACHINE	$ 9,602
1993	PUBLIC WOR	FORD 1 TON FLATBED TRUCK, 1992 103	$ 14,307
1994	ENGINEERIN	CONFLICT MONITOR TESTER	$ 6,411
1995	ENGINEERIN	PAVEMENT GRINDER	$ 6,624
1995	PUBLIC WOR	ACCUTURN BRAKE LATHE/ACCESSORIES	$ 8,925
1995	PUBLIC WOR	CNG REFUELING STATION D STREET	$ 240,000
1996	PUBLIC WOR	AUTOMATIC CURBER	$ 8,762
1997	PUBLIC WOR	GMC SIERRA TRUCK, 1996	$ 18,567
1998	ENGINEERIN	AUTO INVESTIGATION SYSTEM	$ 8,606
1998	PUBLIC WOR	CHEV Z-71 PICK UP TRUCK, 1998	$ 20,819
1998	PUBLIC WOR	GMC SONOMA TRUCK, 1998	$ 18,095
1999	PUBLIC WOR	KONI ELECTRO HYDRAULIC LIFT PORT	$ 7,138
1999	PUBLIC WOR	KONI ELECTRO HYDRAULIC LIFT PORT	$ 7,138
1999	PUBLIC WOR	KONI ELECTRO HYDRAULIC LIFT PORT	$ 7,138
1999	PUBLIC WOR	KONI ELECTRO HYDRAULIC LIFT PORT	$ 7,138
1999	PUBLIC WOR	FOXBORO GAS DETECTION SYSTEM ALARM	$ 26,962
2000	ENGINEERIN	STRIPER, TMT 357P	$ 201,233
2000	PUBLIC WOR	LOADER, JOHN DEERE 210LE	$ 71,785
2000	PUBLIC WOR	LOADER, JOHN DEERE 544H	$ 114,754
2000	PUBLIC WOR	PATCH TRUCK, HOT BOX	$ 109,568
2000	ENGINEERIN	GMC, HEAVY DUTY 2000	$ 44,385
2000	DEVELOPMEN	MICROPRINTER SYSTEM, CANON MS50	$ 12,454
2000	ENGINEERIN	AUTO TRACKING DIGITAL CAMERA, LEICA	$ 20,001
2000	ADMIN SERV	DOCUMENT IMAGINE SYSTEM	$ 132,331
2000	PUBLIC WOR	LOCKERS, SINGLE	$ 7,200
2000	PUBLIC WOR	FORD F250 TRUCK, 2000	$ 29,309

Public Buildings - Vehicles & Equipment

Appendix B

Year	Location	Description	Impact Fee Cost Basis [1]
2000	ADMIN SERV	DODGE DURANGO 4X4, 2000	$ 29,321
2001	ENGINEERIN	FORD F450, AERIAL UNIT 2000	$ 72,946
2001	PUBLIC WOR	SPRAYER HERBICIDE	$ 11,314
2001	PUBLIC WOR	BUCKET, MULTI PURPOSE WITH LOADER	$ 15,447
2001	DEVELOPMEN	SCANNER	$ 10,139
2001	PUBLIC WOR	BROADLUX SM 510 SITE CNTRLR FOR CNG FUEL	$ 19,931
2001	PUBLIC WOR	DODGE RAM 2500 TRUCK, 2001	$ 22,719
2001	PUBLIC WOR	DODGE RAM 2500 TRUCK, 2001	$ 22,719
2001	PUBLIC WOR	FORD F250 CREW CAB TRUCK, 2001	$ 26,067
2001	PUBLIC WOR	FORD F350 UTIL SD TRUCK, 2001	$ 34,173
2001	PUBLIC WOR	FORD EXPEDITION XLT 4X4 SUV, 2000	$ 28,273
2001	DEVELOPMEN	DODGE DAKOTA, 2001	$ 21,995
2001	ENGINEERIN	DODGE DAKOTA 4X4, 2001	$ 21,995
2001	DEVELOPMEN	DODGE DAKOTA, 2001	$ 21,995
2001	DEVELOPMEN	DODGE DAKOTA TRUCK, CREW CAB, 4X4, 2001	$ 21,995
2001	PUBLIC WOR	DODGE RAM 2500 TRUCK, 2001	$ 22,719
2001	PUBLIC WOR	GMC SIERRA 3500 UTILITY TRUCK, 2001	$ 35,176
2002	PUBLIC WOR	STERLING TRUCK, PRO PATCH, 2002	$ 118,591
2002	PUBLIC WOR	WACKER ROLLER, SMOOTH DOUBLE DRUM	$ 11,214
2002	PUBLIC WOR	LIGHT TOWER, TOWABLE	$ 7,047
2002	ENGINEERIN	SURVEYING EQUIPMENT, RCS 1100 CONTROLLER	$ 11,347
2002	PUBLIC WOR	DODGE RAM 2500 TRUCK, 2002	$ 24,346
2002	DEVELOPMEN	GMC SONOMA, CREW CAB TRUCK, 2002	$ 21,615
2002	PUBLIC WOR	GMC SONOMA, CREW CAB TRUCK, 2002	$ 21,615
2002	DEVELOPMEN	GMC SONOMA, CREW CAB TRUCK, 2002	$ 21,615
2003	PUBLIC WOR	FREIGHTLINER WATER TRUCK, 2003	$ 53,402
2003	PUBLIC WOR	MOHAWK TP15 MED DUTY VEHICLE LIFT	$ 11,269
2003	PUBLIC WOR	MOBILE PLANT SCREENING	$ 53,821
2003	PUBLIC WOR	CNG FUELING STATION AT MCART	$ 684,163
2003	PUBLIC WOR	FORKLIFT, CLARK STAND UP REACH	$ 11,314
2003	DEVELOPMEN	INSPECTOR TRACK BASE SYSTEM	$ 10,706
2003	PUBLIC WOR	STUMP GRINDER W/TRAILER	$ 11,561
2003	ADMIN SERV	CHEV MALIBU, 2003	$ 14,743
2003	PUBLIC WOR	CHEV MALIBU, 2003	$ 14,743
2003	PUBLIC WOR	CHEV MALIBU, 2003	$ 14,743
2003	ENGINEERIN	GMC 1500 HALF TON PICK UP, 2003	$ 22,198
2003	PUBLIC WOR	VACUUM, TRAILER MOUNTED UTILITY	$ 15,074
2004	ENGINEERIN	SPEED RADAR TRAILER	$ 11,009
2004	PUBLIC WOR	ASPHALT MELTER, 2003 CRAFCO MD#41500	$ 25,000
2004	PUBLIC WOR	TOW MOTOR TGC25 LP FORKLIFT	$ 18,042
2004	PUBLIC WOR	HYDROKLEEN WATER WASTE SYSTEM	$ 47,764
2004	DEVELOPMEN	CHEV 2500 PICK UP TRUCK, 2003	$ 33,662
2004	PUBLIC WOR	FORD F350 SD TRUCK, CREW CAB, 2004	$ 28,213
2004	PUBLIC WOR	FORD F350 TRUCK, CREW CAB, 2004	$ 28,213
2004	ADMIN SERV	FORD F150 F17REG CAB 139"WHEELBASE, 2003	$ 21,143

Public Buildings - Vehicles & Equipment

Appendix B

Year	Location	Description	Impact Fee Cost Basis [1]
2004	ADMIN SERV	CHEV CARGO VAN, FULL SIZE, 2004	$ 21,412
2004	PUBLIC WOR	FORD F350 4X4 FULLSZ EXT CAB TRUCK, 2004	$ 31,242
2004	DEVELOPMEN	CHEV MID SIZE 6 PASSENGER PICK UP, 2004	$ 18,777
2004	DEVELOPMEN	CHEV MID SIZE 6 PSSNGR PICK UP 4X4, 2004	$ 18,777
2004	DEVELOPMEN	CHEV MID SIZE 6 PSSNGR PICK UP 4X4, 2004	$ 18,777
2004	ENGINEERIN	CHEV MID SIZE PICK UP 4X4, 2004	$ 18,777
2004	PUBLIC WOR	FORD F350, CREWCAB PICK UP, 2004	$ 28,213
2004	PUBLIC WOR	CHEV COLORADO, COMPACT, 4X4, 2004	$ 18,777
2004	DEVELOPMEN	FORD CROWN VICTORIA SEDAN, 2003	$ 15,811
2004	PUBLIC WOR	CHEV C7500 DUMP TRUCK, 2004	$ 68,512
2005	PUBLIC WOR	MOTOR GRADER, CAT	$ 203,309
2005	DEVELOPMEN	CHEV MALIBU MIDSIZE SEDAN, 2004	$ 11,370
2005	DEVELOPMEN	CHEV COLORADO, 4X4, 4-DOOR, 2005	$ 20,759
2005	DEVELOPMEN	CHEV COLORADO, 4X4, 4 DOOR, 2005	$ 20,759
2005	ENGINEERIN	CHEV COLORADO, 4X4, 4 DOOR, 2005	$ 21,717
2005	ENGINEERIN	CHEV COLORADO COMPACT PICKUP, 2005	$ 20,153
2005	DEVELOPMEN	CHEV COLORADO COMPACT PICKUP, 2005	$ 20,755
2005	ENGINEERIN	GMC SIERRA 2500 PICKUP, 2005	$ 23,607
2005	PUBLIC WOR	CHEV COLORADO MID-SIZE PICKUP, 2005	$ 16,503
2005	PUBLIC WOR	CHEV REFUSE TRUCK, 2005	$ 69,498
2005	PUBLIC WOR	SELF-PROPELLED 35 HP GAS CONCRETE SAW	$ 9,710
2005	PUBLIC WOR	PORTABLE PRESSURE WASHER	$ 16,421
2006	PUBLIC WOR	FORD TAURUS SEDAN, 2005	$ 12,500
2006	PUBLIC WOR	FORD TAURUS SEDAN, 2005	$ 12,500
2006	DEVELOPMEN	CHEV COLORADO PICK UP 4X4, 2006	$ 21,253
2006	DEVELOPMEN	GMC K3500 SIERRA 4X4, 2006	$ 43,432
2006	DEVELOPMEN	CHEV COLORADO 4X4, 2006	$ 21,253
2006	PUBLIC WOR	FORD EXPEDITION 4X4 SUV, 2006	$ 27,933
2006	ENGINEERIN	GMC SIERRA C2500HD, 2006	$ 23,499
2006	PUBLIC WOR	DODGE RAM 2500 PICK UP, 2006	$ 22,173
2006	PUBLIC WOR	GMC 3500 FLAT BED, 2006	$ 33,446
2006	PUBLIC WOR	PRESSURE WASHER	$ 7,235
2006	PUBLIC WOR	MESSAGE BOARD MINI MATRIX	$ 17,779
2006	PUBLIC WOR	PAVING MACHINE	$ 121,297
2006	ENGINEERIN	STENCIL TRUCK	$ 121,457
2006	PUBLIC WOR	NEW PUMP @D ST. COMPRESSOR	$ 57,373
2006	ADMIN SERV	FLUKE NETWORK TOOL	$ 38,380
2006	PUBLIC WOR	BRUSH CHIPPER 100XL	$ 27,150
2006	PUBLIC WOR	JOHN DEERE 410G, 2005	$ 90,477
2006	ENGINEERIN	VIDEO DETECTION	$ 149,773
2006	PUBLIC WOR	DODGE RAM 2500 PICK UP, 2006	$ 22,990
2007	PUBLIC WOR	1400 SERIES PLATFORM MOUNT & OTHER EQPT	$ 5,846
2007	PUBLIC WOR	CNG DRIVER TRAINING VIDEO MODULES	$ 19,535
2007	PUBLIC WOR	ZIEMAN 116 TURF SPECL TRAILER-GRAY, 2006	$ 8,044
2007	ENGINEERIN	GPS SURVEYING EQUIPMENT	$ 52,591

Public Buildings - Vehicles & Equipment

Appendix B

Year	Location	Description	Impact Fee Cost Basis [1]
2009	PUBLIC WOR	ELGIN CNG BROOM BEAR SWEEPER, 2009	$ 267,933
2009	ENGINEERIN	VIDEO DETECTION SYSTEM	$ 113,308
2009	ENGINEERIN	HP DESIGNJET 4000PS PLOTTER W/5YR HWSPRT	$ 14,106
2009	PUBLIC WOR	MCART CNG STATION	$ 98,733
2009	ADMIN SERV	FORD EXPEDITION SUV, 2008	$ 27,511
2009	ENGINEERIN	FORD F150 4X4 TRUCK, 2009	$ 26,524
2009	ENGINEERIN	STRIPE REMOVAL MACH W/S600TX SKIDSTEER	$ 55,751
2010	PUBLIC WOR	880K DIGITAL VANDAL DETER/GRAFFITI CHSR	$ 17,076
2010	ENGINEERIN	AXIS 233D PTZ TRAFFIC MONITORING CAMERAS	$ 6,695
2010	PUBLIC WOR	TRAFFIC SIGNAL ANTENNA TOWER @ CYE	$ 47,634
2013	PUBLIC WOR	HEAVY DUTY PRESSURE WASHER & TRAILER	$ 12,638
2013	PUBLIC WOR	FORD F450 SUPER DUTY 2013	$ 42,503
2014	PUBLIC WOR	FORD F-350 UTILITY TRUCK 2014	$ 31,058
2014	PUBLIC WOR	BOBCAT S650 SKID STEER LOADER	$ 58,821
2014	PUBLIC WOR	JACOBSEN TRUCKSTER SPRAYER	$ 27,797
2014	PUBLIC WOR	SDI SPRAYER 200 GAL TRAILER MOUNT	$ 13,017
2014	PUBLIC WOR	GREENFIELD COMPRESSOR REBUILD	$ 41,446
2014	ADMIN SERV	FUJITSU FI-6770A SCANNER W/VRS	$ 6,209
2014	ADMIN SERV	FUJITSU FI-6770A SCANNER W/VRS	$ 6,209
2015	PUBLIC WOR	KENWORTH DUMP TRUCK 2015	$ 115,019
2015	PUBLIC WOR	KENWORTH DUMP TRUCK 2015	$ 115,019
2015	PUBLIC WOR	CRACK SEAL MACHINE CRAFCO	$ 58,668
2015	ENGINEERIN	FORD F550 4X2 ALTEC AT40M	$ 142,811
2015	PUBLIC WOR	BACKHOE LOADER, JOHN DEERE 410L	$ 135,555
2015	PUBLIC WOR	KENWORTH DUMP TRUCK 2015	$ 116,243
2015	PUBLIC WOR	DODGE 2500 REG CAB PICKUP, 2015	$ 25,766
2015	PUBLIC WOR	FORD F350 PICKUP, 2015	$ 33,392
2015	ENGINEERIN	PAVEMENT GRINDER SCARIFIER	$ 10,378
2015	CITY MANAG	SCANNER CONTEX HD ULTRA	$ 14,858
2015	CITY MANAG	SCANNER FUJITSU 90PPM SHTFD	$ 6,258
2015	PUBLIC WOR	FUELFORCE FUEL MANAGEMENT SYSTEM	$ 31,061
2016	DEVELOPMEN	FORD F250 REG CAB 4X4 PICKUP 2015	$ 36,093
2016	PUBLIC WOR	SCHWARZE M6 STREET SWEEPER	$ 353,287
2016	PUBLIC WOR	KENWORTH T370 WATER TRUCK CAB & CHASSIS	$ 118,517
2016	PUBLIC WOR	KENWORTH T370 LOW BED TRACTOR	$ 100,901
2016	PUBLIC WOR	HYUNDAI SINGLE SPD CONCRETE SAW	$ 17,622
2016	CITY MANAG	SCANNER CONTEX HD ULTRA	$ 14,858
2016	ENGINEERIN	GRACO THERMOLAZER	$ 21,768
2016	ENGINEERIN	SURVEY ROBOTIC TOTAL STATION	$ 21,756
2016	PUBLIC WOR	LOADER, JOHN DEERE 544K	$ 207,082
2016	PUBLIC WOR	LOADER, JOHN DEERE 210L	$ 101,886
2016	ENGINEERIN	TRAFFIC SIGNAL CONTROLLERS	$ 52,235
2017	PUBLIC WOR	FORD F250 4X2 REG CAB PICKUP 2017	$ 34,358
2017	PUBLIC WOR	BENDPAK XPR 18-10AL TRUCK & CAR LIFT	$ 9,055
2017	PUBLIC WOR	JOHN DEERE 772G GRADER, 2017	$ 400,502

Public Buildings - Vehicles & Equipment

Appendix B

Year	Location	Description	Impact Fee Cost Basis [1]
2017	PUBLIC WOR	KENWORTH T370 REFUSE TRUCK 2018	$ 124,680
2017	DEVELOPMEN	FORD F250 4X4 SUPER CAB W/AC TRANSPORT	$ 56,969
2017	PUBLIC WOR	FORD F250 EXTENDED CAB LONGBED 2017	$ 32,797
2017	PUBLIC WOR	FORD F250 EXTENDED CAB LONGBED 2017	$ 32,797
2018	ENGINEERIN	FORD F450 FLATBED 2017	$ 53,692
2018	PUBLIC WOR	SCHWARZE M6 AVALANCHE STREET SWEEPER	$ 362,448
2018	ENGINEERIN	FORD F550 UTILITY 2017	$ 96,397
2018	PUBLIC WOR	GMC TERRAIN SUV, 2018	$ 31,062
2018	PUBLIC WOR	PRO CUT WARTHOG BRAKE LATHE TROLLEY	$ 13,726
2018	PUBLIC WOR	AMMCO 4100B BRAKE LATHE	$ 8,942
2018	PUBLIC WOR	CRAFCO CRACK SEAL MACHINE	$ 62,661
2018	PUBLIC WOR	TOWMASTER TRAILER MODEL T-40	$ 29,577
2018	PUBLIC WOR	JOHN DEERE 410L BACKHOE LOADER	$ 137,176
2018	PUBLIC WOR	JOHN DEERE 544K WHEEL LOADER	$ 201,537
2018	PUBLIC WOR	CARSON TRAILER, 2018	$ 6,610
2018	PUBLIC WOR	VERMEER RTX130 WALK BEHIND TRENCHER	$ 11,856
2018	ENGINEERIN	THERMOPLASTIC PRE-MELTER	$ 20,920
2018	ENGINEERIN	THERMOPLASTIC PRE-MELTER	$ 20,920
2019	PUBLIC WOR	FORD F450 SD GRAFFITI TRUCK	$ 38,096
2019	PUBLIC WOR	FIBER SPLICING 7 X 12 TRAILER	$ 25,457
2019	PUBLIC WOR	ARIAL BUCKET TRUCK	$ 191,382
2019	PUBLIC WOR	EVACUBLAST DPF CLEANING EQUIPMENT	$ 14,041
2019	PUBLIC WOR	EVACUBLAST DPF REGENERATION OVEN	$ 11,644
2019	PUBLIC WOR	AC SERVICE EQUIPMENT	$ 5,980
2020	PUBLIC WOR	CROSSWIND SWEEPER	$ 384,035
2020	PUBLIC WOR	CAN-AM COMMANDER	$ 15,485
2020	PUBLIC WOR	BROOKS BROS POLE/CARGO TRAILER	$ 39,830
2020	PUBLIC WOR	CHEVROLET SILVERADO 3500	$ 55,404
		Total Vehicles	**$10,303,047**

[1] Impact fee cost basis = Acquisition cost sourced from City asset inventory; vehicles and equipmer public safety, recreation, and proprietary funds excluded

APPENDIX C

Comparison Survey

City of Victorville
Development Impact Fee Study 2021
Fee Comparison

CITY OF VICTORVILLE				COMPARISON AGENCIES					
Development Impact Fee Type	Units [1]	Current Fee [2]	Proposed Fee [3]	BEAUMONT [4]	FONTANA [5]	HESPERIA [6]	LANCASTER [7]	PALMDALE [8]	RIALTO [9]
Residential - Detached	**DU**								
Parks		$ 5,046	$ 6,059	$ 2,872	$ 6,633	$ 5,487	$ 3,661	$ 5,536	$ 3,649
Fire		$ 329	$ 287	$ 576	$ 369	$ 648	Contr w/ LA Co	$ 1,900	$ 1,104
Police		$ 139	$ 292	$ 498	$ 472	$ 10	n/a	n/a	$ 1,501
Public Buildings			$ 1,199	$ 424	$ 445	$ 779	$ 125	$ 1,751	$ 2,114
Library			$ 253	n/a	$ 99	n/a	n/a	n/a	$ 379
Community/Rec Centers			$ 884	$ 725	in Parks	n/a	n/a	n/a	n/a
Roads		$ 4,470	$ 9,625	$ 2,485	$ 7,106	$ 9,952	$ 3,060	$ 1,740	$ 3,533
Water		$ 5,142	$ 5,686	n/a	Multiple Providers	$ 6,589	LA County	n/a	$ 3,261
Total Residential Detached		**$ 15,126**	**$ 24,285**	**$ 7,580**	**$ 15,124**	**$ 23,465**	**$ 6,846**	**$ 10,927**	**$ 15,541**
Residential - Attached	**DU**								
Parks		$ 3,847	$ 4,277	$ 2,416	$ 6,301	$ 5,487	$ 3,284	$ 4,313	$ 3,440
Fire		$ 232	$ 372	$ 184	$ 369	$ 491	Contr w/ LA Co	$ 1,140	$ 1,042
Police		$ 98	$ 206	$ 419	$ 448	$ 8	n/a		$ 1,415
Public Buildings			$ 846	$ 357	$ 423	$ 620	$ 125	$ 850	$ 1,992
Library			$ 178	n/a	$ 94	n/a	n/a	n/a	$ 356
Community/Rec Centers			$ 624	$ 610	in Parks	n/a	n/a	n/a	n/a
Roads		$ 2,745	$ 5,445	$ 1,699	$ 4,881	$ 6,895	$ 2,853	$ 1,212	$ 2,448
Water		By Meter Size See Footnote 10	By Meter Size See Footnote 10	n/a	Multiple Providers	By Meter Size See Footnote 10	LA County	n/a	By Meter Size See Footnote 10
Total Residential Attached		**$ 6,922**	**$ 11,948**	**$ 5,685**	**$ 12,516**	**$ 13,501**	**$ 6,262**	**$ 7,515**	**$ 10,693**
Residential - Mobile Home	**DU**								
Parks		$ 3,847	$ 3,742	$ 2,672					$ 3,440
Fire		$ 232	$ 238	$ 277					$ 1,042
Police		$ 98	$ 180	$ 463					$ 1,415
Public Buildings			$ 740	$ 395	n/a	n/a	n/a	n/a	$ 1,992
Library			$ 156	n/a					$ 356
Community/Rec Centers			$ 546	$ 674					n/a
Roads		$ 2,745	$ 4,472	$ 1,607					n/a
Water		By Meter Size See Footnote 10	By Meter Size See Footnote 10	n/a					By Meter Size See Footnote 10
Total Mobile Home		**$ 6,922**	**$ 10,076**	**$ 6,087**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,245**

City of Victorville
Development Impact Fee Study 2021
Fee Comparison

CITY OF VICTORVILLE				COMPARISON AGENCIES					
Development Impact Fee Type	Units [1]	Current Fee [2]	Proposed Fee [3]	BEAUMONT [4]	FONTANA [5]	HESPERIA [6]	LANCASTER [7]	PALMDALE [8]	RIALTO [9]
Retail/Service Commercial	**KSF**								
Fire		$ 170	$ 489	$ 212	$ 101	$ 187	Contr w/ LA Co	$ 950	$ 290
Police		$ 170	$ 105	$ 111	$ 129	$ 4	n/a	n/a	$ 178
Public Buildings			$ 429	$ 94	$ 122	$ 203	$ 40	$ 227	$ 250
Library			n/a	n/a	n/a	n/a	n/a	n/a	n/a
Community/Rec Centers			n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roads		$ 7,600	$ 37,043	$ 3,405	$ 8,981	$ 6,000	$ 1,890	$ 466	$ 4,870
Water		By Meter Size See Footnote 10	By Meter Size See Footnote 10	n/a	Multiple Providers	By Meter Size See Footnote 10	LA County	n/a	By Meter Size See Footnote 10
Total Retail/Service Commercial		**$ 7,940**	**$ 38,066**	**$ 3,822**	**$ 9,333**	**$ 6,394**	**$ 1,930**	**$ 1,643**	**$ 5,588**
Professional Office	**KSF**								
Fire		$ 170	$ 666	n/a	$ 101	$ 187	Contr w/ LA Co	$ 950	$ 290
Police		$ 170	$ 84		$ 129	$ 4	n/a	n/a	$ 178
Public Buildings			$ 345		$ 122	$ 203	$ 40	$ 227	$ 250
Library			n/a		$ 27	n/a	n/a	n/a	n/a
Community/Rec Centers			n/a		n/a	n/a	n/a	n/a	n/a
Roads		$ 7,600	$ 11,181		$ 7,338	$ 6,000	n/a	n/a	$ 8,080
Water		By Meter Size See Footnote 10	By Meter Size See Footnote 10	n/a	Multiple Providers	By Meter Size See Footnote 10	LA County	n/a	By Meter Size See Footnote 10
Total Professional Office		**$ 7,940**	**$ 12,277**	**$ -**	**$ 7,717**	**$ 6,394**	**$ 40**	**$ 1,177**	**$ 8,798**
Lodging	**Room**								
Fire		$ 170	$ 247	n/a	n/a	$ 88	n/a	n/a	n/a
Police		$ 170	$ 46			$ 2			
Public Buildings			$ 190			$ 81			
Library			n/a			n/a			
Community/Rec Centers			n/a			n/a			
Roads		$ 7,600	$ 3,695			$ 7,001			
Water		By Meter Size See Footnote 10	By Meter Size See Footnote 10	n/a	Multiple Providers	By Meter Size See Footnote 10	LA County	n/a	By Meter Size See Footnote 10
Total Lodging		**$ 7,940**	**$ 4,178**	**$ -**	**$ -**	**$ 7,172**	**$ -**	**$ -**	**$ -**

City of Victorville
Development Impact Fee Study 2021
Fee Comparison

CITY OF VICTORVILLE				COMPARISON AGENCIES					
Development Impact Fee Type	**Units [1]**	**Current Fee [2]**	**Proposed Fee [3]**	**BEAUMONT [4]**	**FONTANA [5]**	**HESPERIA [6]**	**LANCASTER [7]**	**PALMDALE [8]**	**RIALTO [9]**
Industrial/Business Park	**KSF**								
Fire		$ 10	$ 52	$ 176	$ 29	$ 908	Contr w/ LA Co	$ 950	$ 88
Police		$ 10	$ 28	$ 77	$ 38	$ 16			$ 54
Public Buildings			$ 115	$ 66	$ 36	$ 878	$ 40	$ 269	$ 73
Library			n/a	$ -	$ 8	n/a	n/a	n/a	n/a
Community/Rec Centers			n/a	$ -	n/a	n/a	n/a	n/a	n/a
Roads		$ 2,980	$ 5,153	$ 2,343	$ 3,618	$ 1,500	$ 153	$ 1,240	$ 2,800
Water		By Meter Size See Footnote 10	By Meter Size See Footnote 10	n/a	Multiple Providers	By Meter Size See Footnote 10	LA County	n/a	By Meter Size See Footnote 10
Total Industrial/Business Park		**$ 3,000**	**$ 5,348**	**$ 2,663**	**$ 3,729**	**$ 3,302**	**$ 193**	**$ 2,459**	**$ 3,015**
High-Cube Warehouse	**KSF**								
Fire		$ 20	$ 7	$ 132	n/a	n/a	n/a	$ 950	n/a
Police		$ 20	$ 19	$ 44				n/a	
Public Buildings			$ 76	$ 38				n/a	
Library			n/a	$ -				n/a	
Community/Rec Centers			n/a	$ -				n/a	
Roads		$ 1,580	$ 972	$ 327				n/a	
Water		By Meter Size See Footnote 10	By Meter Size See Footnote 10	n/a	Multiple Providers	By Meter Size See Footnote 10	LA County	n/a	By Meter Size See Footnote 10
Total High Cube Warehouse		**$ 1,620**	**$ 1,075**	**$ 541**	**$ -**	**$ -**	**$ -**	**$ 950**	**$ -**

Notes:

[1] DU = dwelling unit; KSF = 1,000 gross sq ft of building area

[2] Residential - Detached assumes Single Family rate; Attached and Mobile Home assumes Multi Family rate;

[3] Proposed fees are maximum fees established by the NBS 2021 Impact Fee Study

[4] Beaumont fees effective January 1, 2021

[5] Fontana fees last updated 2019

[6] Hesperia fees as of March, 2021;

[7] Lancaster fees adopted in2021; Traffic fees include an additional ADTE charge not shown above

[8] Palmdale fees effective FY 2023, except parkland development fees are from 2014 and assume 2 bedrooms for SFR detached and 1 bedroom for attached

[9] Rialto fees effective July 2020

[10] See table comparing meter size fees

City of Victorville

Development Impact Fee Study 2021

Fee Comparison - Water

CITY OF VICTORVILLE			COMPARISON AGENCIES					
Water System Capacity Fees by Meter Size	**Current Fee [1]**	**Proposed Fee [2]**	**BEAUMONT**	**FONTANA**	**HESPERIA [3]**	**LANCASTER**	**PALMDALE**	**RIALTO [4]**
Meter Size								
3/4"	$ 5,142	$ 5,686			$ 3,513			$ 3,261
1"	$ 7,672	$ 9,477			$ 5,270			$ 5,445
1-1/2"	$ 16,671	$ 18,955		*Multiple water service providers - no comparison available*	$ 14,052	*Serviced by LA County - no comparison available*		$ 10,858
2"	$ 26,954	$ 30,328	*no comparison available*		$ 22,483		*no comparison available*	$ 17,380
3"	$ 54,129	$ 56,865			$ 44,966			$ 34,792
4"	$ 90,250	$ 94,775			$ 70,260			$ 54,357
6"	$ 180,464	$ 189,550			$ 140,520			$ 108,681
8"	$ 283,291	$ 303,280			$ 224,832			$ 173,897

Notes:

[1] Current fees include the existing Water Connection Fee and the Alternate Water Source Fee

[2] Proposed fees are maximum fees established by the NBS 2021 Impact Fee Study

[3] Hesperia fees as of March, 2021;

[4] Rialto fees effective July 2020

CITY OF VICTORVILLE
Development Impact Fee Study 2021
Fee Comparison - Sewer

CITY OF VICTORVILLE			COMPARISON AGENCIES					
Sewer Capacity Fees [1]	**Current Fee [2]**	**Proposed Fee [3]**	**BEAUMONT [4]**	**FONTANA [5]**	**HESPERIA [6]**	**LANCASTER [7]**	**PALMDALE [8]**	**RIALTO [9]**
Collection System	$ 350	$ 2,867	$ 5,923	*$876.61 x # of EDUs*	$ 1,409	$ 1,527	$ 2,658	$ 2,941
What do these fees cover?		*Collection Only*	*Collection & Treatment*	*Collection Only*	*Collection Only*	*Collection & Treatment*	*Collection & Treatment*	*Collection & Treatment*
What agencies do these cities partner with?			*n/a*	*City of Rialto*	*VVWRA*	*LACSD*	*LACSD*	*n/a*

Notes:

[1] Sewer capacity fees pertain to the sewer collection system only and do not include fees for sewage that flows through the Victor Valley Water Reclamation Authority (VVWRA - $4,414 per EDU effective July 1, 2021).

[2] Current capacity fees are generally figured at a minimum of $350.00 per house connection and increase based on the type of connection and the EDU assignment as outlined on the City's website.

[3] Proposed fees are based on the NBS 2021 Sewer Capacity Fee Study and are calculated on a per EDU basis (1 EDU = 149 GPD).

[4] Beaumont fees are effective as January 1, 2022.

[5] Fontana fees are effective as July 1, 2020.

[6] Hesperia fees are for the Hesperia Water District and effective as of January 19, 2020 (1 EDU = 20 Fixture Units).

[7] Lancaster is serviced by the Los Angeles County Sanitation Districts. These fees are for Single Family Homes and effective as of July 1, 2020.

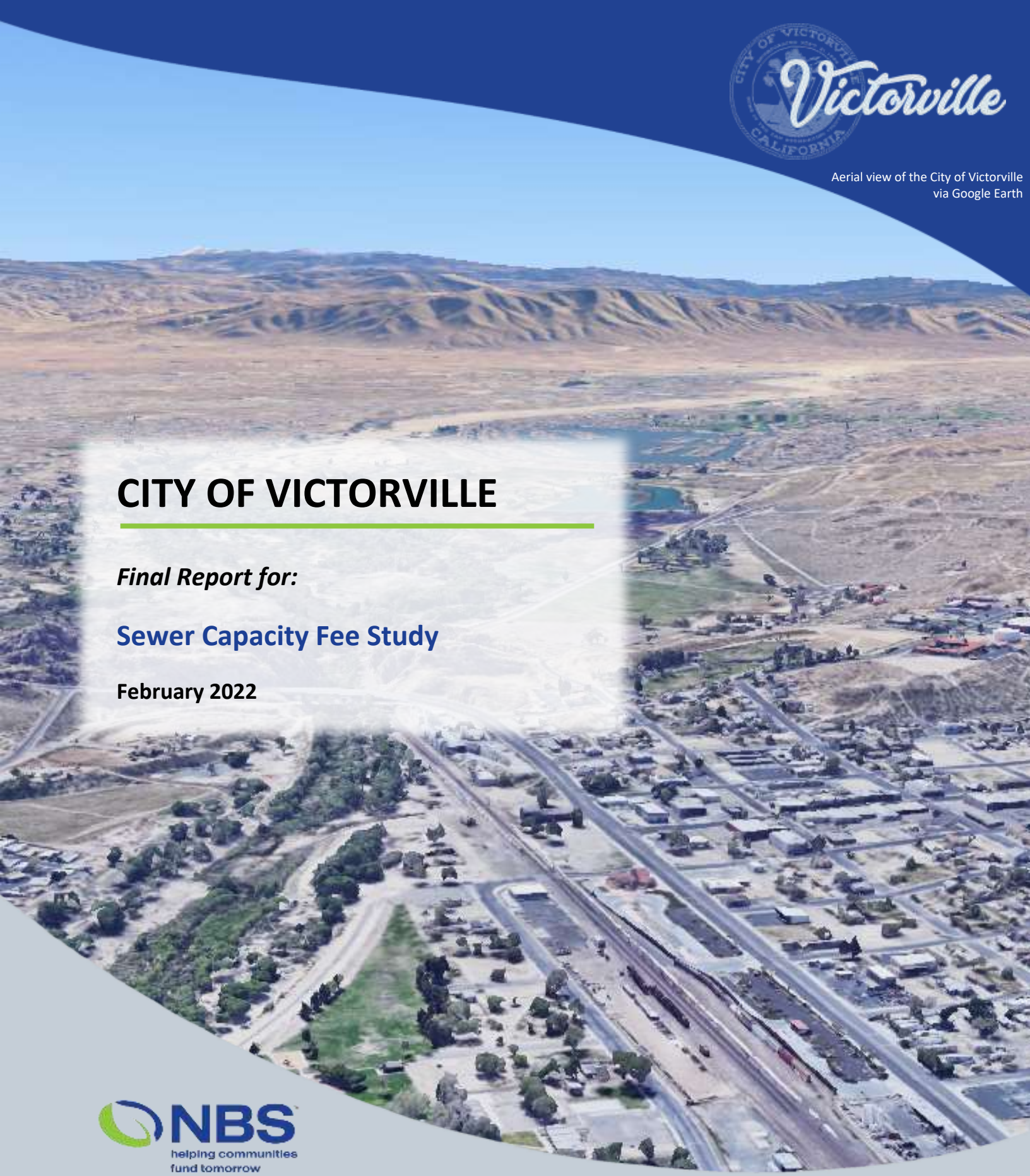
[8] Palmdale fees are for Single Family Residential (SFR) customers and based on the City's FY 2022 Adopted Budget.

[9] Rialto fees are for SFR customers and effective as of July 22, 2020.

APPENDIX D

Sewer Capacity Fee Study - Final

Victorville



Aerial view of the City of Victorville
via Google Earth

CITY OF VICTORVILLE

Final Report for:

Sewer Capacity Fee Study

February 2022

NBS
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Section 1. Purpose and Introduction to the Study

A. Background and Purpose

The City of Victorville (City) retained NBS to conduct a sewer capacity fee study for the following reasons: (1) to ensure that the capacity fees are updated to comply with legal requirements and industry standards, and (2) to ensure that the capacity fees reflect the cost of capital infrastructure needed to serve new connections, or any person requesting additional capacity in the City's sewer collection utility (referred to throughout as "future customers").

California Government Code Section 66013 defines a capacity fee as a one-time "charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities." It authorizes public agencies to impose capacity fees on customers connecting to or upsizing their connection to the sewer system in order to ensure that they pay their fair share of the existing utility asset costs plus the costs of new facilities needed to serve them. In its simplest form, capacity fees are the result of dividing the cost (or value) of the utility's current system assets plus planned capital improvements by the expected number of future customers. As a result, future customers connecting to the City's sewer system would enter as equal participants, along with current customers, regarding their financial commitment and obligations to the utility.

Whereas sewer rate increases imposed on existing customers require a protest ballot procedure (under Proposition 218), capacity fees do not because they are considered an appropriate funding mechanism for facilities that benefit new development city-wide. These fees may be imposed by a majority vote of the governing legislative body, which in this case is the Victorville City Council. This report provides the documentation and findings necessary for the adoption of the proposed capacity fees.

B. Overview of Capacity Fee Methodology

Various methodologies have been, and are currently, used to calculate sewer capacity fees. The most common methodologies are based on industry standards established by the American Water Works Association in *Principles of Water Rates, Fees and Charges*,[1] also referred to as Manual M1. A capacity fee ensures that future customers pay their proportional share of costs to recover the following:

1. A system "buy-in" component that reflects future customers' proportional share of existing utility asset costs.
2. An "incremental" component that reflects future customers' proportional share of planned (or "incremental") capital improvement costs that are required to provide them sufficient capacity in the utility.

[1] *Principles of Water Rates, Fees, and Charges*, M 1 Manual, American Water Works Association, Seventh Edition, 2017.

This analysis uses the "Combination Approach,"[2] which requires new customers to pay both their fair share of existing system assets as well as their share of the planned future capital improvements needed to provide them with capacity in the City's sewer collection system. As a result, new customers connecting to the City's sewer system would enter as equal participants with existing customers in terms of their financial commitment and obligations to the utility.

In its simplest form, capacity fees (also referred to as capacity charges, system development charges, or development impact fees) are calculated by dividing the costs allocated to future development by the number of units of new development anticipated as defined below:

- Costs of existing and planned future facilities and improvements required to serve new development are those that can reasonably be allocated to future development.
- The number of new units (i.e., growth) are those units projected to occur within the timeframe covered by the capacity fee analysis.

Capacity fees are one-time charges intended to reflect the cost of existing infrastructure and planned improvements which are, or will be, available to the new utility customers and will place the new utility customers (or existing customers requesting an increase in service capacity) on equal basis from a financial perspective with existing customers. Once new customers are added to the system, they then incur the obligation to pay the same service charges or sewer rates that existing customers pay.

As a result, future customers connecting to the City's sewer system would enter as equal participants (compared to current customers) regarding their financial commitment and obligations to the utility. All sewer utility asset values included in this study are in 2021 dollars.

In developing the new capacity fees, NBS worked cooperatively with City staff. The fees presented in this study reflect input provided by City staff regarding financial matters, available capacity in the sewer system, existing asset values, and planned capital improvements.

Section 2 discusses in more detail the development of the sewer capacity fees, and presents the updated fees recommended for new and upsized connections.

[2] Method of calculating capacity charges is set forth in American Water Works Association's *Principles of Water Rates, Fees and Charges*, Seventh Edition (2017), pages 311-347.

Section 2. Sewer Capacity Fee Study

A. Introduction

As previously mentioned, the "Combination Approach" is used to calculate the City's capacity fees for the sewer utility (a combination of the system buy-in and incremental cost methods). This combination approach requires new customers to pay both their fair share of existing system assets as well as their share of the planned future capital improvements needed to provide them with capacity in the City's sewer collection system. New customers connecting to the City's sewer system would enter as equal participants to the existing customers regarding their financial commitment and obligations to the utility.

In addition, sewer capacity fees also use the Replacement-Cost-New-Less-Depreciation (RCNLD) value of existing system assets to calculate the system buy-in component of the capacity fee. Inflation values from the Handy Whitman Index of Public Utility Construction Costs for Water Utility Construction are used to estimate the replacement value of the existing system assets. NBS believes this is an accurate inflation index and can also be used for sewer utilities. A detailed summary of the sewer utility's capacity fee calculations is provided in the *Appendix***.**

B. Existing Connections and Projected Future Growth

Different types of customers have the potential to use more of the sewer system's capacity depending on the flow and the strength of effluent. The potential capacity demanded is therefore proportional to the type of customer (i.e., residential, low-, medium-, or high-strength commercial, etc.). The number of Equivalent Dwelling Units (EDU) is used as a variable for the potential demand that each customer can place on the sewer collection system. A significant portion of a sewer system's capacity and, in turn, the utility's fixed capital costs, are related to meeting system capacity requirements. Therefore, the capacity fee for new service will be proportional to the number of EDUs assigned to each connecting customer.

The City's industrial sewage flows through the City-operated Industrial Wastewater Treatment Plant located at the Southern California Logistics Airport (SCLA), while the remainder flows through the wastewater treatment plant owned and operated by Victor Valley Water Reclamation Authority. The treatment plants combined currently average an annual flow of 3,139 million gallons (MG), or 8.6 million gallons per day (MGD). **Figure 1** shows the monthly sewer flow to the treatment plants for FY 2020/21, which is used to determine the daily flow that is then used to estimate the number of EDUs that will connect to the sewer collection utility. The result of the analysis on projected future growth is summarized in **Figure 2**, and while there are currently 28,417 connections to the City's sewer collection system, there are 52,699 EDUs.

Figure 1. Flow Data for Treatment Plants

Year	Month	IWWTP[1]		VVWRA[2]	Total
		Industrial	Sanitary	Victorville	
2020	July	10.52	57.03	197.01	264.56
2020	August	9.74	58.00	198.49	266.23
2020	September	9.98	52.78	192.41	255.17
2020	October	10.97	50.00	202.99	263.96
2020	November	9.50	55.08	198.29	262.87
2020	December	7.94	56.25	204.31	268.50
2021	January	9.68	52.54	205.00	267.22
2021	February	9.39	48.94	184.62	242.95
2021	March	9.90	59.32	201.36	270.58
2021	April	8.16	55.93	193.83	257.92
2021	May	8.43	61.42	197.00	266.85
2021	June	8.41	60.10	183.36	251.87
Total (MG)		**112.62**	**667.39**	**2,358.66**	**3,138.67**
FY 2020/21 Average (MGD)		**0.31**	**1.83**	**6.46**	**8.60**

1. Flow data for the Industrial Wastewater Treatment Plant. Source file: *IWWTP Flow FY 20-21.xlsx*.
2. Flow data for the Victor Valley Water Reclamation Authority. Source file: *VVWRA Flows.xlsx*.

Figure 2. Calculation of Equivalent Dwelling Units

Customer Class	Number of Accounts[1]	Number of Dwelling Units[2]	Estimated Number of EDUs[3] *1 EDU = 149 GPD*
Single Family Residential	27,054	27,730	27,730
Multi-Family Residential	350	6,972	5,307
Commercial	783	--	5,278
Institutional	225	--	5,938
Industrial			
Dr. Pepper/Snapple	1	--	2,615
PlastiPak	1	--	55
FCC	2		5,620
Hydration Source	1	--	156
Total	**28,417**	**34,702**	**52,699**

1. Number of accounts is based on the number of sewer customers billed a charge in June 2021. Source file: *SewerRateStudyFY20-21.xlsx*.
2. Number of dwelling units is as of June 2021 per customer billing data.
3. Equivalent Dwelling Units (EDUs) are based on flow of 149 GPD, the estimated flow per single-family dwelling unit.

Capacity in the City's sewer collection system is allocated to current and future customers as shown in **Figure 3**. The average daily flow calculated from the annual effluent average for FY 2020/21 equaled 8.6 million gallons per day (MGD) and when subtracted from the system's total estimated capacity of 21.5 MGD, 12.9 MGD of capacity remains available for future customers. The percentage of capacity assigned to current and future customers is based on their assigned share of EDUs.

Figure 3. Allocation of Capacity to Current and Future Customers

Sewer Collection System	Existing Customers (EDUs)[1]	Expected Future Customers *(thru FY 2039/40)*	Total	Allocation Factors		
				Existing Customers	Future Customers	Total
Growth Through 2040	52,699	86,938	**139,637**	37.7%	62.3%	**100%**

1. Assumes that the 52,699 Equivalent Dwelling Units (EDUs) are based on flow of 149 GPD, the estimated flow per single-family residential dwelling unit.

C. Existing and Planned Future Assets

The sewer utility's capital assets include existing assets and planned capital improvements (i.e., system buy-in and incremental assets). The estimated replacement costs (RCNLD value) are developed as the cost basis for the new sewer capacity fee. **Figure 4** summarizes the resulting RCNLD value of existing assets which includes adjustments to account for assets that are considered to have no remaining value. Although these assets have no remaining value, they remain in service and, therefore, are assessed a nominal value of 10 percent of the replacement cost.

Figure 4. System Buy-in Cost Basis by Asset Category

System Component[1]	Original Values[1]		Asset Cost Less Depreciation	Replacement Values[2]		System Buy-In Cost Basis
	Asset Cost	Depreciation to Date		Asset Cost	Depreciation to Date	
Sewer Collection System						
Gravity Mains[3]	$ 474,215,046	$ 392,575,723	$ 81,639,323	$ 462,796,117	$ 271,556,716	$ 191,239,401
Cleanouts	1,962,480	658,886	1,303,594	3,356,641	1,150,103	2,206,537
Manholes	36,805,200	18,099,830	18,705,370	124,673,333	77,989,046	46,684,287
Lift Stations	1,178,762	552,527	626,235	2,256,402	986,803	1,269,598
Pressurized Mains	6,312,973	4,635,631	1,677,342	34,293,349	26,485,956	7,807,393
Sewer Laterals	53,024,160	19,442,192	33,581,968	95,933,885	35,175,758	60,758,127
Total: Fixed Assets	**$ 573,498,621**	**$ 435,964,789**	**$ 137,533,832**	**$ 723,309,726**	**$ 413,344,382**	**$ 309,965,344**

1. The original asset cost provided by the City and depreciation calculated by NBS (depreciation is as of June 30, 2021).
2. Replacement values are calculated by escalating the original values from service date to 2021 values using historical cost inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction in the Pacific Region. The percentage change in the asset cost can be found in the individual source files for each fixed asset category provided by City staff.
3. The original value for gravity mains includes all pipe sizes, while the replacement value does not include pipes that are less than 10 inches in diameter.

All the RCNLD costs are allocated to current customers based on the 37.7 percent allocation factor shown in Figure 3 and the remaining 62.3 percent allocated to future customers. **Figure 5** shows the allocation of the $310 million in existing sewer assets to current and future customers. Future customers are allocated $155.2 million of the existing sewer assets.

Figure 5. Existing Asset Values Allocated to Current and Future Customers

System Component[1]	System Buy-In Cost Basis[2]	Allocation Basis (%)[3]		Distribution of Cost Basis ($)	
		Existing Customers	Future Customers	Existing Customers	Future Customers
Sewer Collection System					
Gravity Mains	$ 191,239,401	37.7%	62.3%	$ 72,173,679	$ 119,065,722
Cleanouts	2,206,537	37.7%	62.3%	832,746	1,373,791
Manholes	46,684,287	37.7%	62.3%	17,618,633	29,065,654
Lift Stations	1,269,598	37.7%	62.3%	479,146	790,452
Pressurized Mains	7,807,393	37.7%	62.3%	2,946,507	4,860,886
Sewer Laterals[4]	60,758,127	100.0%	0.0%	60,758,127	-
Total: Fixed Assets	**$ 309,965,344**			**$ 154,808,839**	**$ 155,156,505**
Percentage of Total Asset Value				*49.9%*	*50.1%*

1. The original asset cost provided by the City and depreciation calculated by NBS (depreciation is as of June 30, 2021).
2. Replacement values are calculated by escalating the original values from service date to 2021 values using historical cost inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction in the Pacific Region. The percentage change in the asset cost can be found in the individual source files for each fixed asset category.
3. The Allocation Basis is based on the proportionate allocation between existing and future customers.
4. NBS assumes that sewer laterals connect to existing customers directly and provide no extra capacity from which new customers can participate.

As noted earlier, the City's capital improvement plans extend through 2040. The estimated cost of planned future improvements (in 2021 dollars) is used to calculate the system development component of the capacity fee. Some of the cost estimates for planned future improvements used to calculate the system development component of the capacity fee are allocated using the same allocations found in Figure 3, as these projects benefit both current and future customers. Based on the 62.3 percent allocation factor, future customers are allocated $88.4 million of these future capital project costs as shown in **Figure 6**.

Figure 6. Planned Asset Values Allocated to Current and Future Customers

Project No.[1]	Current Cost Estimate (FY 2021/22 Values)[2]	Additional Costs[3]	System Development Cost Basis[4]	% Allocation[5]		Distribution of Cost Basis ($)	
				Existing Customers	Future Customers	Existing Customers	Future Customers
City's Capital Improvement Program							
C12	$ 3,060,200	$ 1,530,100	$ 4,590,300	37.7%	62.3%	$ 1,732,378	$ 2,857,922
C13	3,799,480	1,899,740	5,699,220	37.7%	62.3%	2,150,884	3,548,336
C14	554,500	277,250	831,750	37.7%	62.3%	313,902	517,848
C15	4,141,275	2,070,638	6,211,913	37.7%	62.3%	2,344,373	3,867,539
C16	3,354,720	1,677,360	5,032,080	37.7%	62.3%	1,899,105	3,132,975
C17	2,224,650	1,112,325	3,336,975	37.7%	62.3%	1,259,373	2,077,602
C18	4,301,145	2,150,573	6,451,718	37.7%	62.3%	2,434,876	4,016,842
C19	3,067,350	1,533,675	4,601,025	37.7%	62.3%	1,736,425	2,864,600
C20	3,972,460	1,986,230	5,958,690	37.7%	62.3%	2,248,807	3,709,883
C21	2,037,740	1,018,870	3,056,610	37.7%	62.3%	1,153,563	1,903,047
C23	2,073,790	1,036,895	3,110,685	37.7%	62.3%	1,173,971	1,936,714
C24	3,117,040	1,558,520	4,675,560	37.7%	62.3%	1,764,555	2,911,005
C25	1,153,900	576,950	1,730,850	37.7%	62.3%	653,222	1,077,628
C28	180,280	90,140	270,420	37.7%	62.3%	102,056	168,364
C34 (Parallel Pipe Option)	25,318,150	12,659,075	37,977,225	37.7%	62.3%	14,332,591	23,644,634
New Extension Sewer	20,123,055	10,061,528	30,184,583	0%	100%	-	30,184,583
Sub-Total: Collection System	**$ 82,479,735**	**$ 41,239,868**	**$ 123,719,603**	**29%**	**71%**	**$ 35,300,082**	**$ 88,419,521**

1. Capital project costs identified in the 2016 Sewer Rate Study.
2. City's capital improvement program costs are based on current year values.
3. Additional costs include costs for construction contingency (30%), design (10%), and administration and construction (10%).
4. Cost basis for consideration is calculated as current cost estimate less any known external funding sources (e.g., grants, contributions, bond proceeds).
5. Capital projects are allocated proportionately in the same manner as existing assets (in total) in Figure 3.

The City may have additional capital projects that are needed to serve future developments and the cost of these projects may be recovered through a development agreement. This will be evaluated on a case-by-case basis as part of the development review process.

D. Adjustment to the Cost Basis

Only one adjustment was made to the cost basis to account for existing cash reserves, as the City's Interfund Loan will be repaid through connection and developer fees. Existing cash reserves are treated as an asset since they are contributed by current customers and are available to pay for capital and/or operating costs of the sewer utility from which future customers will benefit. Using the allocation factor from Figure 5, $5.7 million in existing cash reserves was allocated to future customers as shown in **Figure 7**.

Figure 7. Cash Allocated to Existing and Future Customers

Cash Reserves	Cash Amount[1]	% Allocation[2]		$ - Allocation	
		Existing Customers	Future Customers	Existing Customers	Future Customers
Sewer Operations Fund (Fund 425)[1]	$ 11,367,869	49.9%	50.1%	$ 5,677,559	$ 5,690,310
Capacity Fees Held in Reserve	-	0.0%	0.0%	-	-
Cash Net of Unspent Capacity Fees	**$ 11,367,869**	**49.9%**	**50.1%**	**$ 5,677,559**	**$ 5,690,310**

1. Total beginning cash balance for FY 2021/22 provided by City staff in source file: *FUND 425-SEWER.xlsx*
2. Cash reserves are allocated proportionately in the same manner as existing assets (in total) in Figure 5.

E. Calculated Capacity Fees

The sum of the existing asset values (i.e., the system buy-in and system development components), along with the adjustment for existing cash reserves, defines the total cost basis allocated to future customers. **Figure 8** summarizes how this cost basis was developed.

Figure 8. Summary of Costs Allocated to Future Customers

System Asset Values Allocated to Future Development	Collection System
System Buy-In and Expansion Components	
Existing System Buy-In	$ 155,156,505
Future System Expansion	88,419,521
Subtotal: System Buy-In and Expansion Components	**$ 243,576,026**
Adjustments to Cost Basis:	
Cash Reserves	$ 5,690,310
Outstanding Long-Term Debt (Principal)	-
Subtotal: Adjustments to Cost Basis	**$ 5,690,310**
Total: Cost Basis for New Development	**$ 249,266,336**

The cost basis for new development is then divided by the number of future customers, measured in EDUs, expected to connect to the system (i.e., 86,938 EDUs shown in Figure 3). The calculation for the base sewer capacity fee is shown in **Figure 9**. This represents the maximum that the City could charge per EDU for future customers.

Figure 9. Summary of New Base Capacity Fees

Capacity Fee Development	Collection System
Cost Basis for New Development	$ 249,266,336
Projected Growth in EDUs (through 2040)	86,938
Capacity Fee Per EDU *(1 EDU = 149 GPD)*	**$2,867**

The EDUs assigned to a given customer is a measure of the expected impact on the sewer utility relative to the average impact of a single-family residential (SFR) user. The measure is based on a customer's expected flow. One EDU is equivalent to one single-family dwelling unit. The estimated daily flow for one single-family dwelling unit is estimated to be 149 gallons per day (GPD). EDU assignments for connecting customers are based on customer classification determined by City staff. The EDU assignments are then used to calculate the capacity fee for connecting customers. For example, a standard single-family dwelling would be assessed a capacity fee of $2,867 for the sewer connection (1 EDU × $2,867). If a connecting customer is assigned 3 EDUs (based on flow), presumably for a larger residential property or a commercial property, the sewer capacity fee would be $8,601 (3 EDUs × $2,867) for this connecting customer.

F. Summary of the Sewer Capacity Fee Study

The new sewer capacity fees calculated in this study are based on regulatory requirements and generally accepted industry standards and are further detailed in the *Appendix*. This study concludes the following findings:

- The purpose of the City's sewer capacity fee is to ensure that new connections reimburse and/or mitigate a reasonable portion of the City's planned capital investments. These investments benefit and/or are necessary to accommodate increased demand for sewer service.
- The City uses capacity fee proceeds to fund capital investments in the sewer system, which may include the design and construction of planned facilities.
- All customers seeking permission to connect to the City's sewer system are subject to the sewer capacity fee, payment of which is a condition of connection approval.
- Capacity fees for new sewer customers vary depending on the estimated number of EDUs (or capacity units) the connection will serve, which is generally proportionate to the demands a customer places on the sewer utility system. Figure 2 illustrates the number of EDUs, along with the number of accounts currently connected to the system.
- The City has made investments in sewer infrastructure and plans to invest further in expanded and upgraded facilities. These investments make possible the availability and continued reliable provision of utility service sufficient to meet demands of growth within the City's service area.
- Without capital investment in existing facilities, the sewer system capacity available to serve the needs of future connections would be uncertain. Without planned investments in future facilities, sewer service would not be sustainable at the level of service enjoyed by current users. Figure 6 identifies the total value of planned sewer system assets that are attributable to serving future connections.
- Upon payment of a capacity fee, a new customer incurs the obligation to pay the same ongoing service rates as existing customers regardless of the date of connection to the system or actual start of service. Capacity fees ensure that, over time, ongoing service rates are not disproportionately burdened by the accommodation of system growth.

Section 3. Recommendations And Next Steps

A. Consultant Recommendations

NBS recommends the City take the following actions:

- **Approve and Accept this Study:** NBS recommends the City Council formally approve and adopt this Study and its recommendations and proceed with the steps outlined below to implement the new capacity fees. This will provide documentation of the study and the basis for adopting the new fees.
- **Implement the New Sewer Capacity Fees:** Based on the analysis presented in this report, the City Council should implement the new capacity fee of $2,867 per sewer EDU, as recommended in this report.
- **Periodically Review Rates, Charges, and Revenue:** Any time an Agency adopts new fees, they should be periodically reviewed to incorporate new capital facility plans, significant repair and replacements projects that are undertaken, and new planning data (i.e., customer growth estimates). This will help ensure the fees generate sufficient revenue to cover the cost of capital projects, support the fiscal health of the City, and future customers bear their fair share of infrastructure costs.

B. Principal Assumptions and Considerations

In preparing this study and the recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, number of customer accounts, asset records, planned capital improvements, and other conditions and events that may occur in the future. This information and assumptions were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this study and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Appendix - Tables from the Sewer Capacity Fee Study

CITY OF VICTORVILLE
Collection System - Sewer Capacity Fee Analysis
Demographic Data and Projections

Exhibit 1

TABLE 1.A : FLOW STATISTICS[1]

Customer Class	Number of Dwelling Units / Accounts[2]	Annual Water Consumption (HCF)[3]	Annualized Winter Average Consumption (HCF)[4]	Estimated Annual Volume Total (HCF)[5]	Adjusted Annual Volume Total (HCF)	Percentage of Adjusted Volume
Single Family Residential	27,730	5,137,740	3,683,428	3,683,428	2,012,488	**52.6%**
Multi-Family Residential	6,972	704,920	535,752	704,920	385,142	**10.1%**
Commercial[6]	780	701,050	694,072	701,050	383,028	**10.0%**
Institutional	225	788,733	205,124	788,733	430,934	**11.3%**
Industrial						
Dr. Pepper/Snapple[7]	1	189,754	*n/a*	189,754	189,754	**5.0%**
PlastiPak[7]	1	3,970	*n/a*	3,970	3,970	**0.1%**
FCC[7]	2	407,860	*n/a*	407,860	407,860	**10.7%**
Hydration Source[7]	1	11,332	*n/a*	11,332	11,332	**0.3%**
Total:	**35,712**	**7,945,359**		**6,491,047**	**3,824,508**	**100.0%**
			Estimated Combined WWTP Flow (hcf/yr.)[8]		*4,195,807*	
			Estimated Combined WWTP Flow (mgs/yr.)[8]		*8.60*	
			Flow Adj. Factor (Non-Industrial)		*0.55*	

1. Consumption data is based on the City of Victorville's FY 2019/20 customer billing data for the water utility. Source file: *2019-20 Customer Data.xlsx* .
2. Residential classes are by number of dwelling units. Source file: *SewerRateStudyFY20-21.xlsx* . All other customer classes are by number of accounts. Source file: *2019-20 Customer Data.xlsx* .
3. Annual water consumption is for FY 2019/20 and excludes fire, irrigation, and recycled water meters. Source file: *VWD - 2019-20 Customer Data.xlsx* .
4. Annualized average winter water consumption is based on consumption in the lowest three months (January - March 2020). Source file: *VWD - 19-20 Consumption Data.xlsx* .
5. Estimated annual volume is based on winter water consumption for SFR, and annual water consumption for MFR, Commercial, Industrial, and Institutional customers.
6. Includes all other Industrial customers and commercial flow meters.
7. Consumption data provided by City staff for the 2016 Sewer Rate Study..
8. The Wastewater Treatment Plant flow is for VVWRA flow and the City's IWWTP flow for FY 2020/21.

TABLE 1.B : WASTEWATER TREATMENT PLAN FLOW/STRENGTH DATA FOR VVWRA

Year	Flow
FY 2020/21	6.46

1. City staff provided data in source files: *VVWRA Flows.xlsx & VVWRA - BOD and TSS DATA 2019-2021.xlsx.*

TABLE 1.C : WASTEWATER TREATMENT PLANT FLOW/STRENGTH DATA FOR CITY OF VICTORVILLE

Year	Flow
Feb 20 - Jan 21	2.14

1. City staff provided data in source files: *IWWTP - Sanitary Influent .pdf & IWWTP - Process Influent Data.pdf.*

CITY OF VICTORVILLE
Collection System - Sewer Capacity Fee Analysis
Demographic Data and Projections

TABLE 2.A : CUSTOMER STATISTICS

Customer Class	Number of Accounts[1]	Number of Dwelling Units[2]	Estimated Number of EDUs[3] *1 EDU = 149 GPD*
Single Family Residential	27,054	27,730	27,730
Multi-Family Residential	350	6,972	5,307
Commercial	783	--	5,278
Institutional	225	--	5,938
Industrial			
Dr. Pepper/Snapple	1	--	2,615
PlastiPak	1	--	55
FCC	2		5,620
Hydration Source	1	--	156
Total	**28,417**	**34,702**	**52,699**

1. Number of accounts is based on the number of sewer customers billed a charge in June 2021. Source file: *SewerRateStudyFY20-21.xlsx* .
2. Number of dwelling units is as of June 2021 per customer billing data.
3. Equivalent Dwelling Units (EDUs) are based on flow of 149 GPD, the estimated flow per single-family dwelling unit.

TABLE 2.B : ESTMATED FLOW PER EDU CALCULATION

Customer Class	Estimated Annual Flow for SFR & MFR	Estimated Flow (GPD)	% of SFR Flow
Single Family Residential	2,012,488	149	--
Multi-Family Residential	385,142	113	76%

TABLE 2.C : ESTIMATED NUMBER OF EDUs

Estimated Flow/Day Per EDU (gal)	**149**
Estimated No. of EDUs in City's System	**52,699**

TABLE 3 : GROWTH PROJECTION FROM DECEMBER 2016 SEWER MASTER PLAN UPDATED (THROUGH 2040)[1]

Planning Area	*Total City*				*City of Victorville Wastewater Treatment Plant*			
	Estimated Additional Wastewater Flow from Developing Vacant Parcels (MGD)				Estimated Additional Wastewater Flow from Developing Vacant Parcels (MGD)			
	Residential	Commercial	Industrial	Total	Residential	Commercial	Industrial	Total
SCLA	0.00	0.01	0.71	0.73	0.00	0.01	0.51	0.52
Baldy Mesa	3.11	0.70	0.00	3.81	3.11	0.70	0.00	3.81
Central City	0.68	0.28	0.03	0.98	0.00	0.00	0.00	0.00
East Bear Valley	0.24	0.38	0.05	0.67	0.00	0.00	0.00	0.00
Golden Triangle	0.70	0.61	0.00	1.32	0.16	0.14	0.00	0.31
North Mojave	0.35	0.07	0.04	0.46	0.00	0.00	0.00	0.00
Spring Valley Lake	0.03	0.15	0.00	0.18	0.00	0.00	0.00	0.00
West Bear Valley	0.01	0.58	0.01	0.60	0.00	0.30	0.00	0.31
West City	3.07	0.93	0.18	4.18	1.19	0.36	0.07	1.62
Total Additional Flow (mgs)	**8.19**	**3.72**	**1.02**	**12.93**	**4.47**	**1.52**	**0.59**	**6.58**
Additional EDUs[2]	**55,053**	**25,012**	**6,874**	**86,938**	**30,068**	**10,191**	**3,968**	**44,227**
Annual Growth (2017 to 2040)	***2,898***	***1,316***	***362***	***4,576***	***1,583***	***536***	***209***	***2,328***

1. Source file: *COV_2040 Future Wastewater Flow Projection_FINAL.xlsx* .
2. Equivalent Dwelling Units (EDUs) are based on flow of 149 GPD, the estimated flow per single-family dwelling unit.

TABLE 4 : CALCULATED GROWTH IN CUSTOMERS TO VVWRA WASTEWATER TREATMENT PLANT[1]

Planning Area	*Assumed Growth in Connections to VVWRA*			
	Estimated Additional Wastewater Flow from Developing Vacant Parcels (MGD)			
	Residential	Commercial	Industrial	Total
SCLA	0.00	0.00	0.20	0.20
Baldy Mesa	0.00	0.00	0.00	0.00
Central City	0.68	0.28	0.03	0.98
East Bear Valley	0.24	0.38	0.05	0.67
Golden Triangle	0.54	0.47	0.00	1.01
North Mojave	0.35	0.07	0.04	0.46
Spring Valley Lake	0.03	0.15	0.00	0.18
West Bear Valley	0.00	0.28	0.00	0.29
West City	1.88	0.57	0.11	2.56
Total Additional Flow (mgs)	**3.72**	**2.20**	**0.43**	**6.35**
Additional EDUs[2]	**24,985**	**14,820**	**2,906**	**42,711**
Annual Growth (2017 to 2040)	***1,086***	***644***	***126***	***1,857***

1. Calculated difference in the Total City vs. City of Victorville Wastewater Treatment Plant shown in Table 3. Source file: *COV_2040 Future Wastewater Flow Projection_FINAL.xlsx* .
2. Equivalent Dwelling Units (EDUs) are based on flow of 149 GPD, the estimated flow per single-family residential dwelling unit.

TABLE 5 : SEWER COLLECTION SYSTEM - EXISTING VS. FUTURE CUSTOMERS ALLOCATION

Sewer Collection System	Existing Customers (EDUs)[1]	Expected Future Customers *(thru FY 2039/40)*	Total	Allocation Factors		
				Existing Customers	Future Customers	Total
Growth Through 2040	52,699	86,938	**139,637**	37.7%	62.3%	**100%**

1. Assumes that the 52,699 Equivalent Dwelling Units (EDUs) are based on flow of 149 GPD, the estimated flow per single-family residential dwelling unit.

TABLE 6 : FIXED ASSETS - GRAVITY SEWER MAINS

Asset Type	Pipe Diameter	Original Cost[1]	Depreciation[2]	Book Value[3]	Accumulated Depreciation	Asset Category (for inflation)[4]	Replacement Value		System Buy-In Cost Basis	Allocation Basis (%)		Distribution of Cost Basis ($)	
							Asset Cost[5]	Accumulated Depreciation		Existing Customers	Future Customers	Existing Customers	Future Customers
Gravity Sewer Main[6]													
Gravity Mains	4	$ 507,240	$ 507,240	$ -	$ 507,240	13	$ -	$ -	$ -	37.7%	62.3%	$ -	$ -
Gravity Mains	6	9,805,420	9,805,420	-	9,805,420	13	-	-	-	37.7%	62.3%	-	-
Gravity Mains	8	308,987,966	308,987,966	-	308,987,966	13	-	-	-	37.7%	62.3%	-	-
Gravity Mains	10	22,125,702	11,871,130	10,254,572	11,871,130	13	65,613,413	37,006,647	28,606,766	37.7%	62.3%	10,796,183	17,810,583
Gravity Mains	12	26,273,910	12,168,353	14,105,556	12,168,353	13	73,847,468	42,504,254	31,343,213	37.7%	62.3%	11,828,917	19,514,296
Gravity Mains	14	1,041,073	864,481	176,592	864,481	13	6,417,594	4,759,062	1,658,532	37.7%	62.3%	625,929	1,032,603
Gravity Mains	15	23,749,463	13,021,529	10,727,935	13,021,529	13	85,188,074	55,829,049	29,359,024	37.7%	62.3%	11,080,085	18,278,939
Gravity Mains	18	23,575,470	10,742,340	12,833,130	10,742,340	13	76,613,410	47,291,735	29,321,675	37.7%	62.3%	11,065,989	18,255,686
Gravity Mains	21	15,761,064	6,843,642	8,917,421	6,843,642	13	45,388,994	25,717,033	19,671,961	37.7%	62.3%	7,424,191	12,247,770
Gravity Mains	24	7,926,803	3,183,608	4,743,196	3,183,608	13	16,311,840	6,051,649	10,260,191	37.7%	62.3%	3,872,192	6,387,999
Gravity Mains	27	31,623,455	12,362,336	19,261,119	12,362,336	13	77,214,933	39,719,716	37,495,217	37.7%	62.3%	14,150,681	23,344,536
Gravity Mains	30	17,699	8,849	8,849	8,849	13	44,955	22,477	22,477	37.7%	62.3%	8,483	13,994
Gravity Mains	33	416,572	326,315	90,257	326,315	13	2,386,674	1,869,561	517,113	37.7%	62.3%	195,158	321,955
Gravity Mains	36	2,403,209	1,882,514	520,695	1,882,514	13	13,768,763	10,785,531	2,983,232	37.7%	62.3%	1,125,871	1,857,361
Subtotal: Gravity Mains		**$ 474,215,046**	**$ 392,575,723**	**$ 81,639,323**	**$ 392,575,723**		**$ 462,796,117**	**$ 271,556,716**	**$ 191,239,401**			**$ 72,173,679**	**$ 119,065,722**

TABLE 7 : FIXED ASSETS - CLEANOUTS

Asset Type	Pipe Diameter	Original Cost[1]	Depreciation[2]	Book Value[3]	Accumulated Depreciation	Asset Category (for inflation)[4]	Replacement Value		System Buy-In Cost Basis	Allocation Basis (%)		Distribution of Cost Basis ($)	
							Asset Cost[5]	Accumulated Depreciation		Existing Customers	Future Customers	Existing Customers	Future Customers
Cleanouts[7]													
Cleanouts	As-Built	$ 1,913,520	$ 641,410	$ 1,272,110	$ 641,410	18	$ 3,269,663	$ 1,118,886	$ 2,150,777	37.7%	62.3%	$ 811,703	$ 1,339,075
Cleanouts	Other	10,200	3,740	6,460	3,740	18	18,454	6,767	11,688	37.7%	62.3%	4,411	7,277
Cleanouts	Plan	36,720	12,988	23,732	12,988	18	64,832	23,098	41,735	37.7%	62.3%	15,751	25,984
Cleanouts	Unknown	2,040	748	1,292	748	18	3,691	1,353	2,338	37.7%	62.3%	882	1,455
Subtotal: Cleanouts		**$ 1,962,480**	**$ 658,886**	**$ 1,303,594**	**$ 658,886**		**$ 3,356,641**	**$ 1,150,103**	**$ 2,206,537**			**$ 832,746**	**$ 1,373,791**

TABLE 8 : FIXED ASSETS - MANHOLES

Asset Type	Pipe Diameter	Original Cost[1]	Depreciation[2]	Book Value[3]	Accumulated Depreciation	Asset Category (for inflation)[4]	Replacement Value		System Buy-In Cost Basis	Allocation Basis (%)		Distribution of Cost Basis ($)	
							Asset Cost[5]	Accumulated Depreciation		Existing Customers	Future Customers	Existing Customers	Future Customers
Manholes[8]													
Manholes	24	$ 4,200	$ 1,120	$ 3,080	$ 1,120	21	$ 6,986	$ 1,863	$ 5,123	37.7%	62.3%	$ 1,933	$ 3,190
Manholes	48	35,868,000	17,713,290	18,154,710	17,713,290	21	122,441,836	76,932,968	45,508,868	37.7%	62.3%	17,175,030	28,333,838
Manholes	60	924,000	383,020	540,980	383,020	21	2,209,540	1,050,223	1,159,317	37.7%	62.3%	437,526	721,791
Manholes	72	9,000	2,400	6,600	2,400	21	14,970	3,992	10,978	37.7%	62.3%	4,143	6,835
Subtotal: Manholes		**$ 36,805,200**	**$ 18,099,830**	**$ 18,705,370**	**$ 18,099,830**		**$ 124,673,333**	**$ 77,989,046**	**$ 46,684,287**			**$ 17,618,633**	**$ 29,065,654**

CITY OF VICTORVILLE
Collection System - Sewer Capacity Fee Analysis
Existing Capital Facilities and Equipment (System Buy-In)

Exhibit 2

TABLE 9 : FIXED ASSETS - LIFT STATIONS

Asset Type	Pipe Diameter	Original Cost[1]	Depreciation[2]	Book Value[3]	Accumulated Depreciation	Asset Category (for inflation)[4]	Replacement Value		System Buy-In Cost Basis	Allocation Basis (%)		Distribution of Cost Basis ($)	
							Asset Cost[5]	Accumulated Depreciation		Existing Customers	Future Customers	Existing Customers	Future Customers
Lift Stations[9]													
SCLA Lift Station No. 1	South of hangar 678	$ 20,000	$ 20,000	$ -	$ 20,000	19	$ 4,244	$ -	$ 4,244	37.7%	62.3%	$ 1,602	$ 2,642
SCLA Lift Station No. 2	Wash Rack, west of GE Hangar	20,000	20,000	-	20,000	19	4,244	-	4,244	37.7%	62.3%	1,602	2,642
SCLA Lift Station No. 3	Bldg 862	20,000	20,000	-	20,000	19	4,244	-	4,244	37.7%	62.3%	1,602	2,642
SCLA Lift Station No. 4	Bldgs 862 & 685	20,000	20,000	-	20,000	19	4,244	-	4,244	37.7%	62.3%	1,602	2,642
SCLA Lift Station No. 5	NTC Wash Rack, 18806 Perimeter Rd	20,000	20,000	-	20,000	19	4,244	-	4,244	37.7%	62.3%	1,602	2,642
SCLA Lift Station No. 6	Hangar 868	20,000	20,000	-	20,000	19	4,244	-	4,244	37.7%	62.3%	1,602	2,642
	Stoddard Wells Road	871,070	413,758	457,312	413,758	21	2,036,558	967,365	1,069,193	37.7%	62.3%	403,513	665,680
	10th St & D Street	187,692	18,769	168,923	18,769	1	194,382	19,438	174,944	37.7%	62.3%	66,024	108,920
Subtotal: Lift Stations		**$ 1,178,762**	**$ 552,527**	**$ 626,235**	**$ 552,527**		**$ 2,256,402**	**$ 986,803**	**$ 1,269,598**			**$ 479,146**	**$ 790,452**

TABLE 10 : FIXED ASSETS - PRESSURIZED MAINS

Asset Type	Pipe Diameter	Original Cost[1]	Depreciation[2]	Book Value[3]	Accumulated Depreciation	Asset Category (for inflation)[4]	Replacement Value		System Buy-In Cost Basis	Allocation Basis (%)		Distribution of Cost Basis ($)	
							Asset Cost[5]	Accumulated Depreciation		Existing Customers	Future Customers	Existing Customers	Future Customers
Pressurized Mains[10]													
Pressurized Mains	3	$ 10,688	$ 4,631	$ 6,056	$ 4,631	16	$ 23,400	$ 10,140	$ 13,260	37.7%	62.3%	$ 5,004	$ 8,256
Pressurized Mains	4	182,827	182,827	-	182,827	16	286,429	-	286,429	37.7%	62.3%	108,098	178,331
Pressurized Mains	6	346,745	257,040	89,705	257,040	16	1,601,465	1,192,258	409,207	37.7%	62.3%	154,435	254,773
Pressurized Mains	8	2,337,231	1,474,307	862,924	1,474,307	16	10,581,400	7,944,609	2,636,791	37.7%	62.3%	995,124	1,641,667
Pressurized Mains	10	354,481	295,401	59,080	295,401	16	2,716,404	2,263,670	452,734	37.7%	62.3%	170,862	281,872
Pressurized Mains	12	33,852	14,669	19,183	14,669	16	74,118	32,118	42,000	37.7%	62.3%	15,851	26,149
Pressurized Mains	14	2,666,780	2,089,780	577,000	2,089,780	16	16,095,347	12,614,173	3,481,174	37.7%	62.3%	1,313,794	2,167,380
Pressurized Mains	15	380,369	316,974	63,395	316,974	16	2,914,786	2,428,988	485,798	37.7%	62.3%	183,340	302,458
Subtotal: Pressurized Mains		**$ 6,312,973**	**$ 4,635,631**	**$ 1,677,342**	**$ 4,635,631**		**$ 34,293,349**	**$ 26,485,956**	**$ 7,807,393**			**$ 2,946,507**	**$ 4,860,886**

TABLE 11 : FIXED ASSETS - SEWER LATERALS

Asset Type	Pipe Diameter	Original Cost[1]	Depreciation[2]	Book Value[3]	Accumulated Depreciation	Asset Category (for inflation)[4]	Replacement Value		System Buy-In Cost Basis	Allocation Basis (%)		Distribution of Cost Basis ($)	
							Asset Cost[5]	Accumulated Depreciation		Existing Customers	Future Customers	Existing Customers	Future Customers
Sewer Laterals[11]													
Sewer Laterals		$ 53,024,160	$ 19,442,192	$ 33,581,968	$ 19,442,192	18	$ 95,933,885	$ 35,175,758	$ 60,758,127	37.7%	62.3%	$ 22,930,095	$ 37,828,032
Subtotal: Sewer Laterals		**$ 53,024,160**	**$ 19,442,192**	**$ 33,581,968**	**$ 19,442,192**		**$ 95,933,885**	**$ 35,175,758**	**$ 60,758,127**			**$ 22,930,095**	**$ 37,828,032**
Total: Sewer Collection System		**$ 573,498,621**	**$ 435,964,789**	**$ 137,533,832**	**$ 435,964,789**		**$ 723,309,726**	**$ 413,344,382**	**$ 309,965,344**			**$ 116,980,806**	**$ 192,984,538**

1. Original asset cost is calculated based on unit costs provided by the City.
2. Depreciation is estimated based on all assets (except lift stations) having a useful life of 60 years. Lift stations are assumed to have a useful life of 20 years.
3. Book value calculated as original cost less depreciation.
4. Asset categories are assigned according to the Handy-Whitman Utility Construction Cost Index for Water Utility Construction in the Pacific Region and used to calculate inflation factors based on asset age.
5. The original cost for those assets with "No Remaining Value" are assessed a minimum value of 10% of the replacement cost, as they are still functional.
6. Assets for gravity mains are presented based on pipe diameter. Source file: *Gravity Main Data with summary by age and length 11-2-2017.xlsx* . (Note: Asset values for 4-inch and 6-inch are based on the unit cost of an 8-inch pipe)
7. Source file: *Clean Out Data.xlsx* .
8. The original cost of the City's manholes with a 24-inch diameter are based on the unit cost for a 48-inch diameter manhole. Source file: *Manhole Data.xlsx* .
9. Source file: *Lift Station Data.xlsx* .
10. Source file: *Pressurized Main Data.xlsx* .
11. Source file: *Sewer Laterals.xlsx* .

TABLE 12 : EXISTING ASSETS - ORIGINAL AND REPLACEMENT VALUES

System Component[1]	Original Values[1]		Asset Cost Less Depreciation	Replacement Values[2]		System Buy-In Cost Basis
	Asset Cost	Depreciation to Date		Asset Cost	Depreciation to Date	
Sewer Collection System						
Gravity Mains[3]	$ 474,215,046	$ 392,575,723	$ 81,639,323	$ 462,796,117	$ 271,556,716	$ 191,239,401
Cleanouts	1,962,480	658,886	1,303,594	3,356,641	1,150,103	2,206,537
Manholes	36,805,200	18,099,830	18,705,370	124,673,333	77,989,046	46,684,287
Lift Stations	1,178,762	552,527	626,235	2,256,402	986,803	1,269,598
Pressurized Mains	6,312,973	4,635,631	1,677,342	34,293,349	26,485,956	7,807,393
Sewer Laterals	53,024,160	19,442,192	33,581,968	95,933,885	35,175,758	60,758,127
Total: Fixed Assets	**$ 573,498,621**	**$ 435,964,789**	**$ 137,533,832**	**$ 723,309,726**	**$ 413,344,382**	**$ 309,965,344**

1. The original asset cost provided by the City and depreciation calculated by NBS (depreciation is as of June 30, 2021).
2. Replacement values are calculated by escalating the original values from service date to 2021 values using historical cost inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction in the Pacific Region. The percentage change in the asset cost can be found in the individual source files for each fixed asset category. See *Exhibit 3. Existing Assets Detail* .
3. The original value for gravity mains includes all pipe sizes, while the replacement value does not include pipes that are less than 10 inches in diameter.

TABLE 13 : EXISTING ASSETS - COST ALLOCATION TO EXISTING AND FUTURE CUSTOMERS

System Component[1]	System Buy-In Cost Basis[2]	Allocation Basis (%)[3]		Distribution of Cost Basis ($)	
		Existing Customers	Future Customers	Existing Customers	Future Customers
Sewer Collection System					
Gravity Mains	$ 191,239,401	37.7%	62.3%	$ 72,173,679	$ 119,065,722
Cleanouts	2,206,537	37.7%	62.3%	832,746	1,373,791
Manholes	46,684,287	37.7%	62.3%	17,618,633	29,065,654
Lift Stations	1,269,598	37.7%	62.3%	479,146	790,452
Pressurized Mains	7,807,393	37.7%	62.3%	2,946,507	4,860,886
Sewer Laterals[4]	60,758,127	100.0%	0.0%	60,758,127	-
Total: Fixed Assets	**$ 309,965,344**			**$ 154,808,839**	**$ 155,156,505**
Percentage of Total Asset Value				*49.9%*	*50.1%*

1. The original asset cost provided by the City and depreciation calculated by NBS (depreciation is as of June 30, 2021).
2. Replacement values are calculated by escalating the original values from service date to 2021 values using historical cost inflation factors from the Handy-Whitman Index of Public Utility Construction Costs for Water Utility Construction in the Pacific Region. The percentage change in the asset cost can be found in the individual source files for each fixed asset category. See *Exhibit 3. Existing Assets Detail* .
3. The Allocation Basis is based on the proportionate allocation between existing and future customers.
4. NBS assumes that sewer laterals connect to existing customers directly and provide no extra capacity from which new customers can participate.

TABLE 14 : ALLOCATION OF CASH RESERVES TO EXISTING AND FUTURE USERS

Cash Reserves	Cash Amount[1]	% Allocation[2]		$ - Allocation	
		Existing Customers	Future Customers	Existing Customers	Future Customers
Sewer Operations Fund (Fund 425)[1]	$ 11,367,869	49.9%	50.1%	$ 5,677,559	$ 5,690,310
Capacity Fees Held in Reserve	-	0.0%	0.0%	-	-
Cash Net of Unspent Capacity Fees	**$ 11,367,869**	**49.9%**	**50.1%**	**$ 5,677,559**	**$ 5,690,310**

1. Total beginning cash balance for FY 2021/22 provided by City staff in source file: *FUND 425-SEWER.xlsx*
2. Cash reserves are allocated proportionately in the same manner as existing assets (in total) in Table 13.

TABLE 15 : ALLOCATION OF OUTSTANDING DEBT TO EXISTING AND FUTURE CUSTOMERS (*for information only, not included in the analysis)*

Description of Debt	Cash Reserves Allocated to Future Customers	% Allocation[2]		$ - Allocation	
		Existing Customers	Future Customers	Existing Customers	Future Customers
Interfund Loan[1]	$ 27,223,643	49.9%	50.1%	$ 13,596,554	$ 13,627,089
Total	**$ 27,223,643**	**0.0%**	**0.0%**	**$ 13,596,554**	**$ 13,627,089**

1. The interfund loan was initially issued to cover the cost to design and construct the Wastewater Treatment Facility located at SCLA. Source file: *Interfund Loan - Fund 412.pdf* .
2. Outstanding debt is allocated proportionately in the same manner as existing assets (in total) in Table 13.

TABLE 16 : PLANNED CAPITAL PROJECTS

Project No.[1]	Current Cost Estimate *(FY 2021/22 Values)*[2]	Additional Costs[3]	System Development Cost Basis[4]	% Allocation[5]		Distribution of Cost Basis ($)	
				Existing Customers	Future Customers	Existing Customers	Future Customers
City's Capital Improvement Program							
C12	$ 3,060,200	$ 1,530,100	$ 4,590,300	37.7%	62.3%	$ 1,732,378	$ 2,857,922
C13	3,799,480	1,899,740	5,699,220	37.7%	62.3%	2,150,884	3,548,336
C14	554,500	277,250	831,750	37.7%	62.3%	313,902	517,848
C15	4,141,275	2,070,638	6,211,913	37.7%	62.3%	2,344,373	3,867,539
C16	3,354,720	1,677,360	5,032,080	37.7%	62.3%	1,899,105	3,132,975
C17	2,224,650	1,112,325	3,336,975	37.7%	62.3%	1,259,373	2,077,602
C18	4,301,145	2,150,573	6,451,718	37.7%	62.3%	2,434,876	4,016,842
C19	3,067,350	1,533,675	4,601,025	37.7%	62.3%	1,736,425	2,864,600
C20	3,972,460	1,986,230	5,958,690	37.7%	62.3%	2,248,807	3,709,883
C21	2,037,740	1,018,870	3,056,610	37.7%	62.3%	1,153,563	1,903,047
C23	2,073,790	1,036,895	3,110,685	37.7%	62.3%	1,173,971	1,936,714
C24	3,117,040	1,558,520	4,675,560	37.7%	62.3%	1,764,555	2,911,005
C25	1,153,900	576,950	1,730,850	37.7%	62.3%	653,222	1,077,628
C28	180,280	90,140	270,420	37.7%	62.3%	102,056	168,364
C34 (Parallel Pipe Option)	25,318,150	12,659,075	37,977,225	37.7%	62.3%	14,332,591	23,644,634
New Extension Sewer	20,123,055	10,061,528	30,184,583	0%	100%	-	30,184,583
Sub-Total: Collection System	**$ 82,479,735**	**$ 41,239,868**	**$ 123,719,603**	**29%**	**71%**	**$ 35,300,082**	**$ 88,419,521**

1. Capital project costs identified in the 2016 Sewer Rate Study. Source file: *victorville smp_capacity cip (2040)_FINAL_NOT including septic_Adjusted CIP Costs per LF_SN 8.26.2021.xlsx* .
2. City's capital improvement program costs are based on current year values.
3. Additional costs include costs for construction contingency (30%), design (10%), and administration and construction (10%). Source file: *Victorville SMP_Final Report Dec-2016_R1 reduced size.pdf* .
4. Cost basis for consideration is calculated as current cost estimate less any known external funding sources (e.g., grants, contributions, bond proceeds).
5. Capital projects are allocated proportionately in the same manner as existing assets (in total) in Table 5.

TABLE 17 : DEVELOPMENT OF COLLECTION SYSTEM COST BASIS FOR NEW DEVELOPMENT

System Asset Values Allocated to Future Development	Collection System
System Buy-In and Expansion Components	
Existing System Buy-In[1]	$ 155,156,505
Future System Expansion[2]	88,419,521
Subtotal: System Buy-In and Expansion Components	**$ 243,576,026**
Adjustments to Cost Basis:[3]	
Cash Reserves	$ 5,690,310
Outstanding Long-Term Debt (Principal)[4]	-
Subtotal: Adjustments to Cost Basis	**$ 5,690,310**
Total: Cost Basis for New Development	**$ 249,266,336**

1. Refer to Tables 6-11 for detail of existing assets.
2. Refer to Table 16 for detail related to capital projects needed for expansion.
3. Refer to Table 14 for detail related to cash reserves allocated to future customers.
4. No adjustment for outstanding debt because it will be repaid through connection fees and DPSG capital fees (not rates).

TABLE 18 : DEVELOPMENT OF COLLECTION SYSTEM CAPACITY FEE PER EDU

Capacity Fee Development	Collection System
Cost Basis for New Development	$ 249,266,336
Projected Growth in EDUs (through 2040)[1]	86,938
Capacity Fee Per EDU *(1 EDU = 149 GPD)*	**$2,867**

1. Refer to Table 5 for growth projections.