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DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY

CITY OF SALINAS

August 28, 2024

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CITY OF SALINAS

DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY

Prepared for:

City of Salinas

200 Lincoln Avenue

Salinas, CA 93901

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I INTRODUCTION

The City of Salinas ("City"), a political subdivision of the State of California, authorized DTA to prepare a nexus study (the "Fee Study") to justify the proposed Development Impact Fee ("DIF") to be imposed on new development. The fee to be collected will provide a source of revenue to fund public improvements that will mitigate the impacts of such new development. This Fee Study will meet the requirements of California Government Code Section 66001 known as the "Mitigation Fee Act" and will achieve the following goals related to said section:

- Ensure the DIF does not exceed the estimated reasonable cost of providing the service for which the fee is imposed; and
- Provide a clear and concise document that will serve as the basis for the proposed fee levels.

A DIF is a one-time charge imposed by a local agency on new development to recover, or partially recover, the estimated reasonable cost of providing public facilities needed to mitigate the impacts of such new development. Further discussion on the legal limitations related to imposing the DIF is discussed in Section II, "Legal Requirements."

This Fee Study and the resulting fee structure will focus on the justification for imposing the impact fee to fund, or partially fund, sewer facilities necessary to mitigate the impacts of new development. The fee will be charged to new development within the City limits and development within the City's Sphere of Influence that desire to tie into the City sanitary sewer system.

This Fee Study uses a planning horizon of 2035 for all projections of demographic growth and the future facilities needed. To ensure the proposed fee structure meets the nexus requirements of Section 66001 and ensure the fees are proportionate to the impacts generated by the various land uses, this Fee Study uses an Equivalent Dwelling Square Foot ("ESF") method to fairly allocate costs to new development and determine the appropriate fee levels that will provide a source of funds to pay for the proposed facilities. A more detailed discussion regarding the ESF methodology can be found in Section IV herein.

In addition, the fee for residential property is then calculated on a per square foot basis pursuant to AB 602 which was approved by the California State Legislature and signed by Governor Newsom in 2021. A more detailed discussion regarding AB 602 can be found in Section II(B) herein.

Section VI of this Fee Study provides fee calculations based on demographics provided by the City and a detailed analysis of facility needs (the "Needs List") as shown in the City's Sanitary Sewer Master Plan dated May 2023 (the "Master Plan") prepared by Wallace Group, ("Wallace") and adopted by the Salinas City Council on May 2, 2023 (Resolution No. 22648). For purposes of complying with AB 602, the Master Plan is considered to be the Capital Improvement Plan ("CIP").

An administrative component equal to 2.0% of the total fee amount has been added to pay for the City's overhead costs incurred in the administration of the fee program. Table I-1 summarizes the proposed Fee structure, including the administrative component.

Table I-1: Sewer Fee Summary

Land Use	Fee Amount	Administration (2%)	Grand Total Fee Amount
Residential Property (Fee per Bldg. Sq. Ft.)	$1.2595	$0.0252	$1.2847
Commercial Property (Fee per Bldg. Sq. Ft.)	$1.0995	$0.0220	$1.1215
Industrial Property (Fee per Bldg. Sq. Ft.)	$0.5498	$0.0110	$0.5608

II LEGAL REQUIREMENTS

The City has identified the need to levy an impact fee to pay for future sewer facilities. This fee will finance facilities on the Needs Lists at levels identified by the City as appropriate for new development. Upon the adoption of the Fee Study and required legal documents by the City Council, all new development will be required to pay its "fair share" of the cost of facilities on the Needs List through the fee. The fee is established pursuant to AB 1600 as described below.

Prior to World War II, development in California was held responsible for very little of the cost of public infrastructure. Public improvements were financed primarily through jurisdictional general funds and utility charges. It was not uncommon during this period for speculators to subdivide tracts of land without providing any public improvements, expecting the closest city to eventually annex a project and provide public improvements and services.

However, starting in the late 1940s, the use of impact fees grew with the increased planning and regulation of new development. During the 1960s and 1970s, the California Courts broadened the right of local government to impose fees on developers for public improvements that were not located on project sites. More recently, with the passage of Proposition 13, the limits on general revenues for new infrastructure have resulted in new development being held responsible for a greater share of public improvements, and both the use and levels of impact fees have grown substantially. Higher fee levels were undoubtedly driven in part by a need to offset the decline in funds for infrastructure development from other sources.

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development, as the levy of such fees provides funding to maintain an agency's existing level of service for an increased service population. A fee is "a monetary exaction, other than a tax or special assessment, which 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…" (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee occurring prior to the beginning of construction of a dwelling unit or non-residential building (or prior to the expansion of existing buildings of these types). Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance. Actual fees will be collected as prescribed in the Salinas Municipal Code.

Assembly Bill ("AB") 1600, which created Section 66000 *et. seq.* of the Government Code, was enacted by the State of California in 1987. This Fee Study is intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

A Government Code Section 66001

In 2006, Government Code Section 66001 was amended to clarify that a fee cannot include costs attributable to existing deficiencies, but can fund costs used to maintain the existing level of service or meet an adopted level of service that is consistent with the general plan.

Section 66000 *et seq.* of the Government Code requires all public agencies to satisfy the following

requirements when establishing, increasing or imposing a fee as a condition of new development:

1. Identify the purpose of the fee. [Government Code Section 66001(a)(1)]
2. Identify the use to which the fee will be put. [Government Code Section 66001(a)(2)]
3. Determine that there is a reasonable relationship between the fee's use and the type of development on which the fee is to be imposed. [Government Code Section 66001(a)(3)]
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed. [Government Code Section 66001(a)(4)]
5. Discuss how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The sections below present each of the five requirements listed above as they relate to the imposition of the proposed fees.

1. PURPOSE OF THE FEE [GOVERNMENT CODE SECTION 66001(A)(1)]

New residential and non-residential development within the City will generate additional residents and employees who will require additional public facilities. Land for these facilities will have to be acquired and public facilities and equipment will have to be expanded, constructed or purchased to meet this increased demand.

This Fee Study has been prepared in response to the projected direct and cumulated effect of future development. Each new development will contribute to the need for new public facilities. Without future development many of the new public facilities on the Needs Lists would not be necessary as the existing facilities are adequate for the City's present population. In instances where facilities would be built regardless of new development, the costs of such facilities have been allocated to new and existing development based on their respective level of benefit.

The proposed impact fee will be charged to all future development, irrespective of location, in the City. Even future "infill" development projects contribute to impacts on public facilities because they are an interactive component of a much greater universe of development located throughout the City. First, the property owners and/or the tenants associated with any new development in the City can be expected to place additional demands on City facilities funded by the fee. Second, these property owners and tenants are dependent on and, in fact, may not have chosen to utilize their development, except for residential, retail, employment and recreational opportunities located nearby on other existing and future development. Third, the availability of residents, employees, and customers throughout the City has a growth-inducing impact without which some of the "infill" development would not occur. As a result, all development projects in the City contribute to the cumulative impacts of development.

The impact fees will be used for the acquisition, installation, and construction of public facilities identified on the Needs Lists and appropriate administrative costs to mitigate the direct and

cumulative impacts of new development in the City.

2. **THE USE TO WHICH THE FEE IS TO BE PUT [GOVERNMENT CODE SECTION 66001(A)(2)]**

   The fee will be used for the acquisition, installation, and construction of the public facilities identified on the Needs Lists, included in Section V of the Fee Study and other appropriate costs to mitigate the direct and cumulative impacts of new development in the City. The fee will provide a source of revenue to the City to allow for the acquisition, installation, and construction of public facilities, which in turn will maintain the current standard of service, preserve the quality of life in the City and protect the health, safety, and welfare of the existing and future residents, visitors, and employees.

3. **DETERMINE THAT THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEE'S USE AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (BENEFIT RELATIONSHIP) [GOVERNMENT CODE SECTION 66001(A)(3)]**

   It is the projected direct and cumulative effect of future development that has prompted the preparation of the Fee Study. Each development will contribute to the need for new public facilities. Without future development, the City would have no need to construct many of the public facilities on the Needs Lists. For all other facilities, the costs have been allocated to both existing and new development based on their level of benefit. Even future "infill" development projects, which may be adjacent to existing facilities, further burden existing public facilities. Consequently, all new development within the City, irrespective of location, contributes to the direct and cumulative impacts of development on public facilities and creates the need for new facilities to accommodate growth.

   The fees will be expended for the acquisition, installation, and construction of the public facilities identified on the Needs Lists and other authorized uses, as that is the purpose for which the Fee is collected. As previously stated, all new development creates either a direct impact on public facilities or contributes to the cumulative impact on public facilities. Moreover, this impact is generally equalized among all types of development because it is the increased demands for public facilities created by the future residents and employees that create the impact upon existing facilities.

   For the foregoing reasons, new development benefits from the acquisition, construction, and installation of the facilities on the Needs Lists.

4. **DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE PUBLIC FACILITY AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (IMPACT RELATIONSHIP) [GOVERNMENT CODE SECTION 66001(A)(4)]**

   As previously stated, all new development within the City, irrespective of location, contributes to the direct and cumulative impacts of development on public facilities and creates the need for new facilities to accommodate growth. Without future development, many of the facilities on the Needs Lists would not be necessary. For certain other facilities, the costs have been allocated to

both existing and new development based on their level of benefit.

For the reasons presented herein, there is a reasonable relationship between the need for the public facilities included on the Needs List and all new development within the City.

5. **THE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEE AND THE COST OF THE PUBLIC FACILITIES ATTRIBUTABLE TO THE DEVELOPMENT UPON WHICH THE FEE IS IMPOSED ("ROUGH PROPORTIONALITY" RELATIONSHIP) [GOVERNMENT CODE 66001(A)]**

As set forth above, all new development in the City impacts public facilities. Moreover, each individual development project and its related increase in population and/or employment, along with the cumulative impacts of all development in the City, will adversely impact existing facilities. Thus, imposition of the Fee to finance the facilities on the Needs Lists is an efficient, practical, and equitable method of permitting development to proceed in a responsible manner.

New development impacts facilities directly and cumulatively. In fact, without any future development, the acquisition, construction, and/or installation of many of the facilities on the Needs Lists would not be necessary as existing City facilities are adequate. Even new development located adjacent to existing facilities will utilize and benefit from facilities on the Needs List.

The proposed fee amounts are roughly proportional to the impacts resulting from new development based on the analysis in Section IV. Thus, there is a reasonable relationship between the amount of the Fee and the cost of the facilities.

Identifying these items will enable an impact fee to meet the nexus and rough proportionality requirements established by previous court cases. These findings are discussed in the nexus test for each proposed fee element as presented in Section VI. Current State financing and fee assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establish legal impact fees is to determine what share of the benefit or cost of a particular improvement can be equitably assigned to existing development, even if that improvement has not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable fees assigned.

B Assembly Bill ("AB") 602

The impact fees included herein were circumscribed by the requirements of AB 602, which was approved by the California State Legislature and signed by Governor Newsom in 2021. Among the significant impacts of AB 602 are the following:

- On or after January 1, 2022, fee justification studies must identify the existing Level of Service ("LOS") for each public facility, identify the proposed new LOS, and (if proposed new LOS is greater than existing LOS) include an explanation of why the new LOS is necessary.
- For housing development projects, nexus studies adopted after July 1, 2022, must calculate the amount of fees based on square footage of proposed units of the development, unless the local agency demonstrates that another metric is more appropriate. The bill would require

that a "local agency that calculated fees proportionally to the square footage of the proposed units be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by development." This would also apply to multi-family residences.

- The bill also requires the Department of Housing and Community Development ("HCD"), on or before January 1, 2024, to create an impact fee nexus study template that may be used by local jurisdictions to calculate their fees. The bill requires that the template include a method of calculating the feasibility of housing being built with a given fee level. The template must be completed by 2024, and local jurisdictions will have the option (it will not be required) to use the HCD template.
- The bill authorizes any member of the public, including an applicant for a development project, to submit evidence that the city, county, or other local agency had failed to comply with the Mitigation Fee Act. The bill requires the legislative body of the city, county, or other local agency to consider any timely submitted evidence and authorize the legislative body to change or adjust the proposed fee or fee increase, as specified.
- If a nexus study supports the increase of an existing fee, the local agency shall review the assumption of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
- Large jurisdictions (county population greater than 250,000) and cities within those counties must adopt a capital improvement plan ("CIP") as part of the nexus study.
- Nexus studies shall be updated at least every 8 years from the period beginning January 1, 2023.

III DEMOGRAPHICS

In order to determine the public facilities needed to serve new development as well as establish fee amounts to fund such facilities, the City provided DTA with projections of future residential unit growth and future non-residential building square footage within the City. For purposes of projecting future residential and non-residential growth, the City categorizes developable land uses as residential property and non-residential property. Residential and non-residential property is further categorized into subclasses as shown in Table III-1. Based on these designations, DTA established fees for these land use categories to acknowledge the difference in impacts resulting from various land uses and to make the resulting fee program implementable. A summary of the land use classes utilized in this Fee Study are included in Table III-1. Information shown in the table below is based on the City's 2002 General Plan (the "General Plan").

Table III-1: Summary of Land Use Categories

Land Use Classification for Fee Study	Definition
Residential Property	Includes but is not limited to buildings used as the following: ▪ Single-family detached homes; ▪ Single-family attached homes, town homes, row houses, duplexes, mobile home parks, and condominiums ▪ Multi-family homes, including apartments and senior housing; ▪ A 2nd residential unit on property zoned and entitled for single-family residential use (an Accessory Dwelling Unit, or "ADU") unless collection of DIF is prohibited by California law; ▪ Attached or detached single-family residential units which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated.
Commercial	Includes but is not limited to buildings used as the following: ▪ Retail stores, lodging, commercial recreation, personal services, business services, and financial services ▪ Businesses and offices
Industrial	Includes but is not limited to buildings used as the following: ▪ Single use or mixed-use business parks for offices, manufacturing, or warehousing ▪ Auto-dealers, repair shops, building material sales, light manufacturing, distribution, warehousing, and wholesaling. ▪ Food processing, packing, trucking, container manufacturing and similar uses

The time horizon used for the fee is through the year 2035. The City was able to utilize available data from the General Plan to generate future development projections through 2035.

Please note that for purposes of this Fee Study, any future ADU, as described in Table III-1 above, is assumed to be included in the buildout projections, but some of these units may not be required to pay an impact fee. As described in Section VIII herein, pursuant to Government Code Section 65852.2(f), ADUs are exempt from incurring impact fees from local agencies, special districts, and water corporations if such unit is less than 750 square feet. If an ADU is 750 square feet or larger, impact fees shall be charged proportionately in relation to the square footage of the ADU to the square footage of the primary dwelling unit. In addition, the DIF shall not be applicable to any ADU created within the existing space of a single-family residence or accessory structure, including, but not limited to, a studio, pool house, or other similar structure.

The following summarizes the future development figures used in calculating the impact fee.

A Future Development Within the City (2024-2035)

As discussed in the introduction above, the time horizon used for the fee is through the year 2035. These fee calculations rely on the development information provided by the City related to residential and non-residential building square feet through 2035 as described below.

A.1 Residential Development

The City estimates there will be 17,569 future residential units built within the City from the year 2024 through 2035.

In order to project future residential square footage, DTA utilized existing average square feet per residential unit data as provided by the City, using building permit data provided by City staff from 2018 to 2023, DTA calculated the average residential square footage for residential units constructed in the City within the past five years, as shown in Table III-2 below.

Table III-2: Existing Residential Development Average Sq. Ft. Calculation (2018-2023)

Land Use Type	Total Square Footage	Total Units	Average Sq. Ft. per Unit
Single Family Dwelling Units	357,402	177	2,019
Multi-Family Units	115,622	111	1,042

Table III-3 below shows the calculation for the total estimated future residential building square feet. The total residential square footage calculation for future development shown in Table III-3 below is based on the average square foot per dwelling unit shown in Table III-2 above.

Table III-3: Future Residential Development Total Sq. Ft. Calculation (2024-2035)

Land Use Type	Avg. Square Footage per Unit	Total Future Units	Total Sq. Ft.
Single Family Dwelling Units	2,019	13,387	27,028,353

Multi-Family Units	1,042	4,182	4,357,644
All Residential Property	1,786	17,569	31,385,997

A.2 Non-Residential Development

In terms of non-residential development, the Master Plan, consistent with the General Plan, estimates that there will be approximately 20.3 million new building square feet of commercial property and 14.8 million building square feet of industrial property within the City from 2024 to 2035. Table III-4 below summarizes the non-residential square footage as identified in the Master Plan.

Table III-4: Future Non-Residential Development Total Sq. Ft. Calculation (2024-2035)

Land Use Type	Total Sq. Ft.
Commercial	20,266,478
Industrial	14,796,158
All Non-Residential Property	35,062,636

IV EQUIVALENT SQUARE FOOT PROJECTIONS

California Government Code §66001(4)(b) requires there to be a "...reasonable relationship between the amount of the fee and the cost of the public facility, or portion of the public facility, attributable to the development on which the fee is imposed." Additional sewage volume generated by new development requires expansion of existing sewer systems. Therefore, sewage volumes generated by growth in the various land uses would be a reasonable variable to measure sewer demand. To ensure a reasonable relationship is maintained within the proposed fee structure, this Fee Study uses an equivalent square foot ("ESF") methodology. This approach establishes, for given land uses, a method of comparison of that land use to a baseline land use, utilizing a common demand variable. A demand variable is a measurable factor directly related to the size and cost of the public facility to be financed ("Demand Variable"). The Demand Variable in this study is the sewage generation rate for the various land uses (i.e., gallons per day ("GPD")) per dwelling unit for residential property and per 1,000 building square feet for non-residential property. To conform to the requirements of AB 602, the Demand Variable for residential property is converted to GPD per square foot.

For the residential land use, the sewage generated per household, in GPD, is divided by the average square feet per household from Table III-3 to determine the residential sewage generation per day per square foot. The ESF Factor for each land use is determined by dividing the GPD per square foot values by the baseline GPD per square foot for the residential category.

Table IV-1 below shows the calculations of the ESF Factor for each land use category.

Table IV-1: Future ESFs (From 2024 to 2035)

Land use	Per Capita Usage[1]	Units	Person per Household[2]	Usage Factor (GPD/DU or KSF)	Average Square Feet per DU	GPD per Square Foot	ESF Factor
Residential	48.67	GPD/Person	3.62	163.7	1,786.44	0.09	1.00
Commercial	0.08	GPD/Square Foot	NA	80.0	NA	0.08	0.87
Industrial	0.04	GPD/Square Foot	NA	40.0	NA	0.04	0.44

Notes:

1. Based on data from Table 4-4, Existing Flow Factors, Sanitary Sewer Master Plan Update by Wallace Group
2. Based on data from Table 4-6, Existing Flow Factors, Sanitary Sewer Master Plan Update by Wallace Group

Table IV-2 below shows the total number of future ESFs calculated for each land use for the time period from 2024 to 2035 based on the ESF factors shown in Table IV-1 above.

Table IV-2: Future ESFs (From 2024 to 2035)

Land use	Square Feet	ESF Factor	ESFs
Residential	31,385,997	1.00	31,385,997
Commercial	20,266,478	0.87	17,691,732
Industrial	14,796,158	0.44	6,458,193
		Total ESFs =	**55,535,922**

V PROPOSED FACILITIES

Expected future development within the City will generate impacts to the City's sewer system in terms of sewage conveyance capacity and pump station capacity. The improvements that are necessary to mitigate the impacts of new development throughout the City will include new sewer pipelines and pump station improvements. These improvements will benefit both existing and future development. Facility costs and descriptions were provided in the City of Salinas, Sanitary Sewer Master Plan Update, May 2023, prepared by Wallace Group. Furthermore, Wallace Group provided a summary of project cost allocations to existing and new development, as shown in Tables 1, 2 and 3 of Appendix A herein, "Summary of Capital Improvement Costs." For purposes of complying with AB 602, the Master Plan is considered to be the CIP.

The need for projects listed in Appendix A, Table 1 (City of Salinas Future Sewer CIP Incremental Cost Summary Based on Future Flow Diameter) are driven solely by the demand by future development for additional capacity. If there were no future development the current pipe capacity would be adequate to handle existing flows. In order to provide additional capacity for future development, the existing pipelines will need to be abandoned and replaced by larger diameter pipes that can provide the capacity to handle flows from both existing and future development. The total project cost for each future CIP project is based on the larger replacement pipe size. The fair share cost allocation to future development is the cost to provide a pipeline that would have the capacity to handle flows from future development only. For instance, the first project listed in the table, "San Juan Grade," indicates an 8-inch pipeline would be required to convey flows from future development only, while the project calls for a 12-inch pipeline that provides capacity for both existing and future development. Therefore, the cost allocated to future development for 8-inch diameter San Juan Grade project from Table 1 is equal to $2,394,000. The total project cost for the 12-inch diameter project is $2,982,000, leaving $588,000 allocated to existing development. The total cost allocated to new development is shown as $35,306,000.

Appendix A, Table 2 (City of Salinas Existing Sewer Capital Improvement Program) lists 31 conveyance projects that will provide capacity for both existing and future development. The project costs are allocated between existing and new development by percentage of total average daily flow for each project. The total project cost allocated to future development is $23,518,747.

Appendix A, Table 3 (City of Salinas Existing Lift Stations Capital Improvement Program) lists 11 lift station projects that will provide capacity for both existing and future development. The project costs are allocated between existing and future development by percentage of total average daily flow for each project. The total project cost allocated to future development is $11,124,994.

The costs from Tables 1 through 3 in Appendix A are summarized in Table V-1 below:

Table V-1: Proposed Capital Improvement Costs

Category	Existing	Future	Total
Future Development CIP[1]	$ 10,497,400	$ 35,306,000	$ 45,803,400
Existing Development CIP[2]	$ 66,435,823	$ 23,518,747	$ 89,954,570
Existing Development Lift Stations[3]	$ 27,585,005	$ 11,124,995	$ 38,710,000
Total=	$ 104,518,228	**$ 69,949,742**	$ 174,467,970
References:			
1. Wallace Group, City of Salinas Future Sewer Incremental Cost Summary, Table 1			
2. Wallace Group, Existing Sewer Capital Improvement Program (CIP)			
3. Wallace Group, Salinas SSMPU CIP Summary, Existing C.I.P. Lift Station, 6/11/2023			

AB 602 requires "that the Nexus Study 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 necessary." For purposes of this Fee Study, the level of service is defined as the capacity to collect and treat sewage generated from both existing and new development. This Fee Study determines sewage flows based on the same sewage generation factors used for both existing and new development. Therefore, the level of service is the same for both existing and new development.

VI FEE CALCULATION

The section below presents the calculations used to determine the proposed sewer impact fee based upon the demographic data presented in Section III "Demographics" and the proposed capital improvement costs presented in Section V "Proposed Facilities," herein.

Table VI-1 below illustrates how the sewer facilities fee will meet the requirements of AB1600 with regard to the use of the fee, the type of development funded, or partially funded by the fee revenue, the reasonable relationship to the need for the facilities and the proportionality requirements.

Table VI-1: Sewer Facilities

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee.	To provide a revenue source that will pay for the construction of sewer projects that will be used to mitigate the impacts of new development in the City.
66001(a)(2)	Identify the use to which the fee is to be put.	Revenue from this fee will be used to construct new sewer facilities that will be used to provide general sewer collection and treatment services.
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.	New residential and non-residential development will generate additional residents and employees that will increase the demand for sewer facilities. Sewer fees collected from new development will be used exclusively for construction-related costs associated with these projects.
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed.	New residential and non-residential development within the City will generate additional residents and employees that will increase the need to collect and treat sewage generated by such new development. New sewer pipelines and treatment facilities are needed to collect and treat sewer generated from new development in the City.
66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility.	The cost of the proposed facilities are based on projected sewer generation from the various land uses. The amount of the fee for each land use is calculated based on the relative contribution of City-wide sewer flow from each land use.

The residential and non-residential demographic data, including residential dwelling units and square feet and non-residential square feet are discussed in Section III herein. The total costs listed in the City's Needs List and costs allocated to future development of $69,949,742 are shown in Table V-1 above.

As described in Section IV above, an ESF methodology is used to calculate the fee for each of the various land uses. The cost per ESF allocated to future development is determined by dividing the total cost allocated to new development shown below in Table VI-2 by the total future ESFs as shown in Table IV-2 above.

Table VI-2: Cost per ESF

Total Cost Allocated to Future Development	Total Future ESFs (equivalent square feet)	Cost per ESF
$69,949,742	55,535,922	$1.2595

Proposed Sewer Impact Fees

The maximum fee charged to new development to mitigate the impacts on the sewer system is determined for each land use by multiplying the cost per ESF by the ESF factor for each land use, as shown in Table VI-3 below:

Table VI-3: Fee Schedule

Land Use	ESF Factor	Cost per ESF	Development Impact Fee per Sq. Ft.
Residential	1.00	$1.2595	$1.2595
Commercial	0.87	$1.2595	$1.0995
Industrial	0.44	$1.2595	$0.5498

The proposed sewer fee schedule shown above is intended to fund the costs required to mitigate the impacts of new development to the sewer system. See the table below for the expected costs financed by fees for each land use.

Table VI-4: Proposed Sewer Fees

Land Use	Square Feet	Development Impact Fee per Sq. Ft.	Cost Financed by Fees
Residential	31,385,997	$1.2595	$39,531,934
Commercial	20,266,478	$1.0995	$22,283,452
Industrial	14,796,158	$0.5498	$8,134,356
		Cost Allocated to Future Development	$69,949,742
		Cost Allocated to Existing Development	$104,518,228
		Total Cost of Facilities	**$174,467,970**

VII IMPLEMENTATION OF FEE SCHEDULE

In addition to the legal requirements covered in Section II, there are a number of recommendations for the adoption and administration of the DIF presented in this report. All recommendations presented in this section are based on the Mitigation Fee Act (Government Code §66000 *et seq.*), also referred to as the "Act," which provides specific requirements for establishing and administering DIF programs. The Act also mandates procedures for administering impact fee programs, such as the collection and accounting of impact fees, refunds, mandatory updates, and reporting requirements.

At the time the City imposes an impact fee, Government Code 66020 requires a written statement of the amount of the fee and a written notice of a 90-day period during which the imposition of the fee can be protested. Prior to the enactment of Section 66020, a developer could not challenge the validity of fees imposed on a residential development without refusing to pay them. Under these circumstances, developers were required to pay disputed fees before they could be challenged. Section 66020 was drafted to correct that problem.

The various subparts of Section 66020 allow for a procedure that permits a developer to pay the fees under protest, obtain the relevant building permit, and then proceed with the project while pursuing an action to challenge the fees. If the action is successful, the fees will be refunded with interest. However, failure to protest imposition of the fee during the allowed period may deprive the fee payer of the right to any subsequent legal challenges. Any challenges to be filed must be submitted within 90 days of enactment. The subsequent sections provide specific guidelines in implementing the DIF.

Please refer to Section 9-44 of the City's municipal code for any additional exemptions and credits related to the development impact fees.

A The Collection of the DIF

According to Government Code Section 66007, any local agency that imposes any fees or charges on a residential development for the construction of public improvements or facilities shall not require the payment of those fees or charges, notwithstanding any other provision of law, until the date of the final inspection or the date the Certificate of Occupancy is issued, whichever occurs first.

However, utility service fees may be collected at the time an application for utility service is received. If the residential development contains more than one dwelling, the local agency may determine whether the fees or charges shall be paid on a pro rata basis for each dwelling when it receives its final inspection or Certificate of Occupancy, on a pro rata basis when a certain percentage of the dwellings have received their final inspection or Certificate of Occupancy, or on a lump sum basis when the first dwelling in the development receives its final inspection or Certificate of Occupancy, whichever of the three occur first.

An exception allows the DIF to be collected at an earlier time if they will be used to reimburse the agency for expenditures previously made or for public improvements or facilities for which money has already been appropriated. If any fee or charge specified is not fully paid prior to the issuance of a building permit for construction, the local agency issuing the building permit may require the property owner, or lessee if the lessee's interest appears of record, as a condition of issuance of the building permit, to execute a contract to pay the fee or charge, or applicable portion.

Statutory restrictions in place for residential development at the time at which fees may be collected do not apply to non-residential development. In cases where the fees are not collected upon the issuance of building permits, Sections 6607(c)(1) and (2) provide that the City may require the property owner of a non-residential development to execute a contract to pay the fee, and subsequently record that contract as a lien against the property owner.

In addition, pursuant to Government Code Section 65852.2(f), ADUs are exempt from incurring impact fees from local agencies, special districts, and water corporations if such unit is less than 750 square feet. If an ADU is 750 square feet or larger, impact fees shall be charged proportionately in relation to the square footage of the ADU to the square footage of the primary dwelling unit. Furthermore, the sewer capital improvement fee shall not be applicable to any ADU created within the existing space of a single-family residence or accessory structure, including, but not limited to, a studio, pool house, or other similar structure. Please note that for purposes of this Fee Study, future ADUs are included in the buildout projections, but some of these units may not be required to pay an impact fee. As a result, the City may not collect the full amount of costs as shown in the Needs Lists included herein.

B The Assignment and Expenditure of Fee Revenue

According to Section 66006, if a local agency requires the payment of a fee specified in connection with the approval of a development project, the local agency receiving the fee shall deposit it with the other fees for the improvement to be funded 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. Any interest income earned in the capital facilities account or fund shall also be deposited in that account or fund and shall be expended only for the purpose for which the fee was originally collected. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., street and park improvements, but not for individual projects). DTA recommends the continuation of that approach.

C Exemptions, Reductions and Waivers

If a project has characteristics that indicate its impact on a particular public facility or infrastructure system will be significantly and permanently smaller than the average impact used to calculate impact fees in this Fee Study, the fees should be reduced accordingly. The City may decide to voluntarily waive or reduce the fees that would otherwise apply to a project to promote goals such as affordable housing or economic development. However, the implementation of this policy may not result in increased costs for other development projects and are allowed only if such costs are offset from other revenue sources.

D Developer Improvement Credits

If the City maintains a policy that requires a developer, as a condition of project approval, to construct facilities for which impact fees have been or will be charged, the impact fee imposed on that development project for that type of facility must be adjusted to reflect a credit for such dedication or construction. Furthermore, the impact fee imposed on that development project for that type of facility must be adjusted to reflect a credit for the cost of the facilities or improvements constructed by the developer. If circumstances allow a developer to dedicate land, buildings, or other valuable considerations in lieu of

paying fees, the City maintains the discretion to accept or reject such offers and may negotiate the terms under which an offer would be accepted.

E Existing Development Credit

If a project involves the replacement, redevelopment, or intensification of previously existing development, impact fees should be applied only to the portion of the project which represents a net increase in demand for relevant facilities, applying the measure of demand used in this study to calculate that particular fee. Since residential service demand is normally estimated on the basis of demand per dwelling unit, an addition to a single-family dwelling unit typically would not be subject to an impact fee if it does not increase the number of dwelling units in the structure. In any project that results in a net increase in the number of dwelling units, the added units would normally be subjected to impact fees. A similar analysis can be applied to non-residential development using a measure of demand on which impact fees are based.

F Annual Reporting and Accounting of Fees

AB 1600 requires that both general law and charter cities account for every fee that they collect under its terms. Funds collected for each capital facility or service shall be deposited in separate accounts and not commingled with any other funds for other impact fees. While funds are accruing for individual capital facilities, the City must keep track of each fund and provide an annual report. Section 66006 requires that for each separate account or fund established, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;
3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees;
6. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in Paragraph (2) of Subdivision (a) of Section 66001, and the public improvement remains incomplete;
7. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan; and
8. The amount of refunds made pursuant To Subdivision (e) of Section 66001 and any allocations pursuant to Subdivision (f) of Section 66001.

The City must review the information made available at the next regularly Scheduled public meeting not less than 15 days after this information is made available to the public. Notice of the time and place of the meeting, including the address where this information may be reviewed, shall be mailed at least 15 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting.

G Refunding Policy

Under the Mitigation Fee Act, Govt. Code §66000 *et seq.*, each development fee must be deposited in a separate capital facilities account and may be expended only for the purposes for which it was collected. For all unexpended fees, the agency must make findings every 5 years that:

1. Identify the purpose to which the fee will be put;
2. Demonstrate a reasonable relationship between the unexpended balance and the purpose for which the fee was charged;
3. Ascertain the sources and funding for any as-yet-incomplete public improvements; and
4. Designate the approximate date the agency expects the funding for uncompleted improvements to be deposited in the account [§66001(d)(1)]. The Act provides that "if the findings are not made as required by [the Act], the local agency shall refund the moneys in the account" to the current owners of the properties for which the fees were paid [§66001(d)(2)].

Failure to make the findings specified in Mitigation Fee Act requires a refund of all unexpended DIF revenues. When sufficient funds have been collected to complete financing of the public improvements contained in the CIP, the public agency shall identify "an approximate date by which the construction of the public improvement will be commenced" within 180 days of collection of the required funds (Gov. Code §66001(e)]. Failure to comply with this requirement also mandates the return of the collected funds, as stated above.

Furthermore, pursuant to Gov. Code §66008.1, otherwise known as AB 516, which became effective as of January 1, 2024 requires the following:

- Require that annual reports include certain additional information, such as: (1) identifying public improvements in previous annual reports and whether construction began on the date previously identified; and (2) provide the reason for delay and a revised approximate date the local agency will commence construction for projects that did not begin timely.
- Require that local agencies provide certain information to anyone paying a fee, such as the right to request audits, the right to request written notice of the meetings where annual reports are approved and a link to the website where annual reports are available.
- Expands the purposes for which audits of fees may be requested.

H Annual Update of the Capital Improvement Plan ("CIP")

It is common for jurisdictions to prepare a CIP in conjunction with a fee program. In fact, AB 1600 encourages the use of a CIP to assist in scheduling and implementing the services and improvements

funded through impact fees (Gov. Code §66002). A good CIP establishes a Schedule of improvements necessary to accommodate the projected growth. The CIP must indicate the approximate size, location, time of availability, and estimated costs of all improvements to be financed through fees [Gov. Code §66002(a)]. In order to create a usable CIP, a municipality must have an accurate understanding of its current service baseline and its projected growth. This requires an understanding of when, where, and how growth may occur within the area. The more information collected about future growth, the more comprehensive and accurate the CIP will be. A CIP can also help a municipality determine when new public improvements or the expansion of existing public improvements is needed in relation to the timing of new development.

If the public agency adopts a CIP, it must be updated annually [Gov. Code §66002(b)]. 10 days' published notice is provided pursuant to Government Code §65090 and is also provided to any city or county that may be significantly affected by the CIP. If a CIP is adopted and is used as a basis for identifying the use of impact fees, the CIP must be adopted and updated annually by a resolution of the governing body at a public hearing. In the absence of a CIP, an alternative is to identify improvements in other public documents, such as General Plans, land studies, and other documents.

I Administration Costs of Fee Implementation

The cost of implementing the DIF is not included in the fees themselves and must be determined by the City. To recover the periodic costs of updating the fees studies, implementing the program, ongoing staff costs, managing the updates, and preparing annual and five-year updates required by the Act, an administration fee may be added to the impact fees calculated in this Fee Study. DTA recommends that these fee expenses are handled administratively and pass the costs on to user fees charged to applicants for processing fee applications. The calculation of the administrative cost for each fee in this Fee Study is presented in each respective fee section and in the Executive Summary.

J Indexing of Impact Fee Rates

The DIF presented in this report are based on current facility costs provided by the City and should be adjusted annually to account for inflation. The purpose of the adjustment is to account for future escalation in costs for land, equipment, vehicles, and construction. DTA recommends that after adoption, the fee should be reviewed each year and adjusted by a reliable index such as ENR's CCI generally used as the primary basis for indexing construction costs. Ordinarily, land costs make up a significant portion of the costs covered by the fees and do not lend themselves to traditional cost indexes. As such, land costs should be adjusted to changes in local land prices.

K Updating the Impact Fee Study

As stated in Section II.B., AB 602 was signed into law in September of 2021 by the Governor of California, and it provides new Statewide requirements for local jurisdictions seeking to impose the DIF on development projects. Among these requirements are that nexus studies shall be updated at least every 8 years as of January 1, 2023. However, DTA concurs with the generally accepted policy that 5 years is a good rule-of-thumb time period for impact fee updates, particularly because the required 5-year findings (see above) can be approved at that same time. In some instances, fees may remain valid for a longer

period of time if the City's land use and facility plans do not change. A case in point is a municipality at or near full build-out capacity. However, a dynamic, growing municipality facing significant changes in land use would do itself a disservice if it maintained the current fee structure for too long without a Fee Study to update the current rates.

L Administering an Impact Fee Program

Creating and administering an impact fee program can be a labor-intensive process requiring considerable preparation and training that should not be undertaken more often than necessary. A well-planned fee program can generate sufficient funds to allow the City to adequately mitigate impacts created by future development. Conversely, a poorly planned fee can result in either collecting too little money and being forced to pay for public facilities required as a result of future development through its General Fund or collecting too much money based on an unsupported fee program, thus exposing the City to a fee challenge or a requirement to refund unexpected proceeds.

All personnel involved in the process, including accounting, capital budgeting, and project management of any other area, must be made fully aware of the difference between impact fees and other fees, such as user fees, and of the guidelines and restrictions placed on the expenditure of impact fee revenues. The building impact fees generated in this report are tied to specific facility improvements and cost estimates provided by the City. The fees must be expended accordingly and must be able to withstand any challenges and show that the funds have been properly directed in accordance with proper AB 1600 guidelines.

In addition, every 5 years, the City shall report the status of the DIF funds in accordance with Government Code Section 66001(d) and shall i) identify the purpose to which the fee is put; ii) demonstrate a reasonable relationship between the fee and the purpose for which it is charge, iii) identify the sources and amounts of funding needed to complete the program, iv) list the facilities not yet completed, and v) identify, to the extent possible, the timing of when the remaining funds are expected to be received.

VIII SUMMARY OF SEWER IMPACT FEE

Table VIII-1 is a summary of the proposed fee amounts for the various land uses. The fee amounts represent the maximum fee that can be charged to any land use.

In order to recover administrative costs incurred by the City in the administration of the impact fee program, an administrative component equal to 2.0% of the total fee is added on to the proposed fees.

In addition, pursuant to Government Code Section 65852.2(f), ADUs are exempt from incurring impact fees from local agencies, special districts, and water corporations if such unit is less than 750 square feet. If an ADU is 750 square feet or larger, impact fees shall be charged proportionately in relation to the square footage of the ADU to the square footage of the primary dwelling unit. Furthermore, sewer fee shall not be applicable to any accessory dwelling unit created within the existing space of a single-family residence or accessory structure, including, but not limited to, a studio, pool house, or other similar structure.

Table VIII-1: Sewer Impact Fee Summary

Land Use	Fee Amount	Administration (2%)	Grand Total Fee Amount
Residential Property (Fee per Bldg. Sq. Ft.)	$1.2595	$0.0252	$1.2847
Commercial Property (Fee per Bldg. Sq. Ft.)	$1.0995	$0.0220	$1.1215
Industrial Property (Fee per Bldg. Sq. Ft.)	$0.5498	$0.0110	$0.5608

It is further recommended that the City include in its Council Resolution to adopt the fees presented in this Fee Study, a provision to automatically increase the fees annually tied to an inflation index, such as the Engineering News Record Construction Cost Index, or some other reasonable measure of inflation.

APPENDIX A

City of Salinas
Development Impact Fee Justification Study

SUMMARY OF CAPITAL IMPROVEMENT COSTS

TABLE 1.
CITY OF SALINAS FUTURE SEWER CIP INCREMENTAL COST SUMMARY BASED ON FUTURE FLOW DIAMETER

Future Sewer CIP	Description	Length (Ft)	Future Flow Diameter (in)	Total Project Cost to Construct Future Flow Diameter[1] ($)	Recommended CIP Diameter (in)	Total Project Cost for Upsizing to CIP Sewer Main[2] ($)	Incremental Project Cost ($)
San Juan Grade	8-inch has available capacity to convey solely future flows	3,800	8	$2,394,000	12	$2,982,000	$588,000
North Davis Road	21-inch has available capacity to convey solely future flows	5,340	21	$6,538,000	24 30 32	$11,376,400	$4,838,400
West Laurel Drive	10-inch has available capacity to convey solely future flows	1,550	10	$1,148,000	15	$1,271,200	$123,200
Victor Street	8-inch has available capacity to convey solely future flows	1,600	8	$1,134,000	18	$1,570,800	$436,800
Freedom Parkway	15-inch has available capacity to convey solely future flows	4,750	15	$4,151,000	15 18	$4,368,000	$217,000
Natividad Creek Park	18-inch has available capacity to convey solely future flows	4,030	18	$3,975,000	21 27	$6,135,000	$2,160,000
East Alisal Street	12-inch has available capacity to convey solely future flows	7,600	12	$5,842,000	18 21	$7,644,000	$1,802,000
Abbott Street	12-inch has available capacity to convey solely future flows	2,850	12	$2,270,000	15 15 18	$2,442,000	$172,000
South Sanborn Road	Increase Overflow Elevation 18-inch has available capacity to convey solely future flows	-- 6,365	18	$7,854,000	65.09 ft (elevation) 21 24 27	$8,014,000	$160,000
			Total Project Cost	**$35,306,000**	--	**$45,803,400**	**$10,497,400**

[1] Total Project Cost includes lateral-connections, sewer bypassing, traffic control, and manhole replacements. A soft cost escalation of 40% is also included for planning, engineering, CM, and legal/admin.

[2] Cost does not include manhole replacements. This expense is included in (1). A soft cost escalation of 40% is included for planning, engineering, CM, and legal/admin.

TABLE 2

CITY OF SALINAS EXISTING SEWER CAPITAL IMPROVEMENT PROGRAM (CIP)

Project #	Title	Total Project Cost*	Existing Average Daily Flows (gpm)	Future Average Daily Flows (gpm)	Percentage of Existing Flows	Percentage of Future Flows	Existing Project Cost Allocation	Future Project Cost Allocation
1	Cesar Chavez Park	$ 11,716,600	1,138	1,166	98%	2%	$ 11,442,272	$ 274,328
2	Upper Carr Lake Repairs	$ 1,123,500	598	2,395	25%	75%	$ 280,324	$ 843,176
3	Upstream TP2 Diversion	$ 63,000	655	1,063	62%	38%	$ 38,804	$ 24,196
4	Northridge Mall	$ 2,682,400	347	499	69%	31%	$ 1,862,599	$ 819,801
5	East Market and Upstream of Lake Street Repairs	$ 1,853,880	1,927	3,773	51%	49%	$ 946,940	$ 906,940
6	Louise and Van Buren Street Repair	$ 297,500	138	157	88%	12%	$ 261,456	$ 36,044
7	West Market at Davis Overcrossing	$ 18,690	7,745	7,998	97%	3%	$ 18,099	$ 591
8	Cherokee Drive	$ 2,688,000	1,179	1,970	60%	40%	$ 1,608,590	$ 1,079,410
9	Malarin St and Wilgart Way Repairs	$ 261,240	2	2	100%	0%	$ 261,240	$ -
10	Romie Lane Repairs & Reconfiguration Analysis	$ 100,000	780	1,316	59%	41%	$ 59,256	$ 40,744
11	King Street Repairs	$ 819,000	9	9	100%	0%	$ 819,000	$ -
12	Del Monte and Mae Repairs	$ 1,003,800	60	60	100%	0%	$ 1,003,800	$ -
13	Riker Street Repair	$ 11,200	21	21	100%	0%	$ 11,200	$ -
14	West Market Street Repairs	$ 1,324,260	73	73	100%	0%	$ 1,324,260	$ -
15	Johnson Place Repairs	$ 1,174,880	15	15	100%	0%	$ 1,174,880	$ -
16	N Main St Hwy 101 Underpass Bunker Repair	$ 35,000	152	319	47%	53%	$ 16,620	$ 18,380
17	Donner Way	$ 176,400	65	65	100%	0%	$ 176,400	$ -
18	San Miguel Ave Repair	$ 6,300	14	14	100%	0%	$ 6,300	$ -
19	Noice Drive/Tyler Street	$ 4,760,000	299	467	64%	36%	$ 3,050,338	$ 1,709,662
20	Natividad Rd Consolidation	$ 12,768,000	749	749	100%	0%	$ 12,768,000	$ -
21	Acacia, Bautista, Woodside Repairs	$ 756,700	38	38	100%	0%	$ 756,700	$ -
22	Comanche, Polk, and North First Repairs	$ 1,143,100	20	20	100%	0%	$ 1,143,100	$ -
23	Sherwood Dr Repairs	$ 680,960	8	8	100%	0%	$ 680,960	$ -
24	East Laurel and Williams Repairs	$ 995,400	155	155	100%	0%	$ 995,400	$ -
25	Hoover Street Repair	$ 22,400	3	3	100%	0%	$ 22,400	$ -
26	Katherine Ave & Pajaro St Repairs	$ 43,960	780	780	100%	0%	$ 43,960	$ -
27	Wood Street Reconfiguration Analysis	$ 50,000	32	32	100%	0%	$ 50,000	$ -
28	CCTV Program	$ 9,392,000	10,460,000	17,715,200	59%	41%	$ 5,545,538	$ 3,846,462
29	Inflow/Infiltration Evaluation	$ 140,000	10,460,000	17,715,200	59%	41%	$ 82,663	$ 57,337
30	Brick Manhole Inspection & New Manhole Replacement	$ 2,419,200.00	10,460,000	17,715,200	59%	41%	$ 1,428,425	$ 990,775
31	Flushing Inlet (Cleanout) Inspection & New Manhole Replacement	$ 31,427,200.00	10,460,000	17,715,200	59%	41%	$ 18,556,297	$ 12,870,903
EXISTING SEWER PROJECT CIP TOTAL COSTS		**$ 89,954,570.00**	--				**$66,435,822.98**	**$ 23,518,747**

*All CIP costs are expressed in May 2022 dollars, using McGraw-Hill ENR Construction Cost Index of 13004, and will need to be escalated to the year or years scheduled for the work.

TABLE 3

CITY OF SALINAS EXISTING LIFT STATIONS CAPITAL IMPROVEMENT PROGRAM (CIP)

Project #	Title	Total Project Cost	Existing Average Daily Flows (gpm)	Future Average Daily Flows (gpm)	Percentage of Existing Flows	Percentage of Future Flows	Existing Project Cost Allocation	Future Project Cost Allocation
1	Lake Street Lift Station	$ 13,300,000.00	2,536	3,777	67%	33%	$ 8,930,050.30	$ 4,369,949.70
2	Santa Rita Lift Station	$ 4,900,000.00	224	406	55%	45%	$ 2,704,114.31	$ 2,195,885.69
3	Spicer Lift Station	$ 3,080,000.00	35	35	100%	0%	$ 3,080,000.00	$ -
4	Mill Lake Lift Station	$ 3,850,000.00	44	44	100%	0%	$ 3,850,000.00	$ -
5	Carpenter Hall Lift Station	$ 1,470,000.00	410	431	95%	5%	$ 1,398,375.87	$ 71,624.13
6	De La Torre Lift Station	$ 1,680,000.00	2	165	1%	99%	$ 20,363.64	$ 1,659,636.36
7	Vista Nueva Lift Station	$ 3,080,000.00	14	14	100%	0%	$ 3,080,000.00	$ -
8	Harkins Road Lift Station	$ 1,820,000.00	47	103	46%	54%	$ 830,485.44	$ 989,514.56
9	Las Casitas Lift Station	$ 910,000.00	46	46	100%	0%	$ 910,000.00	$ -
10	TP2 Lift Station	$ 3,500,000.00	94	198	47%	53%	$ 1,661,616.16	$ 1,838,383.84
11	Airport Lift Station	$ 1,120,000.00	21	21	100%	0%	$ 1,120,000.00	$ -
EXISTING LIFT STATION CIP TOTAL COSTS		**$ 38,710,000.00**	--				**$ 27,585,005.72**	**$ 11,124,994.28**

*All CIP costs are expressed in May 2022 dollars, using McGraw-Hill ENR Construction Cost Index of 13004, and will need to be escalated to the year or years scheduled for the work.

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