CITY OF COTATI

DEVELOPMENT IMPACT FEE NEXUS STUDY UPDATE

PUBLIC REVIEW DRAFT

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TABLE OF CONTENTS

Executive Summary

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

- Park and Recreation Facilities
- Water Capacity
- Sewer Capacity
- Traffic Facilities
- General Plan

The City also charges impact fees to fund affordable housing on residential development and commercial linkage fees on nonresidential development. The affordable housing impact fees apply to housing development projects of nine units or less, and are calculated relative to the sales price of each unit. The nonresidential commercial linkage fees are charged as a fee per square foot of building space. These fees are not being updated as a part of this nexus study.

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to calculate and present fees that will enable the City to expand its inventory of public facilities, as new development creates increases in service demands. Two types of fees are identified in this report:

1. This study identifies the maximum justified development impact fees for parks and recreation facilities, traffic facilities, and general plan updates under authority granted by the *Mitigation Fee Act (*the *Act)*, contained in *California Government Code* Sections 66000 *et seq*. Chapter 10 provides the necessary findings required by the *Act* for adoption of these facility categories.
2. The water capacity and sewer capacity fees calculated in this report are subject to the requirements of *Government Code Section 66013*, which defines a capacity charge as "a 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. A "capacity charge" does not include a commodity charge." In this case the water and sewer capacity fees include a buy-in component (where new development buys into the excess capacity of the existing system) and a system expansion component (where new development funds its proportional cost of capacity expanding facilities). Capacity charges are not subject to the nexus findings required for impact fees and are typically triggered by a new or upsized connection to the utility.

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

Facility Standards and Costs

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

The **existing inventory** approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. This approach is often used to ensure that service levels remain constant as new development adds demand for facilities. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through the City's annual capital improvement plan and budget process. This approach is used to calculate the parks and recreation facilities fees in this report.

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

The **planned facilities** approach allocates costs based on the ratio of planned facilities that serve new development to the increase in demand associated with new development. This approach is appropriate when specific planned facilities that only benefit new development can be identified, or when the specific share of facilities benefiting new development can be identified. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This approach is used for the traffic mitigation fees, and components of the water and sewer capacity fees in this report.

The **buy-in method** is typically used when the existing system has sufficient capacity to serve new development now and into the future. Under the buy-in methodology, new development "buys" a proportionate share of existing capacity at the current value of the existing facilities. This approach is typically used for utility fees, where existing facilities are built with excess capacity to serve future development. This approach is used for components of the water and sewer capacity fees in this report.

Use of Fee Revenues

The Mitigation Fee Act requires that this analysis "Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged."[1] Each chapter in this report identifies the appropriate use of impact fee revenues for each particular impact fee category.

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Capacity fee revenue can be used to pay the City back for improvements it made in anticipation of demand from new development, and to fund future capacity expanding improvements. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new

[1] *California Government Code* §66001 (a) (2).

development, including but not limited to land acquisition, construction of buildings, infrastructure, the acquisition of vehicles, information technology, software licenses and equipment.

Development Impact Fee Schedule Summary

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

E.1: Maximum Justified Development Impact Fee Schedule

Land Use	Parks and Recreation	Water Capacity	Sewer Capacity	Traffic	General Plan	Total
Residential - per Square Foot						
All Units	$ 12.36	$ 4.03	$ 4.91	$ 4.03	$ 0.21	$ 25.54
Nonresidential - per Square Foot						
Commercial	$ -	$ 2.63	$ 3.54	$ 14.56	$ 0.09	$ 20.82
Office	-	2.63	3.54	15.26	0.14	21.57
Industrial	-	1.09	1.42	8.84	0.05	11.40

Sources: Tables 3.8, 4.8, 5.8, 6.5 and 7.5.

Other Funding Needed

Impact fees may only fund the share of public facilities related to new development in Cotati. They may not be used to fund the share of facility needs generated by existing development or by development outside of the City. As shown in **Table E.2,** approximately $21.6 million in additional funding will be needed to complete the facility projects the City currently plans to develop. The "Additional Funding Required" column shows non-impact fee funding required to fund a share of the improvements partially funded by impact fees. Non-fee funding is needed because these facilities are needed partially to remedy existing deficiencies and partly to accommodate new development.

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

Note that the water and sewer capacity fees are not included in this table, as implementing fees under Government Code 66013 has different requirements than fees implemented under the Mitigation Fee Act.

Table E.2: Non-Impact Fee Funding Required

Fee Category	Total Project Cost	Development Fee Revenue	Additional Funding Required
Parks	$ 32,220,177	$ 32,220,177	$ -
Traffic	64,248,500	43,720,328	20,528,172
General Plan	1,900,000	778,182	1,121,818
Total	$ 98,368,677	$ 76,718,687	$ 21,649,990

Sources: Tables 3.6, 6.3 and 7.4.

1. Introduction

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

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

Public Facilities Financing in California

The changing fiscal landscape in California during the past 45 years has steadily undercut the financial capacity of local governments to fund infrastructure. Four dominant trends stand out:

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

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

Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. *Policy CSF 1.6* of the City's General Plan states "Require development, infrastructure, and long-term planning projects to be consistent with all applicable City plans and programs related to public services and facilities, including but not limited to the Water Master Plan, the Sanitary Sewer Master Plan and the Capital Improvement Plan. New projects shall assist with the implementation of these plans through the provision of fair-share payments, construction of improvements, or other means identified as appropriate by the City Engineer." The primary purpose of this report is to update the City's impact fees based on the most current available facility plans and growth projections. The proposed fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands. This report supports the General Plan policy stated above.

The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. This report provides the

necessary findings required by the Act to demonstrate the *essential nexus* between new development and the impact fees needed to support that development. The findings demonstrate that the fees are proportional to demand for facilities from new development and are necessary to allow the City to adopt the fee schedules presented in this report.

Cotati is forecast to have moderate growth through this study's planning horizon of General Plan buildout, which is not assigned to a particular year. This growth will create an increase in demand for public services and the facilities required to deliver them. Given the revenue challenges described above, Cotati has decided to use a development impact fee program to ensure that new development funds the share of facility costs associated with growth. This report makes use of the most current available growth forecasts and capital facilities planning documents to update the City's existing fee program to ensure that the fee program accurately represents the facility needs resulting from new development.

Fee Program Maintenance

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

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

Study Methodology

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

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

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

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

New Development Facility Needs and Costs

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

There are three common methods for determining new development's fair share of planned facilities costs: the **system plan method**, the **planned facilities method,** and the **existing inventory method**. The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Existing Inventory Method

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

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

Under this method new development will fund the expansion of facilities at the same standard currently serving existing development. This approach results in no facility deficiencies attributable to existing development. This approach is often used to ensure that service levels remain constant as new development adds demand for facilities. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through the City's annual capital improvement plan and budget process. This approach is used to calculate the parks and recreation facilities fees in this report.

System Plan Method

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

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

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

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

Planned Facilities Method

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

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

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a Wastewater trunk line extension to a previously undeveloped area. An example of the latter is a portion of a roadway that has been identified as necessary to mitigate the impact from new development through traffic modeling analysis. Under this method new development will fund the expansion of facilities at the standards used in the applicable planning documents. This approach is used for the traffic mitigation fees, and components of the water and sewer capacity fees in this report

Buy-In Method

The buy-in method is based on the value of the existing system's capacity. This method is typically used when the existing system has sufficient capacity to serve new development now and into the future. Under the buy-in methodology, new development "buys" a proportionate share of existing capacity at the current value of the existing facilities.

The buy-in fee is determined by taking the current value of assets (replacement cost new, less depreciation) divided by the current capacity provided by the system. Responsibility for new capital improvements is then shared equally by all customers. A simplified version of the calculation equation is:

$$\frac{\text{Present Value of Existing Facilities}}{\text{Existing System Capacity}} = \text{cost per unit of demand}$$

This approach is typically used for utility fees, where existing facilities are built with excess capacity to serve future development. This approach is used for components of the water and sewer capacity fees in this report.

Organization of the Report

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

Chapters 3 through 7 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and other development, and identify the appropriate development impact fee for each of the following facility categories:

- Park and Recreation Facilities
- Water Capacity
- Sewer Capacity
- Traffic Facilities
- General Plan

Chapter 8 describes how this study complies with the requirements of AB 602.

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

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

2. Growth Forecasts

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2025 base year and a planning horizon of General Plan buildout, which is not assigned a particular year.

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

- The estimate of existing development in 2025 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at buildout is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2025 through buildout are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

Land Use Types

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

- **Residential:** All residential dwelling units. Fees charged per square foot of living space.
- **Commercial:** All commercial, retail, educational, and service development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All manufacturing, warehouse, distribution, and other industrial development.

Some developments may include more than one land use type, such as a mixed-use development with both residential and commercial uses. Another similar situation would be a industrial facility that contains office space. In those cases, the facilities fee would be calculated separately for each land use type included within the building.

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

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in Cotati, both in 2025 and at buildout. The base year estimates of residents and dwelling units come from the California Department of Finance. The projection of total dwelling units at buildout is derived from information from the General Plan EIR (2014) and the Santero Way Specific Plan EIR (2025). Total dwelling units at buildout is then used to estimate population at building by multiplying the count of units by the occupant densities of 2.52 residents per single

family unit and 1.73 residents per multifamily unit, based on the latest data for Cotati from the American Community Survey.

Existing and buildout nonresidential square feet were identified in the General Plan EIR. Figures were adjusted for increased nonresidential development potential identified in the Santero Way Specific Plan Update. CoStar was used to identify nonresidential development since 2013 to adjust the General Plan estimates of existing building square feet to current conditions. Base year employees were estimated based on data obtained from the U.S. Census Bureau's OnTheMap Application, and future employees were estimated based on the building square feet at buildout and the nonresidential density factors in **Table 2.2.**

Table 2.1: Demographic Assumptions

	2025	Buildout	Increase
Residents [1]	7,281	11,196	3,915
Dwelling Units [2]			
Single Family	2,126	2,476	350
Multifamily	1,120	2,873	1,753
Total	3,246	5,349	2,103
Employment [3]			
Commercial	1,197	3,110	1,913
Office	348	3,499	3,151
Industrial	1,070	1,568	498
Total	2,615	8,177	5,562
Building Square Feet (000s) [4]			
Commercial	321	1,223	902
Office	93	1,060	967
Industrial	565	994	429
Total	979	3,278	2,299

[1] Current household population from California Department of Finance. Projection based on multiplying projected increase in dwelling units from the General Plan EIR by the assumed occupant density of single family (2.52) and multifamily units (1.73), based on American Community Survey data.
[2] Current values from California Department of Finance. Increase in dwelling units identified in the City's General Plan EIR and in the Santero Way Specific Plan Update, less the increase in dwelling units since the General Plan was published.
[3] Current estimates of primary jobs from the US Census' OnTheMap. Projection based on occupant density factors from Table 2.2 multiplied by increase in square footage identified in General Plan EIR and Santero Way Specific Plan Update.
[4] Existing and buildout nonresidential square feet identified in General Plan EIR. Figures were adjusted for increased nonresidential development potential identified in the Santero Way Specific Plan Update. CoStar was used to identify nonresidential development since 2013 to adjust General

Sources: California Department of Finance, Table E-5, 2025; City of Cotati EIR for the 2013 General Plan Update (2014); Table 2-3 Santero Way Specific Pan Update Draft EIR (2025); OnTheMap Application, http://onthemap.ces.census.gov; Costar; American Community Survey

Occupant Densities

All fees in this report are calculated based on dwelling units or building square feet. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee. The densities ensure that the fee per unit of new development is roughly proportional to the demand for facilities from various types of development.

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

The average occupant density factors used in this report are shown in **Table 2.2.** The residential density factor was calculated using the most recent data from the American Community Survey specifically for the City of Cotati. The nonresidential occupancy factors are derived from data from the Institute of Traffic Engineers Trip Generation Manual, 11th Edition for nonresidential land uses.

Table 2.2: Occupant Density

Residential		
All Units	2.25	Residents per dwelling unit
Nonresidential		
Commercial	2.12	Employees per 1,000 square feet
Office	3.26	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2023 American Community Survey 5-Year Estimates, Tables B25024 and B25033; ITE Trip Generation Manual, 11th Edition; Willdan Financial Services.

3. Parks and Recreation Facilities

The purpose of the parks and recreation facilities impact fee is to fund the parks and recreation facilities needed to serve new development. The maximum justified impact fee is presented based on the existing standard of park and recreation facilities per capita. Fee revenue would be used to expand the provision of parks and recreation facilities to meet demand from future development. The *essential nexus* for this facility category is between the demand for City parks from the projected increase in residents and the additional and recreation facilities needed to meet those service demands. The fees are roughly proportional to demand because they ensure that new development can maintain the City's existing ratio of park acres to residents, and the fees are scaled based on the number of residents occupying a new dwelling unit.

Service Population

Park and recreation facilities in Cotati primarily serve residents. Therefore, demand for services and associated facilities is based on the City's residential population. **Table 3.1** shows the existing and future projected service population for parks and recreation facilities.

Table 3.1: Park and Recreation Facilities Service Population

	Residents
Existing (2025)	7,281
New Development	3,915
Total (Buildout)	11,196

Sources: US Census; Table 2.1, Willdan Financial Services.

Existing Parkland Inventory

The City of Cotati maintains several parks throughout the city. **Table 3.2** summarizes the City's existing parkland inventory in 2025. All facilities are owned by the City or were built to satisfy the City's park dedication requirements. In total, the inventory includes a total of 29.48 acres of parkland.

Table 3.2: Park Land Inventory

Description	Acres
Civic / Cader Field	4.58
Delano	0.95
Draper	0.93
Eagle Drive Lift Station	0.07
Falletti	1.48
Falletti Ranch	3.62
Helen Putnam	8.63
Kotate	2.31
La Plaza	2.38
Lipton[1]	0.35
Mini Park (Pocket Park)	0.15
Park on Santero Way	0.75
Sunflower	1.73
Veterans	1.54
Total	29.48

[1] Privately owned, but open to the public in perpetuity. This park was built to satisfy park in-lieu fee requirements.

Source: City of Cotati.

Special Use Facilities Inventory

The City owns several special use facilities, including various buildings, the Train Depot and the Falletti Ranch facilities. **Table 3.3** provides an inventory of the City's investment in special use recreation facilities. Current facility replacement costs were identified in the City's insured property schedule. The total replacement cost of the special use recreation facilities is divided by the existing improved park acres to determine a special use facilities cost per acre.

Table 3.3: Special Use Facilities Inventory

Buildings	Building Square Feet	Cost per Sq. Ft.[1]	Replacement Cost
Community Center - Cotati Room	2,699	$ 562	$ 1,517,873
Community Center - Dance Studio	1,204	664	799,700
Community Center - Recreation Building	6,924	635	4,393,896
Falletti Ranch House	1,194	493	588,548
Falletti Ranch Water Tower	150	2,577	386,613
Cotati Train Depot[1]	1,558	1,949	3,036,350
Total Value - Existing Facilities			$ 10,722,980
Existing Improved Park Acres			29.48
Cost per Acre			$ 363,737

[1] Original cost per square foot adjusted for inflation into 2025 dollars using the ENR Construction Cost Index.

[2] Square feet listed reflects indoor building square footage. Replacement cost show n for entire facility, including outdoor areas.

Sources: City of Cotati, Insurance Schedule SOV 10-31-2024; Willdan Financial Services.

Parkland and Park Facilities Unit Costs

Table 3.4 displays the unit costs necessary to develop parkland in Cotati. The cost of improving a acre of parkland with standard park improvements is based on City's cost to improve Kotate Park in 2022, adjusted for inflation into 2025 dollars. The improvement component also includes the special use facilities cost per acre calculated in the previous table. The assumed cost of land acquisition of $669,000 per acre is based on land sales comparisons from the previous five years in Cotati, as reported by CoStar. In total, this analysis assumes that it costs $2 million to acquire and improve an acre of parkland in Cotati.

Table 3.4: Park Facilities Unit Costs

	Cost per Acre
Standard Park Improvements[1]	$ 998,800
Special Use Facilities	363,737
Total Improvement Cost per Acre	$ 1,362,537
Land Acquisition Cost per Acre	$ 669,000
Total Cost per Acre	$ 2,031,537

[1] Based on cost to improve Kotate Park in 2022, adjusted for inflation.

Sources: City of Cotati; CoStar; Table 3.3, Willdan Financial Services.

Parkland and Park Facility Standards

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

The most common measure in calculating new development's demand for parks is the ratio of park acres per resident. In general, facility standards may be based on the Mitigation Fee Act (using a city's existing inventory of parkland and park facilities), or an adopted policy standard contained in a master facility plan or general plan. Facility standards may also be based on a land dedication standard established by the Quimby Act.[2] In this case, the City will use the Mitigation Fee Act to impose parks and recreation facilities impact fees, and will not impose fees in-lieu of dedication under the Quimby Act. A discussion of park facility standards under the Mitigation Fee Act and the Quimby Act follows below

Mitigation Fee Act

The Mitigation Fee Act does not dictate use of a particular type or level of facility standard for public facilities fees. To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development.[3] In this case, the fees will be set to maintain the City's existing parkland standard of acres per 1,000 residents.

Quimby Act

The Quimby Act specifies that the dedication requirement must be a minimum of 3.0 acres and a maximum of 5.0 acres per 1,000 residents. A jurisdiction can require residential developers to dedicate above the three-acre minimum if the jurisdiction's existing park standard at the time it adopted its Quimby Act ordinance justifies the higher level (up to five acres per 1,000 residents). The standard used must also conform to the jurisdiction's adopted general or specific plan standards.

The Quimby Act only applies to land subdivisions. The Quimby Act would not apply to residential development on future approved projects on single parcels, such as apartment complexes and other multifamily development.

The Quimby Act allows payment of a fee in lieu of land dedication. The fee is calculated to fund the acquisition of the same amount of land that would have been dedicated.

The Quimby Act allows use of in-lieu fee revenue for any park or recreation facility purpose. Allowable uses of this revenue include land acquisition, park improvements, and rehabilitation of existing parks.

City of Cotati Parkland and Park Facilities Standards

Table 3.5 shows the existing standard for improved park acreage per 1,000 residents. The City's General Plan standard is 5.0 acres per 1,000 residents. The City has an existing parkland standard of 4.05 acres per 1,000 residents. The impact fee analysis in this report is not based on a standard calculated per the Quimby Act, rather, it will be based on maintaining the City's 4.05

[2] *California Government Code* §66477.

[3] See the *Benefit* and *Burden* findings in *Chapter 10*.

acre per 1,000 resident standard as of 2025, as new development adds demand for parks in Cotati.

Table 3.5: Parks and Recreation Facility Standards

	Mitigation Fee Act Standard
Developed Park Acreage	29.48
Existing Service Population	7,281
Existing Standard (Acres per 1,000 Residents)	4.05

Sources: Tables 3.1 and 3.2.

Facilities Needed to Accommodate New Development

Table 3.6 shows the park land and improvements needed to accommodate new development at the existing standard. To achieve the standard by the planning horizon new development must fund the acquisition and improvement of 15.86 acres of parkland, at a total cost of $32.2 million.

Table 3.6: Parkland and Improvements to Accommodate New Development

	Calculation	
Parkland and Improvements (Mitigation Fee Act) [3]		
Facility Standard (acres/1,000 capita)	*A*	4.05
Growth in Service Population (2025 to Buildout)	*B*	3,915
Facility Needs (acres)	*C = A x B/1000*	15.86
Average Unit Cost (per acre)	*D*	$ 2,031,537
Total Cost of Facilities	*E = C x D*	$32,220,177

Sources: Tables 3.1, 3.4, and 3.5.

Parks and Recreation Facilities Cost per Capita

Table 3.7 shows the cost per capita of providing new parkland and park facilities at the existing facility standard. The cost to acquire and improve an acre of parkland is multiplied by the existing standard to determine the cost to serve 1,000 residents. The result is divided by 1,000 to determine the cost to serve a single resident at the existing facility standard.

Table 3.7: Cost per Capita

	Calculation	
Parkland Investment (per acre)	*A*	$2,031,537
Existing Standard (acres per 1,000 capita)	*B*	4.05
Total Cost per 1,000 capita	*C = A x B*	$8,227,700
Cost per Resident	*D = C / 1,000*	$ 8,228

Sources: Tables 3.4 and 3.5.

Use of Fee Revenue

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

Fee Schedule

To calculate fees for residential land uses, the cost for park and recreation facilities is determined on a per capita basis. The cost per capita factor (shown in Table 3.7) is based on the unit cost estimates and the existing facility standard. The fee per average sized dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

Table 3.8 shows the maximum justified park and recreation facilities fees based on the existing park standards under the Mitigation Fee Act. The total fee includes a two percent (2%) administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue, and cost accounting, mandated public reporting, and fee justification analyses.

Table 3.8: Park and Recreation Facilities Fee Schedule

	A	*B*	*C = A x B*	*D = C x 0.02*	*E = C + D*	*F = E / Average*
Land Use	**Cost Per Capita**	**Density**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.[3]**
Residential	$ 8,228	2.25	$ 18,513	$ 370	$ 18,883	$ 12.36

[1] Fee per average sized dwelling unit.

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

[3] Assumes an average of 1,525 square feet per dwelling unit based on an analysis of data from the 2023 American Housing Survey, San Francisco Metropolitan Area.

Sources: Tables 2.2 and 3.7.

4. Water Capacity

This chapter details an analysis of the need for water capacity to accommodate growth within the City of Cotati. The fee includes two components: a project driven component based on future capacity expanding projects identified in the City's Water Master Plan (2011), and a buy-in component where development buys into the excess capacity of the City's current system. The *essential nexus* for this facility category is between the demand for water facilities from the projected increase water flow and the additional water infrastructure needed to provide water service to new development. The fees are roughly proportional to demand because they ensure that new development will pay no more than its proportionate share of the identified planned facilities needed to serve the City through the planning horizon, and the fees are scaled based on the amount of water flow generated by residential and nonresidential land uses.

Water Demand

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

Table 4.1 shows the calculation of equivalent dwelling unit (EDU) demand factors based on flow generation by land use category. The flow generation estimates based on data from the City's Wastewater Master Plan. EDU factors express water flow from each land use in terms of the flow generated by a single family dwelling unit. Use of EDU factors to estimate demand and allocate fees ensures that the fees are roughly proportional to the water demand generated by each unit of new development.

Table 4.1: Water Demand by Land Use

Land Use Type	Flow Generation[1]	Density[2]	Average Flow Generation per DU or 1,000 Sq. Ft.	Equivalent Dwelling Unit (EDU)
Residential Dwelling Unit				
Single Family	1,267	6.00	211.11	1.00
Multifamily	2,567	20.00	128.33	0.61
Nonresidential - per 1,000 Sq. Ft.				
Commercial	1,350	21.78	61.98	0.29
Office	1,350	21.78	61.98	0.29
Industrial	550	21.78	25.25	0.12

[1] Gallons per acre per day.

[2] Units per acre for residential or 1,000 square feet per acre for nonresidential. Residential densities are based on typical densities for each land use from the General Plan and Santero Way Specific Plan and EIR. Nonresidential densities are based on floor-area-ratios of 0.50 for commercial, office and industrial.

Source: City of Cotati Water System Master Plan (2011), Chapter 3.2.2; City of Cotati General Plan (2015); Santero Way Specific Pan Update Draft EIR (2025); Willdan Financial Services.

EDU Generation by New Development

Table 4.2 shows the estimated EDU generation from new development through buildout. The EDU factors from Table 4.1 are multiplied by the land use assumptions from Table 2.1 to estimate total EDUs in the base year, at the planning horizon and for new development. New development will generate approximately 2,013 new EDUs through buildout, comprising 40.2% of water demand in the City at that time.

Table 4.2: Water Facilities Equivalent Dwelling Units

Land Use	EDU Factor	2025 Units / 1,000 SF	2025 EDUs	Growth 2025 to Buildout Units / 1,000 SF	Growth 2025 to Buildout EDUs	Total - Buildout Units / 1,000 SF	Total - Buildout EDUs
Residential - per Dwelling Unit							
Single Family	1.00	2,126	2,126	350	350	2,476	2,476
Multifamily	0.61	1,120	683	1,753	1,070	2,873	1,753
Subtotal		3,246	2,809	2,103	1,420	5,349	4,229
Nonresidential - per 1,000 Sq. Ft.							
Commercial	0.29	321	93	902	262	1,223	355
Office	0.29	93	27	967	280	1,060	307
Industrial	0.12	565	68	429	51	994	119
Subtotal		979	188	2,299	593	3,278	781
Total			2,997		2,013		5,010
			59.8%		40.2%		100%

Sources: Tables 2.1 and 4.1.

Facility Needs and Costs

Table 4.3 identifies the planned water facilities to be funded by the fee. The new water facilities were all identified in the City's Water Master Plan (WMP). City staff provided updates to the project costs to reflect the current cost of construction.

Projects that are needed to provide capacity to accommodate new development are allocated 100% to the fee. For those water facilities projects that benefit both existing development and new development, costs are allocated to new development consistent with the allocation from the City's prior water capacity fee study. In total, $11.3 million in capacity expanding projects is allocated to the capacity fee.

Table 4.3: Water Facilities Allocation to New Development

Project	Size	Unit	Length (Feet)	Cost	Allocation to New Development	Cost Allocated to New Development
Future Distribution System Cost						
P-10 Blodget Loop	10	Inches	1,200	$ 846,169	100%	$ 846,169
P-11 Helman	12	Inches	1,000	1,015,403	100%	1,015,403
P-12 Near Ford	10	Inches	1,100	775,655	100%	775,655
P-13 Near Gilman	10	Inches	2,000	1,410,282	100%	1,410,282
P-14 W. School Loop	8	Inches	1,000	451,290	100%	451,290
Subtotal Distribution System			6,300	$ 4,498,798		$ 4,498,798
Future Storage System Cost						
T-1 Cypress Storage Tank	600,000	Gallons		$ 2,826,000	100%	$ 2,826,000
T-2 West Sierra 2	1,000,000	Gallons		4,710,000	53%	2,496,300
Subtotal Storage System	1,600,000	Gallons		$ 7,536,000		$ 5,322,300
Future Well Cost						
W-4 Well 4				$ 1,500,000	100%	$ 1,500,000
Total Water Facilities Projects				$13,534,798		$ 11,321,098

Source: City of Cotati, 2011 Water Master Plan, Table 7.3.

Cost per EDU

The cost of planned facilities allocated to new development, is divided by the total growth in EDUs to determine a cost per EDU, which drives planned facilities component of the water capacity fee. **Table 4.4** displays this calculation.

Table 4.4: Cost per EDU

Cost Allocated to New Development	$ 11,321,098
Growth in EDUs (2025 to Buildout)	2,013
Cost per EDU	$ 5,624

Sources: Tables 4.2 and 4.3.

Current Water System Asset Valuation

Table 4.5 displays the current water system asset valuation. In this case, Replacement New Cost Less Depreciation (RCNLD) is the appropriate method to determine the current value of the water systems. RCNLD is a commonly used method, and it is often preferred to alternative methods such as Original Cost Less Depreciation (OCLD), Original Cost (OC), and Replacement Cost (RC) because of its better reflection of the system's value in today's dollars. Unless the systems have depreciated significantly due to lack of replacement and repair, RCNLD is more defensible because the replacement cost is inflation-adjusted to recover the cost of replacing that capacity in

current dollars. RCNLD also accounts for depreciation and consequently address the fact that the system reflects its current condition.

Table 4.5: Current Water System Asset Valuation

Name	Size	Unit	Length (ft)	Cost	Date Acquired[1]	Lifespan (Years)	Percent Depreciated	Replacement Cost New Less Depreciation
Existing Distribution System Replacement Value								
Piping	4	inch	5,056	$ 570,431	1990	50	70%	$ 171,129
Piping	6	inch	40,467	10,272,576	1990	50	70%	3,081,773
Piping	8	inch	70,269	31,711,704	1990	50	70%	9,513,511
Piping	10	inch	24,897	17,555,890	1990	50	70%	5,266,767
Piping	12	inch	10,535	10,697,268	1990	50	70%	3,209,180
Piping	16	inch	5,836	10,534,916	1990	50	70%	3,160,475
Subtotal Existing Distribution Value			157,060	$ 81,342,785				$ 24,402,835
Existing Storage System Replacement Value								
West Sierra 1	1,000,000	gallon		$ 4,710,000	2016	50	18%	3,862,200
Existing Well Replacement Value								
Well 1A				$ 1,750,000	2018	50	14%	1,505,000
Well 2				1,000,000	2009	50	32%	680,000
Well 3				1,500,000	2025	50	0%	1,500,000
Subtotal Existing Well Value				$ 4,250,000				$ 3,685,000
Total Current Water System Valuation				$ 90,302,785				$ 31,950,035

[1] Average age of distribution system. Most recent year of upgrades for storage and wells.

Source: City of Cotati, 2011 Water Master Plan, Table 5.1.

Capacity Fee per GPD

Every capacity fee consists of a dollar amount, representing the value of facilities, divided by a measure of demand. The calculation of the buy-in component per GPD for water facilities is shown in **Table 4.6.** The water system's water flow capacity, totaling 2.1 million gallons per day (MGD) was identified by the City. The total system value divided by the system capacity yields the capacity fee per gallon per day of $15.43. This amount is multiplied by the assumption of 211 gallons per day per EDU to determine the capacity fee buy-in component per EDU.

Table 4.6: Buy-In Cost per EDU

Total System Value	$ 31,950,035
System Flow Capacity (Gallons per Day)	2,070,000
Cost per GPD	$ 15.43
GPD per EDU	211
Cost per EDU	$ 3,257

Sources: City of Cotati; Tables 4.1 and 4.5, Willdan Financial Services

Cost per EDU Summary

Table 4.7 summarizes the two capacity fee component costs per EDU from Table 4.4 and 4.6.

Table 4.7: Cost per EDU

Future Facilities Cost per EDU	$ 5,624
Buy-In Cost per EDU	3,257
Total	$ 8,881

Sources: Tables 4.4 and 4.6.

Fee Schedule

The maximum justified water capacity fee schedule is shown in **Table 4.8.** The cost per EDU from Table 4.7 is converted to a fee per unit of new development based on the EDU factors shown in Table 4.1. The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2%) administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue, and cost accounting, mandated public reporting, and fee justification analyses.

Table 4.8: Maximum Justified Water Capacity Fee Schedule

	A	*B*	*C = A x B*	*D = C x 0.02*	*E = C + D*	*E / Average or 1,000*
	Cost Per EDU	**EDU Factor**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.[3]**
Residential						
All Units[4]	$ 8,881	0.68	$ 6,039	$ 121	$ 6,160	$ 4.03
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 8,881	0.29	$ 2,575	$ 52	$ 2,627	$ 2.63
Office	8,881	0.29	2,575	52	2,627	2.63
Industrial	8,881	0.12	1,066	21	1,087	1.09

[1] Fee per average sized dwelling unit or per 1,000 square feet of nonresidential building space.
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assumes an average of 1,525 square feet per dwelling unit based on an analysis of data from the 2023 American Housing Survey, San Francisco Metropolitan Area.
[4] Average EDU factor per residential dwelling unit weighted by projected single family and multifamily development.

Sources: Tables 4.1 and 4.7.

5. Sewer Capacity

This chapter details an analysis of the need for sewer facilities to accommodate growth within the City of Cotati. The fee includes two components: a project driven component based on future capacity expanding projects identified in the City's Sewer Master Plan (2011), and a buy-in component where development buys into the excess capacity of the City's current system. The *essential nexus* for this facility category is between the demand for sewer facilities from the projected increase sewer flow and the additional sewer facilities needed to provide sewer service to new development. The fees are roughly proportional to demand because they ensure that new development will pay no more than its proportionate share of the identified planned facilities needed to serve the City through the planning horizon, and the fees are scaled based on the amount of wastewater flow generated by residential and nonresidential land uses.

Sewer Demand

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

Table 5.1 shows the calculation of equivalent dwelling unit (EDU) demand factors based on flow generation by land use category. The flow generation estimates based on data from the City's Sewer Master Plan (SMP). EDU factors express sewer flow from each land use in terms of the flow generated by a single family dwelling unit. Use of EDU factors to estimate demand and allocate fees ensures that the fees are roughly proportional to the sewer demand generated by each unit of new development.

Table 5.1: Sewer Demand by Land Use

Land Use Type	Flow Generation[1]	Density[2]	Average Flow Generation per DU or 1,000 Sq. Ft.	Equivalent Dwelling Unit (EDU)
Residential Dwelling Unit				
Single Family	1,100	6.00	183.33	1.00
Multifamily	1,600	20.00	80.00	0.44
Nonresidential - per 1,000 Sq. Ft.				
Commercial	1,000	21.78	45.91	0.25
Office	1,000	21.78	45.91	0.25
Industrial	400	21.78	18.37	0.10

[1] Gallons per acre per day of wastewater flow.

[2] Units per acre for residential or 1,000 square feet per acre for nonresidential. Residential densities are based on typical densities for each land use from the General Plan and Santero Way Specific Plan and EIR.. Nonresidential densities are based on floor-area-ratios of 0.40 for commercial, 0.40 for office and 0.50 for industrial.

Sources: City of Cotati Sewer System Master Plan (2011); General Plan (2015); Santero Way Specific Pan Update Draft EIR (2025); Willdan Financial Services.

EDU Generation by New Development

Table 5.2 shows the estimated EDU generation from new development through buildout. The EDU factors from Table 5.1 are multiplied by the land use assumptions from Table 2.1 to estimate total EDUs in the base year, at the planning horizon and for new development. New development will generate approximately 1,708 new EDUs through buildout, comprising 38.7% of sewer demand in the City at that time.

Table 5.2: Sewer Facilities Equivalent Dwelling Units

Land Use	EDU Factor	2025 Units / 1,000 SF	2025 EDUs	Growth 2024 to Buildout Units / 1,000 SF	Growth 2024 to Buildout EDUs	Total - Buildout Units / 1,000 SF	Total - Buildout EDUs
Residential - per Dwelling Unit							
Single Family	1.00	2,126	2,126	350	350	2,476	2,476
Multifamily	0.44	1,120	493	1,753	771	2,873	1,264
Subtotal		3,246	2,619	2,103	1,121	5,349	3,740
Nonresidential - per 1,000 Sq. Ft.							
Commercial	0.25	321	4	902	302	1,223	306
Office	0.25	93	23	967	242	1,060	265
Industrial	0.10	565	56	429	43	994	99
Subtotal		979	83	2,299	587	3,278	670
Total			2,702		1,708		4,410
			61.3%		38.7%		100%

Sources: Tables 2.1 and 5.1

Facility Needs and Costs

Table 5.3 identifies the planned sewer facilities to be funded by the fee. The new sewer facilities were all identified in the SMP. City staff provided updates to the project costs to reflect the current cost of construction.

For those sewer projects that benefit both existing development and new development, costs are allocated to new development consistent with the allocation from the City's prior water capacity fee study. In total, $2 million in capacity expanding projects is allocated to the sewer capacity fee.

Table 5.3: Sewer Facilities Allocation to New Development

Project	Pipe Diameter (in)	Pipe Length (ft)	Cost	Allocation to New Development	Cost Allocated to New Development
P-2A: ORH	21	1,100	$ 3,102,168	30%	$ 930,650.49
P-2B: La Plaza	16	1,700	3,056,818	29%	886,477
P-6: Lincoln	8	400	247,446	23%	56,913
P-7: La Salle	10	700	602,637	25%	150,659
Total Sewer Facilities Project Costs			$ 7,009,069		$ 2,024,700

Source: City of Cotati, 2011 Sewer Master Plan, Table 7.2.

Cost per EDU

The cost of planned facilities allocated to new development is divided by the total growth in EDUs to determine a cost per EDU. **Table 5.4** displays this calculation.

Table 5.4: Cost per EDU

Cost Allocated to New Development	$ 2,024,700
Growth in EDUs (2025 to Buildout)	1,708
Cost per EDU	$ 1,185

Sources: Tables 5.2 and 5.3

Current Sewer System Asset Valuation

Table 5.5 displays the current sewer system asset valuation. In this case, Replacement New Cost Less Depreciation (RCNLD) is the appropriate method to determine the current value of the sewer systems. RCNLD is a commonly used method, and it is often preferred to alternative methods such as Original Cost Less Depreciation (OCLD), Original Cost (OC), and Replacement Cost (RC) because of its better reflection of the system's value in today's dollars. Unless the systems have depreciated significantly due to lack of replacement and repair, RCNLD is more defensible because the replacement cost is inflation-adjusted to recover the cost of replacing that capacity in current dollars. RCNLD also accounts for depreciation and consequently address the fact that the system reflects its current condition.

Table 5.5: Current Sewer System Asset Valuation

Name	Diameter (in)	Length (ft)	Cost	Date Acquired[1]	Lifespan (Years)	Percent Depreciated	Replacement Cost New Less Depreciation
Existing Collection System Replacement Value							
Piping	4	196	$ 60,624	1990	50	70%	$ 18,187
Piping	6	92,979	43,138,723	1990	50	70%	12,941,617
Piping	8	35,519	21,972,622	1990	50	70%	6,591,787
Piping	10	9,558	8,228,578	1990	50	70%	2,468,573
Piping	12	6,013	6,844,357	1990	50	70%	2,053,307
Piping	16	1,790	3,218,649	1990	50	70%	965,595
Piping	18	1,247	2,719,266	1990	50	70%	815,780
Piping	21	2,585	7,290,096	1990	50	70%	2,187,029
Piping	24	22,539	79,755,063	1990	50	70%	23,926,519
Subtotal Collection System		172,426	$ 173,227,977				$ 51,968,393
Existing Sewer Pumping System Replacement Value							
Redwood Lift Station			$ 750,000	2001	50	48%	$ 390,000
Benson Lift Station			250,000	1973	50	100%	-
Quail Hollow Lift Station			750,000	1988	50	74%	195,000
Eagle Drive Lift Station			500,000	1984	50	82%	90,000
Subtotal Pumping System			$ 2,250,000				$ 675,000
Total Current Sewer System Valuation			$ 175,477,977				$ 52,643,393

[1] Average age of collection system assets.

Source: City of Cotati.

Capacity Fee per GPD

Every capacity fee consists of a dollar amount, representing the value of facilities, divided by a measure of demand. The calculation of the buy-in fee per GPD for sewer facilities is shown in **Table 5.6.** The sewer system's usable sewer flow capacity, totaling 760,000 was identified by in the 5th amendment to the agreement for use of Santa Rosa Subregional Sewerage System. The system value divided by the total capacity of the system yields the capacity fee per gallon per day of $69.27. This amount is multiplied by the assumption of 183 gallons per day per EDU to determine the capacity fee buy-in component per EDU.

Table 5.6: Buy-In Cost per EDU

Total System Value	$ 52,643,393
System Flow Capacity (Gallons per Day)	760,000
Cost per GPD	$ 69.27
GPD per EDU	183
Cost per EDU	$ 12,699

Sources: 5th amendment to the agreement for use of Santa Rosa Subregional Sewerage System; Willdan Financial Services, Table 5.5.

Cost per EDU Summary

Table 5.7 summarizes the two component costs per EDU from Table 5.4 and 5.6.

Table 5.7: Cost per EDU

Future Facilities Cost per EDU	$ 1,185
Buy-In Cost per EDU	12,699
Total	$ 13,884

Sources: Tables 5.4 and 5.6.

Fee Schedule

The maximum justified sewer capacity fee schedule is shown in **Table 5.8.** The cost per EDU from Table 5.7 is converted to a fee per unit of new development based on the EDU factors shown in Table 5.1. The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2%) administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue, and cost accounting, mandated public reporting, and fee justification analyses.

Table 5.8: Maximum Justified Sewer Capacity Fee Schedule

Land Type	A Cost Per EDU	B EDU Factor	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	E / Average or 1,000 Fee per Sq. Ft.[3]
Residential						
All Units[4]	$ 13,884	0.53	$ 7,359	$ 147	$ 7,506	$ 4.91
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 13,884	0.25	$ 3,471	$ 69	$ 3,540	$ 3.54
Office	13,884	0.25	3,471	69	3,540	3.54
Industrial	13,884	0.10	1,388	28	1,416	1.42

[1] Fee per average sized dwelling unit, per 1,000 square feet of nonresidential building space.
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assumes an average of 1,525 square feet per dwelling unit based on an analysis of data from the 2023 American Housing Survey, San Francisco Metropolitan Area.
[4] Average EDU factor per residential dwelling unit weighted by projected single family and multifamily development.

Sources: Table 5.1 and 5.7.

6. Traffic Facilities

This chapter summarizes an analysis of the need for various traffic facilities to accommodate new development. The *essential nexus* for this facility category is between the demand for new traffic mitigation facilities from the projected increase in vehicle trips and the additional traffic mitigation facilities needed to meet those service demands. The fees are roughly proportional to demand because they ensure that new development will pay no more than its proportionate share of the identified planned facilities needed to serve the City through the planning horizon, and the fees are scaled based on the number trips generated by residential and nonresidential land uses.

Trip Demand

The need for traffic facilities is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of PM peak hour vehicle trips, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the City's system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trip adjustments made to trip generation rates to calculate trip demand are described below:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

These adjustments allow for a holistic quantification of trip demand that takes trip purpose and length into account for fee calculation purposes.

Table 6.1 shows the calculation of trip demand factors by land use category based on the adjustments described above. Trip rates for all land uses are based on the latest data available from the Institute of Traffic Engineers (ITE). The trip purpose and trip length assumptions in Table 6.1 are based on extensive and detailed trip surveys conducted in the San Diego region by the San Diego Association of Governments (SANDAG). The SANDAG is used to supplement the trip generation rates, because the SANDAG surveys provide one of the most comprehensive databases available of pass-by trips factors for a wide range of land uses. It should be noted that the projections of current and future trip demand generation in this report are based on data specific to the City.

Table 6.1: Trip Demand Factors

	Pass-by Trips[1]	Primary and Diverted Trips	Average Trip Length[2]	Adjust-ment Factor[3]	ITE Category	PM Peak Hour Trips[4]	Trip Demand Factor[5]
	A	*B = 1 - A*	C	*D = B x C / Avg.*		*E*	*F = D x E*
Residential - per Dwelling Unit							
Single Family	3%	97%	7.9	1.11	Single Family Housing (210)	0.99	1.10
Multifamily	3%	97%	7.9	1.11	Multifamily Housing (Low-Rise) (220)	0.57	0.63
Nonresidential - per 1,000 Sq. Ft.							
Commercial	22%	78%	3.6	0.41	Shopping Center (820)	4.09	1.68
Office	4%	96%	8.8	1.22	General Office (710)	1.44	1.76
Industrial	2%	98%	9.0	1.28	General Light Industrial (110)	0.80	1.02

[1] Percent of total trips. A pass-by trip is made as an intermediate stop on the way from an origin to a primary trip destination without a route diversion. Pass-by trips are not considered to add traffic to the road network. Based on SANDAG data.
[2] In miles. Based on SANDAG data.
[3] The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 6.9 miles.
[4] Trips per dwelling unit or per 1,000 building square feet.
[5] The trip demand factor is the product of the trip adjustment factor and the trip rate.

Sources: Institute of Traffic Engineers, Trip Generation Manual, 11th Edition; Institute of Traffic Engineers, San Diego Association of Governments, Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region, April 2002; Willdan Financial Services.

Trip Growth

The planning horizon for this analysis is General Plan buildout. **Table 6.2** lists the 2025 and buildout land use assumptions used in this study. The trip demand factors calculated in Table 6.1 are multiplied by the existing and future dwelling units and building square feet from Table 2.1 to determine the increase in trips caused by new development.

Table 6.2: Land Use Scenario and Total Trips

	Trip	2025		Growth 2025 to Buildout		Total - Buildout	
Land Use	Demand Factor	Units / 1,000 SF	Trips	Units / 1,000 SF	Trips	Units / 1,000 SF	Trips
Residential - per Dwelling Unit							
Single Family	1.10	2,126	2,339	350	385	2,476	2,724
Multifamily	0.63	1,120	706	1,753	1,104	2,873	1,810
Subtotal		3,246	3,045	2,103	1,489	5,349	4,534
Nonresidential - per 1,000 Sq. Ft.							
Commercial	1.68	321	539	902	1,516	1,223	2,055
Office	1.76	93	164	967	1,702	1,060	1,866
Industrial	1.02	565	576	429	438	994	1,014
Subtotal		979	1,279	2,299	3,656	3,278	4,935
Total			4,324		5,145		9,469
			45.7%		54.3%		100%

Sources: Tables 2.1 and 6.1.

Project Costs

Cost estimates are summarized in **Table 6.3** and were sourced from the City's current traffic mitigation fee program and CIP. Any funding that has been identified for these projects is netted out of the total cost. Projects that were allocated 100% to new development in the City's prior impact fee study continue to be allocated 100% to new development. Projects are needed both due to existing development and new development are allocated to new development proportionally to new development's share of trip demand at the planning horizon as calculated in Table 6.2 (54.3%). Allocating this amount of costs to the impact fee ensures that new development will not fund more than its proportional share of traffic mitigation facilities demand.

Table 6.3: Planned Facilities

Project	Description	Cost (2025)[1]	Cost Allocated to Adjacent Properties	Total Cost (2025)[1]	Allocation to New Development[2]	Cost Allocated to New Development
Gateway Signage - La Plaza	Convert the La Plaza marquee to a digital display	$ 51,000	-	$ 51,000	54.3%	$ 27,693
Gateway Signage - Commerce Monument	Designs and build monument gateway sign	765,000	-	765,000	54.3%	415,395
La Plaza Reunification	Reconfigure Old Redwood Highway and Sierra Ave.	15,660,000	-	15,660,000	54.3%	8,503,380
Traffic Signal - Commerce/Old Redwood Hwy	Installing a new traffic signal	1,080,000	-	1,080,000	54.3%	586,440
Gravenstein Hwy	Widen SR 116 and add turn lanes	8,544,200	-	8,544,200	100.0%	8,544,200
SR 116/Madrone Ave	Signal and additional turn lanes	1,556,100	-	1,556,100	100.0%	1,556,100
SR 116/New North-South Street	Signalize new intersection	2,135,700	-	2,135,700	100.0%	2,135,700
SR 116/ W Cotati Ave	Realign and signalize the intersection	6,262,400	-	6,262,400	100.0%	6,262,400
SR 116/ Redwood Dr	Additional lane capacity	1,116,600	-	1,116,600	100.0%	1,116,600
ORH/Commerce Blvd-US 101 N	Restriping and signal modification	127,700	-	127,700	100.0%	127,700
SR 116/ORH	Extend turn lane and change phasing	103,000	-	103,000	100.0%	103,000
ORH/St. Joseph Street	Signal	1,009,500	-	1,009,500	100.0%	1,009,500
ORH/William-George Streets	Signal	1,009,500	-	1,009,500	100.0%	1,009,500
ORH/East Cotati Ave	Reconfiguration and phasing change	171,700	-	171,700	100.0%	171,700
E Cotati Ave/Charles St	Signal	1,038,300	-	1,038,300	100.0%	1,038,300
E Cotati Ave/Lasalle Ave	Signal	1,057,600	-	1,057,600	100.0%	1,057,600
New North-South and East-West Streets	New Streets	7,475,600	5,232,920	2,242,680	100.0%	2,242,680
Helman Ave	Center turn lane	3,568,200	-	3,568,200	100.0%	3,568,200
Isabel Ave-Gilman Ranch Rd Extension	New Streets	5,774,000	4,041,800	1,732,200	100.0%	1,732,200
Bike and Pedestrian Master Plan	Various Improvements	4,614,800	3,230,360	1,384,440	100.0%	1,384,440
Safety Program	Various safety improvements	1,127,600	-	1,127,600	100.0%	1,127,600
Total		$ 64,248,500	$ 12,505,080	$ 51,743,420		$ 43,720,328

[1] Capacity expanding project costs from 2015 traffic impact fee study adjusted for inflation using the ENR Construction Cost Index. SR 116/ W Cotati Ave based on 35% Engineer's Estimate.

[2] Allocation to new development for projects new to the fee program is equal to new development's share of total trip demand at the planning horizon. Allocation for all legacy projects is 100%, as the facilities were operating at an acceptable LOS when they were added to the program.

Sources: City of Cotati FY 2024-25 Capital Improvement Program; W-Trans 2015 Traffic Impact Fee Study; Table 6.2, Willdan Financial Services.

Fee per Trip Demand Unit

Every impact fee consists of a dollar amount, or the cost of projects that can be funded by a fee, divided by a measure of development. In this case, all fees are first calculated as a cost per trip demand unit. Then these amounts are translated into housing unit (cost per dwelling unit) and employment space (cost per 1,000 building square feet) by multiplying the cost per trip by the trip generation rate for each land use category. These amounts become the fee schedule.

Table 6.4 calculates the cost per trip demand unit by dividing the total project costs attributable to new development in Table 6.3, by the total growth in trips calculated in Table 6.2.

Table 6.4: Cost per Trip to Accommodate Growth

Costs Allocated to New Development	$	43,720,328
Growth in Trip Demand (2025 to Buildout)		5,145
Cost per Trip	$	8,498

Sources: Tables 6.2 and 6.3.

Fee Schedule

Table 6.5 shows the maximum justified traffic facilities fee schedule. The maximum justified fees are based on the cost per trip shown in Table 6.4. The cost per trip is multiplied by the trip demand factors in Table 6.1 to determine a fee per unit of new development. The fee per average sized dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2%) administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue, and cost accounting, mandated public reporting, and fee justification analyses.

Table 6.5: Transportation Facilities Impact Fee Schedule

Land Use	A Cost Per Trip	B Trip Demand Factor	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	E / Average or 1,000 Fee per Sq. Ft.
Residential						
All Units[4]	$ 8,498	0.71	$ 6,034	$ 121	$ 6,155	$ 4.03
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 8,498	1.68	$ 14,277	$ 286	$ 14,563	$ 14.56
Office	8,498	1.76	14,956	299	15,255	15.26
Industrial	8,498	1.02	8,668	173	8,841	8.84

[1] Fee per average sized dwelling unit or per 1,000 square feet of nonresidential.
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assumes an average of 1,525 square feet per dwelling unit based on an analysis of data from the 2023 American Housing Survey, San Francisco Metropolitan Area.
[4] Average trip demand factor per residential dwelling unit weighted by projected single family and multifamily development.

Sources: Tables 6.1 and 6.4.

7. General Plan

The purpose of this fee is to ensure that new development funds its fair share of future general plan updates and related studies. The City will undertake several planning studies through the buildout of the City's General Plan. These studies will guide future facility planning needed to serve all development within the City. A fee schedule is presented based on the system plan standard of general plan studies in the City of Cotati to ensure that new development funds its fair share of those analyses. The *essential nexus* for this facility category is between the demand for updated planning documents from the projected increase in service population and the additional planning documents needed to meet those demands. The fees are roughly proportional to demand because they ensure that new development will pay no more than its proportionate share of the identified planning documents needed to serve the City through the planning horizon, and the fees are scaled based on the number of residents occupying a new dwelling unit, or the number of jobs associated with nonresidential land uses.

Service Population

General plan updates serve both residents and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents and workers. **Table 7.1** shows the existing and future projected service population for general plan updates. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are occupied less intensively than dwelling units. This study makes use of a worker weighting factor to estimate different levels of demand between residential and nonresidential land uses. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development are typically occupied less intensively than dwelling units and consequently create a lesser demand for facilities.

Table 7.1: General Plan Service Population

	A Persons	*B* Weighting Factor	*A x B = C* Service Population
Residents			
Existing (2025)	7,281	1.00	7,281
New Development	3,915	1.00	3,915
Total (Buildout)	11,196		11,196
Workers			
Existing (2025)	2,615	0.31	811
New Development	5,562	0.31	1,724
Total (Buildout)	8,177		2,535
Combined Residents and Weighted Workers			
Existing (2025)			8,092
New Development			5,639
Total (Buildout)			13,731

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

Sources: Table 2.1; Willdan Financial Services.

Planned Costs

Table 7.2 lists the City's anticipated General Plan updates and related study costs within the planning horizon. Estimated study costs are based on Willdan's experience with other clients in California. In total, the City has identified $1.9 million in general plan and related study costs.

Table 7.2: General Plan Costs

	Quantity	Units	Unit Cost	Cost
General Plan Update	1	Update	$ 1,000,000	$ 1,000,000
Housing Element Update	2	Updates	300,000	600,000
Zoning Code Update	1	Update	300,000	300,000
Total				$ 1,900,000

Note: Costs are assumed based on Willdan's experience with other clients in California.

Source: Willdan Financial Services.

Facility Standard

Table 7.3 shows the calculation of the system plan facilities standard per capita for General Plan updates and related studies. The studies will identify facilities needed to serve both existing and new development, so the costs of the studies are allocated to both existing and new development using this methodology. The cost standard is calculated by dividing the total cost of all studies

needed by buildout by the total service population at buildout. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker.

Table 7.3: General Plan – System Standard

Cost of Planning Studies	$	1,900,000
Future Service Population (Buildout)		13,731
Cost per Capita	$	138
Cost Allocation per Resident	$	138
Cost Allocation per Worker[1]		43

[1] Based on a weighting factor of 0.31.

Sources: Tables 7.1 and 7.2.

Fee Revenue Projection

The City plans to use fee revenue to complete the studies identified in Table 7.2. The studies will be used to identify facility needs to serve the City as it grows. **Table 7.4** details a projection of fee revenue, based on the service population growth increment identified in Table 7.1. The City should program fee revenue to specific projects annually through its CIP and budget process. After accounting for the projected future impact fee revenue $1.1 million in non-fee funding will be needed to complete the studies.

The City will need to use alternative funding sources to fund existing development's share of the studies. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, and grants.

Table 7.4: Revenue Projection - System Standard

Cost per Capita	$	138
Growth in Service Population (2025 to Buildout)		5,639
Fee Revenue	$	778,182
Net Cost of Planned Facilities		1,900,000
Non-Fee Revenue To Be Identified	$	(1,121,818)

Sources: Tables 7.1, 7.2 and 7.3.

Fee Schedule

Table 7.5 shows the maximum justified advanced General Plan update fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The fee per average sized

single family, and multifamily dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of each type of unit.

The total fee includes a two percent (2%) administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue, and cost accounting, mandated public reporting, and fee justification analyses.

Table 7.5: General Plan Impact Fee Schedule

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee	F = E / Average or 1,000 Fee per Sq. Ft.
Residential						
All Units	$ 138	2.25	$ 311	$ 6	$ 317	$ 0.21
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 43	2.12	$ 91	$ 2	$ 93	$ 0.09
Office	43	3.26	140	3	143	0.14
Industrial	43	1.16	50	1	51	0.05

[1] Fee per average sized dwelling unit or per 1,000 square feet of nonresidential building space.
[2] Administrative charge of 1.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assumes an average of 1,525 square feet per dwelling unit based on an analysis of data from the 2023 American Housing Survey, San Francisco Metropolitan Area.

Sources: Tables 2.2 and 7.3.

8. AB 602 Requirements

On January 1, 2022, new requirements went into effect for California jurisdictions implementing impact fees. Among other changes, AB 602 added Section 66016.5 to the Government Code, which set guidelines for impact fee nexus studies. Four key requirements from that section which concern the nexus study are reproduced here:

66016.5. (a) (2) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.

66016.5. (a) (4) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.

66016.5. (a) (5) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

66016.5. (a) (6) Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.

Compliance with AB 602

The following sections describe this study's compliance with the new requirements of AB 602 for the Mitigation Fee Act Fees included in this report (parks and recreation facilities, traffic facilities, and general plan updates).

66016.5. (a) (2) - Level of Service

1. For the park and recreation fees calculated under the existing standard methodology, the fees are calculated such that new development funds facilities at the existing level of service. The existing level service in terms of the existing facility investment per capita is shown in the park and recreation facilities chapter.
2. For fees calculated under the planned facilities methodology, the fees are calculated to ensure that the level of service does not fall to unacceptable levels. The fees calculated under this approach are the traffic mitigation facility fees. Traffic projects included in these fees met the City's congestion level of service standards at the time they were added to the impact fee program. Impact fees charged under this program will serve to ensure that the LOS does not fall to unacceptable levels.
3. For the fees calculated under the system standard methodology, the maximum justified fees represent an increase in the facility level of service. The fees calculated under this methodology are the general plan update fees. The increased level of service is required to fund new development's fair share of future general plan updates and related studies. New development will not fund the entirety of the increase in level of service, rather, it will fund a share of the increased level of service represented by the future updates. The City will have to fund existing development's share of the increased level of service through any other funding source.

66016.5. (a) (4) – Review of Original Fee Assumptions

Willdan extensively reviewed the City's prior impact fee study while conducting this fee analysis. Notable this study differs from the 2015 traffic impact fee study in several ways:

1. This study uses a planning horizon of General Plan Buildout, which has been updated based on increased density associated with the Santero Way Specific Plan.
2. Cost assumptions have been updated to current dollars. The costs in the 2015 study were considerably lower than current market costs for construction of new facilities.

Table 8.1 displays an accounting of annual revenue collected from FY2016 through FY2024 for the traffic mitigation impact fees. Note that the City's park in-lieu fee is charged under the Quimby Act, and the water and sewer capacity fees are charged under Government Code 66013, so this requirement does not apply to those fees.

Table 8.1: Annual Collected Impact Fee Revenue

Fiscal Year	Traffic Mitigation Fee Revenue
FY 2024	$ 7,255
FY 2023	150,964
FY 2022	357,351
FY 2021	55,221
FY 2020	7,097
FY 2019	-
FY 2018	306,523
FY 2017	92,294
FY 2016	19,219

Source: City of Cotati Annual Report on Developer's Funds per GC 66000, FY 2016 through FY 2024.

66016.5. (a) (5) – Residential Fees per Square Foot

Impact fees for residential land uses are calculated per square foot for all fee categories and comply with AB 602.

66016.5. (a) (6) – Capital Improvement Plan

The Capital Improvement Plan for this nexus study is comprised of the identified planned facilities within each facility fee chapter. Planned facilities identified in this document are sourced from the City's current adopted CIP, master plans and other relevant documents. Adoption of this nexus study would approve the planned facilities identified herein as the Capital Improvement Plan for this nexus study.

9. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code* sections 66004, 66016.5, 66018, and 66019. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public hearing. The impact fee nexus study must first be adopted at a public hearing to comply with AB 602. That public hearing must be noticed at least 30 days in advance. Data, such as an impact fee report, must be made available at least 14 days prior to the public hearing. The City's legal counsel should be consulted for any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect.

Inflation Adjustment

The City can keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the California Construction Cost Index (CCCI) be used for adjusting fees for inflation.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. Per Government Code section 66016.5(a)(8) nexus studies must be updated every eight years, effective January 1, 2022.

Reporting Requirements

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

There is no time limit by which impact fee revenue must be spent. However, if the City is accruing impact fee revenue to fund new development's share of a project, then it must make certain findings with respect to unexpended impact fee fund balances after five years. Among other requirements, the five-year report requires the City to "Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements," and to "Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund."[4]

On October 13, 2023 AB 516 was signed into law by the Governor of California, and went into effect on January 1, 2024. This bill requires local agencies to:

- Include information on projects noted in prior reports and whether construction began on the approximate date noted in the previous report.

[4] *California Government Code* § 66001(d).

- Explain the reason for any delay in the start of the project and provide a new approximate date construction will begin.
- Identify the number of people or entities that receive refunds of Mitigation Fee Act fees.

The bill also requires local agencies to inform people paying mitigation fees that they:

- Can request an audit to determine if the fees charged by a local agency are more than the amount of money needed to cover the cost of the public improvements.
- Can receive information by mail about when the local agency will meet to review its annual Mitigation Fee Act report.
- Can access and review mitigation fee information on the local agency's website, and how to do so.

Table 9.1 summarizes the annual and five-year reporting requirements identified in the *Mitigation Fee Act*.

Table 9.1: Mitigation Fee Act - Annual and Five-year Administrative Requirements

CA Gov't Code Section	Timing	Reporting Requirements[1]	Recommended Fee Adjustment
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	(A) Identify the purpose to which the fee is to be put. (B) Demonstrate a reasonable relationship between the fee and thepurpose for which it is charged. (C) Identify all sources and amounts of funding anticipated tocomplete financing in incomplete improvements. (D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	(A) A brief description of the type of fee in the account or fund. (B) The amount of the fee. (C) The beginning and ending balance of the account or fund. (D) The amount of the fees collected and the interest earned. (E) An identification of each public improvement on which fees were expended including share funded by fees. (F) (i) 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 and the public improvement remains incomplete. (ii) An identification of each public improvement identified in a previous report pursuant to clause (i) and whether construction began on the approximate date noted in the previous report. (iii) For a project identified pursuant to clause (ii) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction. (G) A description of any potential interfund transfers. (H) The amount of refunds made (if any).	Inflationary Adjustment

[1] Edited for brevity. Refer to the government code for full description.

Sources: California Government Code §66001 and §66006.

10. Mitigation Fee Act Findings

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

The *Mitigation Fee Act* findings required to implement impact fees in California demonstrate the *essential nexus* between new development and a fee to fund facilities needed to serve that development. The term *essential nexus* refers to the relationship between new development and the need for facilities (and corresponding impact fees) to serve that development. The findings also require that this study demonstrates *rough proportionality* of the fees- meaning that the amount of the exaction must roughly correspond to the burden placed on the government, resulting from the proposed development project. To ensure that fees are roughly proportional to from new development, this study first allocates facilities costs to new development using the allocation methods described in the preceding chapters, then to individual units of new development based on the demand characteristics of each unit.

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

Purpose of Fee

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

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

Use of Fee Revenues

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

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

Benefit Relationship

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

The City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new

development. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. Under *the Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

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

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

For traffic mitigation facilities demand standards are based on trip generation by various categories of new development.

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

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

Proportionality

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

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

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