



CITY OF RANCHO CUCAMONGA

DATE: April 16, 2025

TO: Mayor and Members of the City Council

FROM: John R. Gillison, City Manager

INITIATED BY: Matt Burris, Deputy City Manager
Zack Neighbors, Director of Building and Safety Services
Jason C. Welday, Director of Engineering Services/City Engineer

SUBJECT: Public Hearing for Consideration of Resolution No. 2025-010, A Resolution of the City Council of Rancho Cucamonga, California, Approving the Development Impact Fee Nexus Study for the Community and Recreation Center Impact Fee, Library Impact Fee, Animal Center Impact Fee, Police Impact Fee, Park Impact Fees and Fire Impact Fee , Adopting Capital Improvement Programs as Part of the Nexus Study, Updating and Establishing the Fee Amounts for Such Development Impact Fees, and Making a Determination of Exemption Under California Environmental Quality Act (CEQA) and Consideration of First Reading of Ordinance No. 1038, to Be Read by Title Only and Waive Further Reading, An Ordinance of the City of Rancho Cucamonga, Adding Chapter 3.80 to the Rancho Cucamonga Municipal Code, Establishing a Development Impact Fee for Fire Impacts of Residential and Business Development, Amending Chapter 3.68 to Remove References to Quimby Act in Lieu Fees, and Making a Determination of Exemption from the CEQA. **(RESOLUTION NO. 2025-010) (ORDINANCE NO. 1038) (CITY)**

RECOMMENDATION:

Staff recommends that the City Council:

1. Reopen the noticed public hearing to receive comments and testimony from the public on the proposed impact fees and nexus study for the Community and Recreation Center Impact Fee, Library Impact Fee, Animal Center Impact Fee, Police Impact Fee, Park Impact Fees and Fire Impact Fee;
2. Adopt Resolution No. 2025-010 adopting the nexus study for the Community and Recreation Center Impact Fee, Library Impact Fee, Animal Center Impact Fee, Police Impact Fee, Park Impact Fees and Fire Impact Fee, adopting capital improvement programs as part of the nexus study, and approving the updated Development Impact Fee amounts, including findings in support thereof; and
3. Conduct the first reading of Ordinance No.1038, Adding Chapter 3.80 to the Rancho Cucamonga Municipal Code, Establishing a Development Impact Fee for Fire Impacts of Residential and Business Development, Amending Chapter 3.68 to Remove References

to Quimby Act in Lieu Fees, and Making a Determination of Exemption from the California Environmental Quality Act.

BACKGROUND:

Impact fees are charges that local governments impose on developers to offset the impacts and cost of new development on public services and infrastructure, such as roads, schools, parks, and emergency services. These fees aim to ensure that growth supports itself financially, rather than placing a burden on existing residents and taxpayers. In recent years, California has faced a housing shortage, driven by high demand and limited supply. To address this crisis, the state has sought to regulate the fees associated with development, ensuring that they are applied in a way that supports housing development and balances infrastructure needs.

One key regulation addressing development fees is the **Mitigation Fee Act** (Government Code Sections 66000-66025), which governs how local governments can charge developers impact or mitigation fees to address the effects of new developments on public infrastructure and services. The Mitigation Fee Act has recently been updated with **Assembly Bill 602** (AB 602), which in part addresses the application of impact fees on housing development projects.

The most recent update to the City's Development Impact Fees (DIFs) was adopted by Council on December 2, 2020. Construction costs have experienced significant increases from December 2020 to the present, driven by several factors including supply chain disruptions, labor shortages, inflation, and rising prices for materials, among other things. Construction inflation has typically outpaced general inflation, with industry-specific inflation in the construction sector often reaching 5 -10% annually. The rising cost of inflation has significant implications for the City's ability to fund and expand the public infrastructure and facilities required to support growth driven by new development. In order to ensure that the DIFs continue to reflect current costs, are properly apportioned, and meet current legal requirements, to ensure the City can effectively meet the demands of future growth.

This staff report provides an overview of the legal and procedural background for the establishment and implementation of Development Impact Fees, specifically in accordance with the **Mitigation Fee Act** as amended. It outlines the required procedures, methodology, and guidelines for adopting impact fees to mitigate the effects of new development on public infrastructure and services. The goal is to ensure that new development pays its fair share of the costs for public facilities and services that are necessitated by the development, without placing an undue burden on existing residents or taxpayers.

DIFs are charges levied on new development projects to fund the construction or expansion of public infrastructure and facilities needed to support the growth generated by the development. Included in the current DIFs are Park Impact Fees, Community and Recreation Impact Fees, Library Impact Fees, Animal Center Impact Fees, and Police Impact Fees which ensures that new development and redevelopment projects will pay their "fair share" towards new and expanded infrastructure and facilities that mitigate the impacts caused by this growth. Further, given the impact of new development on fire and emergency response facilities, a Fire Impact Fee has been developed for consideration by the City Council. The City also has a Transportation Impact Fee, which will be considered by the City Council at its May 7th meeting.

Mitigation Fee Act: The Mitigation Fee Act provides the legal framework for the imposition of development fees in California. It requires that fees imposed on new development must be reasonably related to the impact caused by the development. AB 602 modified the Mitigation Fee

Act to enhance transparency and accountability in the process of collecting and expending development impact fees. The Mitigation Fee Act requires that agencies provide clear and detailed accounting of fees collected and ensure the use of funds aligns with the purpose for which they were intended.

The Mitigation Fee Act sets forth the following key provisions regarding the establishment and collection of development impact fees:

- **Nexus Requirement:** The imposition of development impact fees must demonstrate a clear nexus between the proposed fee and the public infrastructure, or services needed to support the development. In other words, there must be a reasonable connection between the fee charged and the impacts of the new development on public facilities.
- **Proportionality:** The fees must be proportional to the impact caused by the development. This means the fee cannot exceed the fair share of the cost of providing necessary infrastructure or services that the development necessitates.
- **Fee Transparency:** The public must be notified of any proposed fees, and a detailed report on the fees must be provided that explains the methodology used to calculate the fees, including the specific improvements that the fees are intended to fund.
- **Accountability:** Fees collected must be used solely for the purpose for which they were collected and must be expended in a timely manner. After certain periods of time, unspent fees may need be returned to the developers or held in a separate interest-bearing account.

The Mitigation Fee Act also requires agencies to follow other requirements including:

- **Annual Reporting:** Local agencies that collect development impact fees are required to provide an annual report to the public detailing the amounts of fees collected, how the fees have been spent, and the status of any projects funded by the fees.
- **Five-Year Accounting Requirement:** Every five years, the City must make certain findings regarding the fees, including the expected dates when the funds will be spent, and progress made on constructing the funded infrastructure. This requirement aims to ensure that collected fees are used in a timely manner to address the impacts of development.
- **Fee Transparency:** Agencies must now provide a clear, itemized accounting of the fee amounts collected and the projects funded, making the process more transparent for developers, the public, and other stakeholders. An annual report is required to show the fees collected, how the fees have been spent, and the progress of the related capital projects.

The process for establishing DIFs involves several steps, including data collection, analysis, and stakeholder engagement. A typical methodology for setting up development impact fees includes the following steps:

- **Assess the Impact:** Analyze the types and scale of infrastructure and services needed to serve new development, based on projected growth and land use patterns.
- **Consult with Relevant Departments:** Coordinate with public agencies, including transportation, parks, water, and education departments, to assess facility and service needs.

- **Nexus Analysis:** A Nexus Study is typically required to determine the appropriate amount of the impact fee. The study should demonstrate a clear connection between the new development and the infrastructure, or services required to support it.
- **Proportionality:** The study should also demonstrate that the fees are proportional to the level of service that the new development will require.
- **Fee Calculation:** The fee level is determined based on the estimated cost of infrastructure improvements and the number of new residents or employees that will be generated by the development. Various methodologies can be used, such as:
 - **Level of Services Method:** Charges developers for the actual costs of providing facilities or services.
 - **Plan-based Method:** Calculates fees based on an adopted capital improvement plan or facility master plan.
 - **System-based Method:** Calculates the fees associated with the Fire Development Impact Fee.
- **Public Review:** The public must be given an opportunity to review the proposed fees. This includes a public hearing where stakeholders can provide input.
- **Adoption of Fees:** After the public hearing, the governing body (e.g., City Council) may adopt the fees.

In order to ensure that newly established or updated fees are in alignment with the Mitigation Fee Act, the City contracted with NBS, a consulting firm with extensive experience in the preparation of nexus studies, to prepare the attached nexus study.

On April 2, 2025, the City Council opened the duly noticed public hearing regarding the proposed non-transportation impact fees, as well as the proposed transportation impact fee. The City Council continued the public hearing as the non-transportation impact fees described herein to the April 16, 2025, City Council meeting and continued the public hearing as to the transportation impact fees to the May 7, 2025, meeting.

ANALYSIS:

The DIF Program is designed around key projects and improvements outlined in the City's General Plan. With the enactment of new State laws and updates to existing regulations, the General Plan has undergone revisions to align with these changes. Notably, these updates include provisions to accommodate more than 10,000 new residential units mandated by the State of California and implement new infrastructure to accommodate new development. These revisions directly affect the City's DIFs.

As a result of these updates, the City's approach to levying fees has evolved, particularly in response to the new requirements of AB 602, which became effective on January 1, 2022. This legislation mandates that impact fees levied on residential development be calculated based on square footage for future units rather than the prior standard of per dwelling unit. A nexus study must evaluate how existing and future residential development can be estimated by square footage or provide justification for why square footage is not relevant in this context, if it does not appropriately reflect the relationship between the fee, facility demand, and residential land use.

Additionally, AB 602 requires that, effective July 1, 2022, large jurisdictions adopting a nexus study must also adopt a capital improvement plan as part of the study. To comply with this requirement, the City has prepared an amendment to the Capital Improvement Plan, which is

integrated into the Major Projects Program. This amendment has been included in the attached resolution for consideration as part of the process to establish fees under the DIF Program.

To comply with the requirements of AB 602 the Non-Transportation Nexus Study utilized an existing level of service approach while calculating the Park Impact Fees. Chapter 3.68 of the Rancho Cucamonga Municipal Code established and governs impact fees for park land acquisition and park improvements. The City follows the General Plan standard for parkland and as a result the City does not use the Quimby Act.

In 2021, Section 66016.5 was added to the Mitigation Fee by Act AB 602. Paragraph (a)(2) of that section requires that, after January 1, 2022, the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2).

Park Land Acquisition Impact Fee and the Park Improvement Impact Fee

The following tables reflect the City's existing park acreage, existing level of service for park land and improve land, the cost per capita of existing park maintenance equipment, cost per capita for park land acquisition and improvements all of which are incorporated into the calculation which creates the Park Land Acquisition Impact Fee per Square Foot and the Park Improvement Impact Fee per Square Foot.

Table 3.1: Existing Parks

Park Name	Total Acres ¹	Improved Acres ⁴
<i>Community Parks</i>		
Central Park	74.45	35.84
Etiwanda Creek Community Park	22.48	14.48
Heritage Community Park	34.02	34.02
Red Hill Community Park	44.20	44.20
Epicenter Adult Sports Complex	48.90	48.90
<i>Subtotal Community Parks</i>	224.05	177.44
<i>Neighborhood Parks</i>		
Bear Gulch Park	4.56	4.56
Beryl Park East	10.10	10.10
Beryl Park West	8.72	8.72
Church Street Park	7.00	7.00
Coyote Canyon Park	4.74	4.74
Day Creek Park	9.98	9.98
Don Tuburcio Tapia Park (Long Term Lease)	4.34	0.00
Ellena Park	6.04	6.04
Garcia Park	5.55	5.55
Golden Oak Park	4.99	4.99
Hermosa Park	9.57	9.57
Kenyon Park	7.82	7.82
Legacy Park	3.76	3.76
Lions Park	2.50	2.50
Los Amigos Park	3.36	3.36
Milliken Park	8.40	8.40
Mountain View Park	5.03	5.03
Old Town Park	5.01	5.01
Olive Grove Park	7.38	7.38
Ralph M. Lewis Park	8.03	8.03
Rancho Summit Park	6.71	6.71
Spruce Avenue Park	3.89	3.89
Victoria Arbors Park	7.75	7.75
Victoria Groves Park	6.02	6.02
Vintage Park	8.02	8.02
West Greenway Park	6.10	6.10
Windrows Park	8.01	8.01
9/11 Park	1.40	0.00
<i>Subtotal Neighborhood Parks</i>	174.78	169.04
Total	398.83	346.48

¹ Source: City of Rancho Cucamonga; park acreage numbers revised February 2025; see maps of individual parks in Appendix C

Existing Level of Service

Table 3.2 calculates existing levels of service in terms of acres per capita and acres per 1,000 population for total City-owned Park land and for improved park land.

Table 3.2: Existing Level of Service - Total/Improved Park Land

Component	Existing Acres ¹	Existing Population ²	Acres per Capita ³	Acres per 1,000 ⁴
Total Park Land	398.83	191,987	0.00208	2.08
Improved Park Land	346.48	191,987	0.00180	1.80

¹ See Table 3.1

² Existing residential population; see Table 2.2

³ Acres per capita = existing acres / existing population

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

Table 3.3 calculates the costs per capita for park maintenance vehicles and equipment based on the replacement cost of existing park maintenance vehicles and equipment divided by the existing population of the City. That cost per capita is added to the cost per capita for park improvements in Table 3.6 where the per-capita costs are converted into a cost per unit of development.

Table 3.3: Cost per Capita - Existing Park Maintenance Equipment

Total Cost ¹	Existing Population ²	Cost per Capita ³
\$1,450,620	191,987	\$7.56

¹ See Appendix B for a detailed listing of existing park maintenance vehicles and equipment

² Existing population; see Table 2.3

³ Cost per capita = total cost / existing population

Cost Per Capita

Table 3.4 calculates the cost per capita for park land acquisition and for park improvements using the existing level of service in acres per capita and the cost-per-acre estimates for park land acquisition and park improvements.

Table 3.4: Cost per Capita - Park Land Acquisition and Park Improvements

Cost Component	Acres per Capita ¹	Cost per Acre ²	Cost per Capita ³
Park Land Acquisition	0.0018	\$ 1,176,197	\$ 2,117.15
Park Land Acquisition-Adjusted ⁴	0.0007	\$ 1,176,197	\$ 823.34
Park Improvements	0.0018	\$ 850,000	\$ 1,530.00

¹ Acres per capita for both park land acquisition and park improvements is based on the existing level of service for improved park land; see Table 3.2

² Cost per acre for land acquisition based on recent sales data from the CoStar real estate database; see Appendix A for detailed data; cost per acre for park improvements is based on improvement costs, adjusted for specialized improvement or typical improvements that were omitted, with an adjustment for inflation, for a recently completed 4.9 acre dog park

³ Cost per capita = acres per capita X cost per acre

⁴ Park land acres per capita is adjusted to credit future development for 46.61 acres (0.0011 acres per capita) of City-owned, unimproved park land in Central Park and Etiwanda Community Park; that adjustment reduces the total park land to be funded by park land impact fees from 75.42 acres to 29.33 acres; the adjusted cost per capita is used in Table 3.5 to calculate impact fees for park land acquisition

Impact Fees per Square Foot

Table 3.5 shows the calculation of park land acquisition impact fees per square foot for single-family and multi-family residential development. It should be noted that this fee was reduced from the prior version of the nexus study issued for public comment. The lower impact fee reflects a “credit” against existing unimproved land owned by the City and planned for park uses within the City.

Table 3.5: Park Land Acquisition Impact Fee per Square Foot

Development Type	Unit Type ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$ 823.34	\$ 2,593.51	2,500	\$ 1.04
Residential, Multi-Family	DU	2.48	\$ 823.34	\$ 2,041.88	1,700	\$ 1.20

¹ DU = dwelling unit

² See Table 2.1

³ See Table 3.4

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Table 3.6 shows the calculation of impact fees per square foot for single-family and multi-family residential development for park improvements.

Table 3.6: Park Improvement Impact Fee per Square Foot (Incl. Maintenance Equipment)

Development Type	Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$1,537.56	\$ 4,843.30	2,500	\$ 1.94
Residential, Multi-Family	DU	2.48	\$1,537.56	\$ 3,813.14	1,700	\$ 2.24

¹ DU = dwelling unit

² See Table 2.1

³ Includes cost per capita for park improvements from Table 3.4 and cost per capita for park maintenance vehicles and equipment from Table 3.3

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Community and Recreation Center Impact Fee

To comply with Section 66016.5 of the Mitigation Fee Act, the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2). This existing level of service approach was utilized in the calculation for the Community and Recreation Center Impact Fee.

Existing Facilities

Table 4.1 lists the City's existing community and recreation centers with their estimated replacement cost. Replacement cost is used in this analysis as an indicator of the cost of

constructing additional facilities to serve future development.

Table 4.1: Existing Community and Recreation Centers Estimated Replacement Cost

Facility Name	Site Acres ¹	Site Value ²	Building Sq. Feet ³	Building Repl Cost ⁴	Impact Fee Cost Basis ⁵
RC Family Resource Center	1.80	\$ 2,117,155	11,800	\$ 6,926,502	\$ 9,043,657
RC Sports Center	1.47	\$ 1,729,010	32,000	\$ 18,783,734	\$ 20,512,744
Lion's Center West	0.24	\$ 282,287	11,400	\$ 6,691,705	\$ 6,973,993
Lion's Center East	0.37	\$ 435,193	11,384	\$ 6,682,313	\$ 7,117,506
Lewis/Brulte Community/Sr. Ctr.	Located in Central Park		57,000	\$ 33,458,527	\$ 33,458,527
Heritage Park Equestrian Center	Located in Heritage Park		3,045	\$ 1,787,390	\$ 1,787,390
Victoria Gardens Cultural Center	1.80	\$ 2,117,155	67,584	\$ 49,005,658	\$ 51,122,812
Total		\$ 6,680,799	194,213	\$ 123,335,829	\$ 130,016,628

¹ Site Acres provided by the City of Rancho Cucamonga Community Services Department

² Existing site value = site acres X estimated land value of \$1,176,197 per acre; see Appendix A

³ Building square footage provided by the City of Rancho Cucamonga Community Services Department

⁴ Building replacement cost based on estimated cost in 2020 impact fee study escalated to 2024 using the California Construction Cost Index

⁵ Impact fee cost basis = site value + building replacement cost

Cost per Capita

Table 4.2 calculates the replacement cost per capita for community and recreation center facilities using the impact fee cost basis from Table 4.1 and the existing population.

Table 4.2: Community and Rec Centers - Existing Level of Service

Impact Fee Cost Basis ¹	Existing Population ²	Cost per Capita ³
\$130,016,628	191,987	\$677.22

¹ See Table 4.1

² Existing population; see Table 2.2

³ Cost per capita = impact fee cost basis / existing population

In the next section, the cost per capita from Table 4.2 is used to calculate community and recreation center impact fees per unit, which are then divided by square-feet-per-unit factors to get impact fees per square foot for single-family and multi-family residential development.

Impact Fees per Square Foot

Table 4.3 shows the calculation of community and recreation center impact fees per square foot for single-family and multi-family residential development.

Table 4.3: Community and Recreation Centers - Impact Fees per Square Foot

Development Type	Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$677.22	\$ 2,133.23	2,500	\$ 0.85
Residential, Multi-Family	DU	2.48	\$677.22	\$ 1,679.50	1,700	\$ 0.99

¹ Units of development; DU = dwelling unit

² See Table 2.1

³ Cost per capita; see Table 4.2

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Library Impact Fee

To comply with Section 66016.5 of the Mitigation Fee Act the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2). This existing level of service approach was utilized in the calculation for the Library Impact Fee.

Existing Facilities

Table 5.1 lists the City's existing libraries with their estimated replacement cost. Replacement cost is used in this analysis as an indicator of the cost of constructing additional facilities to serve future development. Cost for library furniture fixtures and equipment, and the contents of the museum at the Biane Library are listed separately.

Table 5.1: Existing Library Facilities

Facility	Site Acres	Site Value ¹	Building Sq. Feet ²	Building Repl Cost ³	Impact Fee Cost Basis ⁴
Paul A. Biane Library	1.35	\$ 1,587,866	38,912	\$ 26,298,402	\$ 27,886,268
Museum Contents at Biane Library					\$ 3,500,000
Archibald Library	1.67	\$ 1,964,249	22,500	\$ 11,964,272	\$ 13,928,521
Library Furniture, Fixtures, Equipt.					\$ 4,100,000
Library Kiosk (RC Resource Center)			199	\$ 220,000	\$ 220,000
Library Kiosk (Fire Station 178)			199	\$ 220,000	\$ 220,000
Total		\$ 3,552,115	61,810	\$ 38,702,674	\$ 49,854,789

¹ Site value based on \$1,176,197 per acre; see Appendix A

² Building square footage provided by the City of Rancho Cucamonga Library Services Department

³ Building replacement cost based on the estimated cost in 2020 impact fee study escalated to 2024 using the California Construction Cost Index

⁴ Impact fee cost basis = site value + building replacement cost

This analysis also includes the cost of library materials (books and electronic media). Table 5.2 shows the estimated replacement cost of the library system's existing materials.

Table 5.2: Existing Library Materials

Number of Items ¹	Avg Cost per Item ²	Impact Fee Cost Basis ³
269,559	\$54.71	\$14,747,573

¹ Number of items provided by the City of Rancho Cucamonga Library Services Department

² Cost per item estimated by the Library Services Department

³ Impact fee cost basis = cost of existing library materials = number of items X average cost per item

Cost per Capita

Table 5.3 calculates the replacement cost per capita for library facilities and materials using the impact fee cost basis for library facilities from Table 5.1, and the impact fee cost basis for existing library materials from Table 5.2, both divided by the City's existing population.

Table 5.3: Library Facilities and Materials - Cost per Capita

Component	Impact Fee Cost Basis ¹	Existing Population ²	Cost per Capita ³
Library Facilities	\$ 49,854,789	191,987	\$ 259.68
Library Materials	\$ 14,747,573	191,987	\$ 76.82
Total	\$ 64,602,362	191,987	\$ 336.49

¹ See Tables 5.1 and 5.2

² Existing population; see Table 2.2

³ Cost per capita = impact fee cost basis / existing population

In the next section, the total cost per capita from Table 5.3 is used to calculate library impact fees per unit, which are then divided by square feet per unit factors to get impact fees per square foot for single-family and multi-family residential development.

Impact Fees per Square Foot

Table 5.4 shows the calculation of library impact fees per square foot for single-family and multi-family residential development.

Table 5.4: Library Impact Fees per Square Foot

Development Type	Dev Units ¹	Cost per Capita ²	Population per Unit ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$ 336.49	3.15	\$ 1,059.96	2,500	\$ 0.42
Residential, Multi-Family	DU	\$ 336.49	2.48	\$ 834.51	1,700	\$ 0.49

¹ Units of development; DU = dwelling unit

² Cost per capita; see Table 5.3

³ See Table 2.1

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Animal Center Impact Fee

The City has not adopted a formal level of service standard for animal center facilities. Consequently, the level-of-service standard used to calculate impact fees is the existing relationship between the City's population and the replacement cost of existing animal center facilities, vehicles and equipment, stated as a cost per capita.

To comply with Section 66016.5 of the Mitigation Fee Act the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2). This existing level of service approach was utilized in the calculation for the Animal Center Impact Fee.

Existing Facilities

Table 6.1 shows the estimated replacement cost for the City's existing Animal Center and the value of a 1.92-acre site the City has acquired to expand that facility. Table 6.1 also shows a credit for the current balance in the City's Animal Center impact fee fund which is available to increase the existing level of service.

Table 6.1: Existing Animal Center Replacement Cost

Facility	Site Acres	Site Value ¹	Building Sq. Feet ²	Building Repl Cost ³	Impact Fee Cost Basis ⁴
Existing Animal Center	1.60	\$1,881,915	12,148	\$ 8,305,256	\$ 10,187,171
Animal Center Expansion Site	1.92	\$2,258,298			\$ 2,258,298
Total		\$ 4,140,213	12,148	\$ 8,305,256	\$ 12,445,469

¹ Existing site value = site acres X \$1,176,197 per acre; see Appendix A

² Building square footage provided by the City of Rancho Cucamonga Animal Services Department

³ Building replacement cost based on estimated cost in 2020 impact fee study escalated to 2024 using the California Construction Cost Index

⁴ Impact fee cost basis = site value + building replacement cost

Table 6.2 lists the Animal Services Department's existing vehicles and equipment with replacement costs.

Table 6.2: Animal Center Vehicles and Equipment

Manufacturer	Type	Description	Impact Fee Cost Basis ¹
Ford	F-250	Pickup Truck	\$ 110,000
Ford	F-250	Pickup Truck	\$ 110,000
Ford	Ranger	Pickup Truck	\$ 40,000
Saturn	UT		\$ 30,000
Chevrolet	SV	Cargo Van	\$ 55,000
Chevrolet		Cargo Van	\$ 55,000
Maverick		Horse Trailer	\$ 15,000
Midmark		Dental X-Ray Machine	\$ 22,970
Midmark		Mobile Dental Machine	\$ 12,792
VMS	Plus	Anesthesia Machine (2)	\$ 7,274
VMS		Anesthesia Machine (2)	\$ 6,738
		LED Procedure Light - Dual	\$ 7,851
		LED Procedure Light - Single (4)	\$ 15,704
		LED Procedure Light - Mobile	\$ 3,926
Cuattro	DR	X-Ray Machine	\$ 52,000
Sound Imaging		Ultrasound Machine	\$ 20,000
Total			\$ 564,255

¹ Impact fee cost basis = replacement cost; replacement cost estimated by the Animal Services Department

Cost per Capita

Table 6.3 calculates the cost per capita for Animal Center facilities, vehicles and equipment using the impact fee cost basis from Tables 6.1 and 6.2 and the City's existing residential population

Table 6.3: Animal Shelter Facilities and Equipment - Cost per Capita

Cost Component	Impact Fee Cost Basis ¹	Existing Population ²	Cost per Capita ³
Facilities	\$ 12,445,469	191,987	\$ 64.82
Vehicles & Equipment	\$ 564,255	191,987	\$ 2.94
Total	\$ 13,009,724	191,987	\$ 67.76

¹ See Tables 6.1 and 6.2

² See Table 2.2

³ Cost per capita = impact fee cost basis / existing population

In the next section, the total cost per capita from Table 6.3 is used to calculate animal center impact fees per unit, which are then divided by square feet per unit factors to get impact fees per square foot for single-family and multi-family residential development.

Impact Fees per Square Foot

Table 6.4 shows the calculation of animal center impact fees per square foot for single-family and multi-family residential development.

Table 6.4: Animal Shelter - Impact Fees per Square Foot

Development Type	Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$ 67.76	\$ 213.46	2,500	\$ 0.09
Residential, Multi-Family	DU	2.48	\$ 67.76	\$ 168.05	1,700	\$ 0.10

¹ Units of development; DU = dwelling unit

² See Table 2.1

³ Cost per capita; see Table 6.3

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Police Impact Fee

The Police Impact Fee is calculated for police facilities needed to serve future development in the City. Chapter 3.64 of the Rancho Cucamonga Municipal Code establishes and governs the police impact fee. The City's primary police facility is the Public Safety Building at the Rancho Cucamonga Civic Center. The other existing City-owned police facility is a satellite police station co-located with Fire Station 172 on San Bernardino Road in the western portion of the City. The

department also has a substation in a leased space in the Victoria Gardens shopping mall and is planning to construct a permanent substation in that area in the future.

To comply with Section 66016.5 of the Mitigation Fee Act the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2). This existing level of service approach was utilized in the calculation for the Police Impact Fee.

Existing Facilities

Table 7.1 lists the City's existing police facilities with their estimated replacement cost. Replacement cost is used in this analysis as an indicator of the cost of constructing additional facilities to serve future development.

Table 7.1: Existing Police Facilities

Facility Name	Building Square Feet ¹	Impact Fee Cost Basis ²
Civic Center Public Safety Building	30,500	\$ 30,454,510
Police Department Structure Parking - 62 spaces		\$ 2,759,000
San Bernardino Road Satellite Station	5,673	\$ 6,934,243
Total	36,173	\$ 40,147,754

¹ Building square feet provided by the Rancho Cucamonga Police Department

² Impact fee cost basis for Public Safety Building and Satellite Station = estimated building replacement cost from 2020 impact fee study escalated to 2024 using the California Construction Cost Index; impact fee cost basis for Police Dept structure parking based on current estimated construction cost of \$44,500 per space for structure parking

Cost per Call for Service

Table 7.2 calculates the facility cost per call for service for police facilities using the impact fee cost basis from Table 7.1 and the number of existing calls for service.

Table 7.2: Facility Cost per Call for Service per Year

Impact Fee Cost Basis ¹	Existing Calls for Service ²	Cost per Call for Service ³
\$40,147,754	78,133	\$513.84

¹ See Table 7.1

² See Table 2.3

³ Cost per call for service per year = impact fee cost share / existing calls for service

In the next section, the cost per call from Table 7.2 is multiplied by calls per unit factors to calculate police impact fees per unit for each type of development defined in this study. The residential impact fees per unit are then divided by square feet-per-unit factors to get impact fees per square foot for residential.

The cost per call from Table 7.2 can also be used to customize impact fees for any non-residential project that does not reasonably fit within one of the development types identified in this report. Such a customized fee would be based on the estimated number of police calls per year for the project, multiplied by the cost per call from Table 7.2. The number of police calls per year for a specific type of development project can be estimated by reviewing call records for similar existing projects in the City.

Impact Fees per Square Foot (Residential) and per Unit (Non-Residential)

Table 7.3 shows the calculation of police impact fees per square foot for residential development and per unit for non-residential development.

Table 7.3: Police Impact Fees per Square Foot (Residential) and per Unit (Non-Residential)

Development Type	Units ¹	Cost per Call for Service ²	Calls per Unit ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$513.84	0.717	\$ 368.67	2,500	\$ 0.15
Residential, Multi-Family	DU	\$513.84	0.617	\$ 317.07	1,700	\$ 0.19
Senior/Assisted Living Facility	Beds	\$513.84	1.738	\$ 892.88		
Commercial/Retail	KSF	\$513.84	1.966	\$ 1,010.46		
Hotel/Motel	Rooms	\$513.84	0.125	\$ 64.14		
Office	KSF	\$513.84	0.465	\$ 238.89		
Industrial	KSF	\$513.84	0.129	\$ 66.48		

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

Room = guest room or suite; Bed = accommodation for one patient or resident

² Cost per call for service per year; see Table 7.2

³ See Table 2.1 and the discussion of calls for service in Chapter 2

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

⁵ Average square feet per residential unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot (residential) = impact fee per unit / square feet per unit

Fire Impact Fee

Rancho Cucamonga does not have an existing fire impact fee. This section calculates impact fees for fire protection and emergency response facilities, apparatus and equipment provided by the Rancho Cucamonga Fire Protection District (RCFPD or District) to all development in the City. The boundary of RCFPD encompasses the entire City as well as a small area to the north of the City that is planned to remain within the unincorporated territory of San Bernardino County.

Fire districts lack authority to impose impact fees on their own. Impact fees calculated in this section will be adopted and imposed by the City and revenue from the impact fees will be used to support RCFPD to pay for additional capital facilities and other capital assets serving new development in the City. These impact fees will apply only to the portion of RCFPD that is within the City.

To comply with Section 66016.5 of the Mitigation Fee Act the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2). This existing level of service approach was utilized in the calculation for the Fire Impact Fee.

Level of Service

The most important single factor in defining level of service for fire protection and emergency medical services agencies is response time to emergency calls. The 2024 Comprehensive Master Plan for RCFPD states that RCFPD's first due unit currently arrives within 9 minutes and 45 seconds, 90% of the time. The Master Plan makes recommendations to improve total response time, including reducing call processing time. The addition of one fire station will help RCFPD maintain and possibly improve its response time performance as future development occurs.

Facilities, Apparatus and Equipment

At present, RCFPD operates eight fire stations as well as an administrative facility, an all-risk training center (ARTC) and a shop facility. RCFPD is planning to construct one additional fire station and has acquired property on 8th Street as a site for that station.

Table 8.1 lists RCFPD's existing and planned fire stations as well as the administrative and training center buildings and the shop facility. Stations 171 through 178 currently exist. Station 179 is planned for future construction.

Table 8.1: Existing and Future Fire Stations

Facility	Location	Constr Date	Bldg Sq Ft	Site Acres	Building Repl Cost ¹	Useful Life ²	Land Cost ³	Depreciated Bldg Cost ⁴	Impact Fee Cost Basis ⁵
Station 171	Amethyst St	1974	4,480	0.99	\$ 644,687	50	\$ 1,164,435	\$ 0	\$ 1,164,435
Admin Bldg	Amethyst St	1977	2,754	Included	\$ 1,755,420	50		\$ 105,325	\$ 105,325
Station 172	San B'dino Rd	2020	13,341	2.90	\$ 14,053,099	50	\$ 2,728,777	\$ 12,928,851	\$ 15,657,628
Station 173	Firehouse Ct	2005	12,000	2.36	\$ 6,823,656	50	\$ 2,775,825	\$ 4,230,666	\$ 7,006,491
Storage Bldg	Firehouse Ct	2005	2,500	Included	\$ 234,078	50		\$ 145,129	\$ 145,129
Station 174	Jersey Blvd	1992	17,000	6.14	\$ 8,984,714	50	\$ 7,221,850	\$ 3,234,497	\$ 10,456,347
Shop/Garage	Jersey Blvd	2001	14,304	Included	\$ 6,306,495	50		\$ 3,405,507	\$ 3,405,507
Trng Ctr Bldg A	Jersey Blvd	2016	7,000	Included	\$ 3,588,740	50		\$ 3,014,542	\$ 3,014,542
Trng Ctr Bldg B	Jersey Blvd	2016	1,900	Included	\$ 1,180,251	50		\$ 991,411	\$ 991,411
Trng Ctr Bldg C	Jersey Blvd	2016	2,455	Included	\$ 1,064,350	50		\$ 894,054	\$ 894,054
Trng Ctr Bldg D	Jersey Blvd	2016	15,415	Included	\$ 4,006,318	50		\$ 3,365,307	\$ 3,365,307
Trng Ctr Bldg E	Jersey Blvd	2016	3,064	Included	\$ 894,974	50		\$ 751,779	\$ 751,779
Trng Ctr Bldg I	Jersey Blvd	2016	1,300	Included	\$ 1,422,959	50		\$ 1,195,286	\$ 1,195,286
Station 175	Banyan St	1992	13,000	3.05	\$ 7,304,058	50	\$ 3,587,401	\$ 2,629,461	\$ 6,216,862
Station 176	East Av	2003	9,594	1.07	\$ 4,297,952	50	\$ 1,258,531	\$ 2,492,812	\$ 3,751,343
Station 177	Rancho St	2012	6,000	1.23	\$ 4,025,220	50	\$ 1,446,722	\$ 3,059,167	\$ 4,505,890
Station 178	Town Ctr Dr	2023	12,176	3.80	\$ 16,389,052	50	\$ 4,469,549	\$ 16,061,271	\$ 20,530,820
Station 179	8th St	Future	13,000	0.94	\$ 15,600,000	50	\$ 1,105,625	\$ 15,600,000	\$ 16,705,625
Total					\$ 98,576,024		\$ 25,758,714	74,105,065	\$ 99,863,779

¹ Estimated replacement cost for existing buildings other than Station 178 are based on 2020 estimates, escalated by 38% to 2024 costs based on the California Construction Cost Index; cost for Station 178 is actual 2023 construction cost; cost for future Station 179 based on \$1,200 per square foot, which is below the actual cost of the two most recently constructed fire stations; estimated costs include construction soft costs, utilities, site development, and furniture, fixtures and equipment

² Estimated useful life of buildings in years

³ Estimated land value for existing fire stations or land cost for future fire stations = \$1,176,197 per acre

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

⁵ Facility replacement cost = depreciated building replacement cost or new building cost + estimated land cost or value

The impact fee cost basis in the right-hand column of Table 8.1 includes the depreciated replacement cost for existing buildings plus the estimated site value for each building. Where multiple buildings are located on one site, the land cost is shown for the first building. For future Station 179, the cost shown is estimated based on recent construction costs.

Table 8.2 lists RCFPD's existing firefighting apparatus and other vehicles and equipment. Costs for all vehicles and equipment shown in the far-right column of Table 8.2 are depreciated replacement costs based on the useful life shown in that table. Vehicles and equipment are assumed to have a residual value of at least 15% of replacement cost, regardless of age. Assets with a value of less than \$10,000 have been omitted from Table 8.2.

Table 8.2: Existing Fire Apparatus and Vehicles

Quantity	Model Year	Description	Useful Life (Yrs)	Unit Repl Cost ¹	Depr Unit Repl Cost ²	Total Depr Repl Cost ³
2	2013	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 180,000	\$ 360,000
2	2003	Type 1 Engine (KME Excel)	10	\$ 1,200,000	\$ 180,000	\$ 360,000
1	2017	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 360,000	\$ 360,000
1	2008	KME Severe Duty Predator	10	\$ 1,200,000	\$ 180,000	\$ 180,000
2	2005	Type 1 Engine (KME Excel)	10	\$ 1,200,000	\$ 180,000	\$ 360,000
1	2018	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 480,000	\$ 480,000
1	2010	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 180,000	\$ 180,000
1	2006	Type 1 Engine (KME Predator)	10	\$ 1,200,000	\$ 180,000	\$ 180,000
1	2020	Type 1 Engine (Rosenbauer)	10	\$ 1,200,000	\$ 720,000	\$ 720,000
1	2023	Type 1 Engine (Rosenbauer Electric)	10	\$ 2,200,000	\$ 1,980,000	\$ 1,980,000
1	2006	Type 3 Engine (West Mark)	10	\$ 600,000	\$ 90,000	\$ 90,000
1	2008	Type 3 Engine	10	\$ 600,000	\$ 90,000	\$ 90,000
1	2014	Type 3 Engine	10	\$ 150,000	\$ 22,500	\$ 22,500
1	2020	Type 6 Engine	10	\$ 150,000	\$ 90,000	\$ 90,000
1	2002	KME Aerial Ladder Truck--Tiller	10	\$ 2,350,000	\$ 352,500	\$ 352,500
1	2008	KME Aerial Ladder Truck	10	\$ 2,350,000	\$ 352,500	\$ 352,500
1	2015	Rosenbauer Aerial Ladder Truck	10	\$ 2,350,000	\$ 352,500	\$ 352,500
1	2022	Rosenbauer Heavy Rescue Unit	10	\$ 1,650,000	\$ 1,320,000	\$ 1,320,000
1	2006	KME Hazmat Unit	10	\$ 1,650,000	\$ 247,500	\$ 247,500
1	2003	KME Water Tender	10	\$ 550,000	\$ 82,500	\$ 82,500
3	2012	Dodge Ram 4WD	7	\$ 110,000	\$ 16,500	\$ 49,500
1	2019	Dodge Ram 4WD V8 Hemi	7	\$ 200,000	\$ 57,143	\$ 57,143
1	2024	Dodge Ram 4WD V8 Hemi	7	\$ 200,000	\$ 200,000	\$ 200,000
1	2015	Ford F-450 Super Duty Stake Bed	7	\$ 120,000	\$ 18,000	\$ 18,000
1	2008	Ford F-350 Medic Squad	10	\$ 100,000	\$ 15,000	\$ 15,000
3	2019	Chevy Bolt EV	7	\$ 35,000	\$ 10,000	\$ 30,000
3	2013	Ford C-Max Hybrid	7	\$ 35,000	\$ 5,250	\$ 15,750
4	2012	Ford Escape Hybrid	7	\$ 35,000	\$ 5,250	\$ 21,000
1	2023	Ford Lightning	7	\$ 110,000	\$ 94,286	\$ 94,286
2	2009	Saturn Vue	7	\$ 35,000	\$ 5,250	\$ 10,500
2	2020	Toyota RAV-4 Hybrid	7	\$ 35,000	\$ 15,000	\$ 30,000
2	2023	Toyota RAV-4 Hybrid	7	\$ 35,000	\$ 30,000	\$ 60,000
1	2024	Toyota RAV-4 Hybrid	7	\$ 35,000	\$ 35,000	\$ 35,000
2	2016	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
2	2018	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
1	2017	Ford F-350	7	\$ 200,000	\$ 30,000	\$ 30,000
1	2019	Ford F-350	7	\$ 200,000	\$ 57,143	\$ 57,143
2	2016	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
2	2018	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
2	2008	Chevy F-2500 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
1	2012	Chevy 3/4 Ton Suburban	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2005	GMC Yukon	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2002	Dodge Ram 2500 4WD	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2004	GMC 7500 Series w/ Equipment	7	\$ 200,000	\$ 30,000	\$ 30,000
1	2008	Ford E-350 Van	7	\$ 75,000	\$ 11,250	\$ 11,250
1	2021	Ford Transit-250 Van	7	\$ 110,000	\$ 62,857	\$ 62,857
2	2020	Nissan NV200 Van	7	\$ 30,000	\$ 12,857	\$ 25,714
1	2012	Ford 1-Ton 4x4 Long Bed	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2006	Freightliner Ambulance	10	\$ 480,000	\$ 72,000	\$ 72,000
1	2024	Polaris ATV	10	\$ 50,000	\$ 50,000	\$ 50,000
1	2001	Mitsubishi Forklift	10	\$ 65,000	\$ 9,750	\$ 9,750
1	2011	JLG Telehandler	10	\$ 100,000	\$ 15,000	\$ 15,000
1	2013	Griddle Trailer	10	\$ 75,000	\$ 11,250	\$ 11,250
1	2020	Progressive Trailer	10	\$ 25,000	\$ 15,000	\$ 15,000
Total				\$ 29,085,000	\$ 8,652,286	\$ 9,417,143

¹ Replacement cost provided by the Rancho Cucamonga Fire District

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

³ Total depreciated replacement cost = depreciated unit replacement cost X number of units

Table 8.3 shows the cost of future apparatus and equipment needed to serve the City in 2040, including one Type I engine that will be needed for future Fire Station 179. The estimated cost of that engine is based on the current cost of similar equipment. Also shown in that table is the cost of personal protective equipment for nine firefighters that will be needed to staff Station 179.

Table 8.3: Future Fire Apparatus, Vehicles and Equipment

Description	No. of Units	Cost per Unit ¹	Total New Equipmt Cost
New Type 1 Engine (Station 179)	1	\$ 1,200,000	\$ 1,200,000
Personal Protective Equipment ²	9	\$ 9,153	\$ 82,377
Total			\$ 1,282,377

¹ Cost per unit provided by the Rancho Cucamonga Fire District

² Personal protective equipment for future added firefighters; estimated cost includes uniforms and personal protective equipment for fire suppression, wild land firefighting and tactical response

Table 8.4 summarizes the costs from the preceding three tables.

Table 8.4: Impact Fee Cost Basis - Existing and Future Assets

Component	Impact Fee Cost Basis ¹
Existing Fire Stations	\$ 83,158,154
Future Fire Station	\$ 16,705,625
Existing - Fire Apparatus, Vehicles and Equipment	\$ 9,417,143
Future - Fire Apparatus, Vehicles and Equipment	\$ 1,282,377
Total	\$ 110,563,299

¹ See Tables 8.1, 8.2 and 8.3

Cost per Call for Service

Table 8.5 calculates the cost per call for service for RCFPD facilities, apparatus and equipment using the total impact fee cost basis from Table 8.4 and the projected number of calls for service per year in 2040. In Table 8.5, the combined cost of existing and planned facilities, apparatus, vehicles and equipment is divided by total 2040 calls to both existing and future development served by RCFPD.

Table 8.5: Cost per Call for Service

Total Impact Fee Cost Basis ¹	2040 Calls for Service per Year ²	Cost per Call for Service per Year ³
\$110,563,299	21,728	\$5,088.58

¹ See Table 8.4

² Projected 2040 calls for service for the District; see Table 2.4

³ Cost per call for service per year = total impact fee cost basis / 2040 calls
for service per year

The number of calls for service per year shown for 2040 includes calls in the area served by RCFPD outside of the City, so that the cost of serving development in that area is not included in the cost per call for impact fees charged by the City. The impact fees calculated in this section are designed to recover new development's proportionate share of the cost of all RCFPD's existing and planned facilities, apparatus and equipment out to 2040. In the next section, the cost per call is multiplied by calls per unit factors to calculate impact fees per unit. Then for residential development, the impact fee per unit is divided by square feet per unit factors to get impact fees per square foot for single-family and multi-family residential development.

The cost per call for service per year in Table 8.5 can also be used to calculate customized impact fees for development of non-residential development projects that do not fit within the categories of development defined in this study. Customized impact fees can be calculated using the cost per call for service per year from Table 8.5 multiplied by the estimated number of calls per year that will be generated by a specific project.

Impact Fees per Square Foot (Residential) and per Unit (Non-Residential)

Table 8.6 shows the calculation of fire impact fees per square foot for residential development and per unit for non-residential development.

Table 8.6: RCFPD Impact Fees per Unit and per Square Foot (Residential)

Development Type	Units ¹	Cost per Call ²	Calls per Unit ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$5,088.58	0.185	\$ 941.39	2,500	\$ 0.38
Residential, Multi-Family	DU	\$5,088.58	0.139	\$ 708.97	1,700	\$ 0.42
Senior/Assisted Living Facility	Beds	\$5,088.58	2.829	\$ 14,397.31		
Commercial/Retail	KSF	\$5,088.58	0.231	\$ 1,174.76		
Hotel/Motel	Rooms	\$5,088.58	0.115	\$ 584.65		
Office	KSF	\$5,088.58	0.122	\$ 621.19		
Industrial	KSF	\$5,088.58	0.017	\$ 88.79		

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; room = guest room or suite;
Bed = accommodation for a single resident or patient

² Cost per call for service per year; see Table 8.5

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

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

⁵ Average square feet per residential unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot (residential) = impact fee per unit / square feet per unit

Fee Adjustment to Avoid Overcollection

The fees shown in Table 8.6 project revenue that exceeds the estimated cost of future assets shown in Table 8.4 by around 3%. To avoid the potential for overcollection, the impact fees from Table 8.6 are reduced by 3.1% in Table 8.7.

Table 8.7: RCFPD Impact Fees per Unit and per Square Foot Adjusted to Avoid Overcollection

Development Type	Units ¹	Adj Cost per Call ²	Calls per Unit ³	Adj Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Adj Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$4,930.83	0.185	\$ 912.20	2,500	\$ 0.36
Residential, Multi-Family	DU	\$4,930.83	0.139	\$ 686.99	1,700	\$ 0.40
Senior/Assisted Living Facility	Beds	\$4,930.83	2.829	\$ 13,950.99		
Commercial/Retail	KSF	\$4,930.83	0.231	\$ 1,138.34		
Hotel/Motel	Rooms	\$4,930.83	0.115	\$ 566.52		
Office	KSF	\$4,930.83	0.122	\$ 601.93		
Industrial	KSF	\$4,930.83	0.017	\$ 86.04		

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; room = guest room or suite;
Bed = accommodation for a single resident or patient

² Adjusted cost per call for service per year is reduced by 3.1% from Table 8.6

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

⁴ Adjusted impact fee per unit = adjusted cost per call for service X calls for service per unit

⁵ Average square feet per residential unit provided by the City of Rancho Cucamonga

⁶ Adjusted impact fee per square foot (residential) = adjusted impact fee per unit / square feet per unit

In order to be in alignment with the requirements of AB 602, the Non-Transportation Nexus Study changed its method of fee levy from the DU (dwelling unit) approach to a square foot approach. The change is illustrated in Tables S.1 and S.3 of the NBS Non-Transportation Nexus Study below:

Impact Fee Summary

Table S.1 summarizes the residential impact fees calculated in this report, which are all shown as impact fees per square foot.

Table S.1: Summary of Residential Impact Fees per Square Foot Calculated in This Study

Development Type	Units ¹	Park Land	Park Imprvmnts	Comm/Rec Centers	Libraries	Animal Center	Police	RCFPD	Total
Residential, Single Family	SF	\$ 1.04	\$ 1.94	\$ 0.85	\$ 0.42	\$ 0.09	\$ 0.15	\$ 0.38	\$ 4.87
Residential, Multi-Family	SF	\$ 1.20	\$ 2.24	\$ 0.99	\$ 0.49	\$ 0.10	\$ 0.19	\$ 0.42	\$ 5.63

¹ SF = 1 gross square foot of building area

Table S.3 shows the City's existing impact fees.

Table S.3: Existing Impact Fees From City of Rancho Cucamonga 2024 Fee Schedule

Development Type	Units ¹	Park Land	Park Imprvmnts	Comm/Rec Centers	Libraries	Animal Center	Police	RCFPD	Total
Residential, Single Family	DU	\$ 4,744	\$ 4,583	\$ 2,481	\$ 891	\$ 169	\$ 376	\$ 0	\$ 13,244
Residential, Multi-Family	DU	\$ 3,239	\$ 3,129	\$ 1,693	\$ 608	\$ 116	\$ 297	\$ 0	\$ 9,082
Senior/Assisted Living	Bed	\$ 1,576	\$ 1,523	\$ 825	\$ 296	\$ 56	\$ 136	\$ 0	\$ 4,412
Commercial/Retail	KSF						\$ 1,184	\$ 0	\$ 1,184
Hotel/Motel	Room						\$ 182	\$ 0	\$ 182
Office	KSF						\$ 371	\$ 0	\$ 371
Industrial	KSF						\$ 54	\$ 0	\$ 54

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Bed = accommodation for a single resident or patient

Administrative Fee:

The City is required to implement the fee program according to various administrative, accounting, reporting, and public notice responsibilities that are specified in the Government Code. These responsibilities require the expenditure of staff time and often include retaining outside advisory services. The City proposes to include a fee to allow for reasonable cost recovery for these administrative costs and proposes a fee of two and one-half percent (2.5%) which is in line with representative implementation costs including as specified in the “Nexus Study and Residential Feasibility Calculation Templates in fulfillment of AB 602” prepared by the Turner Center for Housing Innovation at UC Berkeley for the California Department of Housing and Community Development.

Communication:

The City met the requirements of Government Code Section 66016.5(a)(7) by publishing and sending notice to interested parties 30 days prior to the adoption of the impact fee nexus (30 days prior to the advertised hearing). The City published and sent notice thirty-four (34) days prior to the advertised hearing. The City also made a copy of the Nexus Studies available on the City's website and a hard copy available at the City Clerk's office thirty-four (34) days prior to the advertised public hearing. The Public Hearing Notice was advertised twice ten (10) days in advance and at least five (5) days between those dates in the local newspaper. The City met with BIA (Building Industry Association) and other interested parties twice before the previous advertised hearing once in November of 2024 and once in December of 2024 and has had conversations with BIA and interested parties prior to the advertised public hearing date for April 2, 2025. The City has received letters with questions and comments from DVBA (Desert Valley Builders Association), BIA, DPFG (Development Planning & Finance Group) and LLG (Linscott, Law & Greenspan, Engineers) and have provided responses to the questions and comments which have been attached to the Staff Report as Attachment 8. In added, the City Council continued the public hearing initially scheduled for April 2, 2025, to April 16, 2025 for the Non-Transportation Nexus Study and May 7, 2025, for the Transportation Nexus Study, in order to provide for further communication with interested stakeholders on the fees.

Implementation

During last minute discussions with the Building Industry Association (BIA) concerns were expressed about the prepayment of development impact fees prior to increases taking effect, as well as ensuring a level of certainty for projects with already completed applications. Existing state law, known as SB 330, already provides a process for housing developers to freeze fees at the time of application submittal. The City follows existing state law in this regard with no local changes or additions. The City is also proposing that if approved by the City Council, the proposed Development Impact Fee changes outlined in this report would take effect on July 1, 2025, which is more time than would otherwise be required under the Mitigation Fee Act. In practical experience, however, the City has found the fee changes which take effect at the start of a new fiscal year are often easier to notice, apply and update systems.

The BIA expressed concerns that existing deemed complete applications in process, should be allowed several years to finish entitlement and move to permits, during which their fees would be grandfathered. The City, however, did not calculate this type of extended multiple year freeze into the Nexus Study and has significant concerns that this could undermine the validity of the Nexus Study calculations. A second issue the BIA expressed concern about was the deadline for deemed complete applications as the BIA was requesting a deadline 30 days after the ordinance takes effect. The City has similar concerns with a rush of applications intended to beat the deadline that could result in thousands of units coming in under the old fees, also undermining the validity of the Nexus Study calculations. In response to the BIA concerns, the City is recommending the following:

- Developers with applications submitted prior to close of business on April 16, 2025, and are subsequently deemed complete, may elect to proceed forward under the new or old Development Impact Fee Program.
 - Proceeding forward under the old development impact fee program will be permitted so long as entitlements are received and building permits are pulled prior to July 1, 2026.
 - Proceeding forward under the new development impact fee program, and the payment of fees at the initial rates, prior to issuance of a building permit, will require completion of plans to the point of knowing actual square footages. Otherwise, the option always exists to pay the fees in effect at time of permit issuance or time of certificate of occupancy, however long that might take.
- The City finds the adjustments noted above should not create a significant deviation in the nexus study such that further adjustments would be needed.

An updated draft resolution will be included and available at the City Council meeting on April 16, 2025.

Actions to Update the DIFs:

To implement the updated DIF program as proposed, the City Council must:

- 1) Adopt the Nexus Studies
- 2) Adopt the CIP
- 3) Establish the DIF fee amounts
- 4) Add Chapter 3.80 to the Code to add the Fire Impact Fee
- 5) Amend Chapter 3.68 of the code to update the Park Impact Fees

Items 1, 2, and 3 above are included in Resolution No. 2025-010, which is included as attachment 4. Items 4 and 5 above are included in Ordinance No.1038, which is included as attachment 1.

Staff therefore recommends that the City Council: (1) Adopt A Resolution of the City Council of Rancho Cucamonga, California, Approving Development Impact Fee Nexus Studies, Adopting Capital Improvement Programs as Part of the Nexus Studies, Updating and Establishing the Fee Amounts for the City's Development Impact Fees, and Making a Determination of Exemption

Under CEQA and (2) Introduce Ordinance No.1038, to be Read by Title Only and Waive Further Reading, An Ordinance of the City of Rancho Cucamonga, Adding Chapter 3.80 to the Rancho Cucamonga Municipal Code, Establishing a Development Impact Fee for Fire Impacts of Residential and Business Development, Amending Chapter 3.68 to Remove References to Quimby Act in Lieu Fees, and Making a Determination of Exemption from the California Environmental Quality Act.

ENVIRONMENTAL

The Project (approval of the Nexus Studies, Capital Improvement Plans associated with the Nexus Studies, and the adoption of the development impact fees specified in the Resolution and Ordinance), was reviewed in accordance with the criteria contained in the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines. Approval of the Nexus Studies, Capital Improvement Plans, and the adoption of the development impact fees specified will not have a significant impact on the environment and are exempt from CEQA pursuant to Section 15061(b)(3) of State CEQA Guidelines because these actions involve the adoption of development impact fees and no specific development is authorized by the adoption of the Nexus Studies, Capital Improvement Plans, or the adoption of new or updated development impact fees. Furthermore, the Capital Improvement Program is a prioritizing and funding allocation program and cannot and does not have the potential to cause a significant effect on the environment. No physical activity will occur until all required environmental review is conducted at the time the physical improvements prioritized in the Capital Improvement Program are undertaken at a future unspecified date. Therefore, the approval of the Nexus Studies, Capital Improvement Plans associated with the Nexus Studies, and adoption of the development impact fees does not have the potential for causing a significant effect on the environment. In addition, the adoption of this Project approves and sets forth a procedure for determining fees for the purpose of obtaining funds for capital projects and equipment necessary to maintain service within existing service areas and is statutorily exempt from CEQA pursuant to State CEQA Guidelines 15273(a)(4). Also, approval of the Capital Improvement Plans associated with the Nexus Studies, is exempt from the requirements of CEQA pursuant to State CEQA Guidelines Section 15378(b)(4) because the Plan is not a "project" as defined by CEQA, but involves the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.

FISCAL IMPACT:

The fiscal impacts of DIFs on the City's finances are associated with both increased revenues and expenses. Administrative expenses will be incurred as City staff collect fees and manage the use and application of fee revenues. The City is proposing a two and one-half percent (2.5%) Administrative Fee to cover these costs.

COUNCIL MISSION / VISION / GOAL(S) ADDRESSED:

This item addresses the City Council's vision for building upon our past successes to create a world class community by ensuring that the means are available to continue the City's growth and success.

ATTACHMENTS:

Attachment 1 Proposed Ordinance No.1038 (Fire DIF Program and Park Impact Fee Revision)

Attachment 2 Exhibit A to Ordinance No.1038 (Fire Impact Fee – Chapter 3.80)

Attachment 3 Exhibit B to Ordinance No.1038 (Park Impact Fee Revision)

Attachment 4 Proposed Resolution No. 2025-010 (DIF Program Fee Update)

Attachment 5 Exhibit A to Resolution No. 2025-010 (NBS Nexus Study)

Attachment 6 Exhibit B to Resolution No. 2025-010 (Capital Improvement Plans for Non-Transportation)

Attachment 7 Exhibit C to Resolution No. 2025-010 (Amendments to Non-Transportation Master Fee Schedule)

Attachment 8 Comment Response Memorandum for Comments on Non-Transportation Nexus Study

Attachment 9 Attachment to Comment Response Memorandum (DVBA – Non-Transportation)

Attachment 10 Attachment to Comment Response Memorandum (BIA)

Attachment 11 Attachment to Comment Response Memorandum (DPFG – Non-Transportation)

RESOLUTION NO. 2025-010

A RESOLUTION OF THE CITY COUNCIL OF RANCHO CUCAMONGA, CALIFORNIA, APPROVING A DEVELOPMENT IMPACT FEE NEXUS STUDY FOR THE COMMUNITY AND RECREATION CENTER IMPACT FEE, LIBRARY IMPACT FEE, ANIMAL CENTER IMPACT FEE, POLICE IMPACT FEE, PARK IMPACT FEES AND FIRE IMPACT FEE, ADOPTING A CAPITAL IMPROVEMENT PROGRAM AS PART OF THE NEXUS STUDY, UPDATING AND ESTABLISHING THE FEE AMOUNTS FOR SUCH DEVELOPMENT IMPACT FEES, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA

A Recitals.

1. The Mitigation Fee Act, contained in Government Code 66000 et seq., permits the City to impose development impact fees on new development for the purposes of funding public facilities necessary to serve that new development.

2. Rancho Cucamonga Municipal Code Chapters 3.28 (“City-Wide System Fees for Transportation”) (referred to herein as the “Transportation Development Impact Fee”), 3.52 (“Community and Recreation Center Impact Fee”), Chapter 3.56 (“Library Impact Fee”), Chapter 3.60 (“Animal Center Impact Fee”), 3.64 (“Police Impact Fee”), and 3.68 (“Park Impact Fees”) established the City’s current development impact fee program.

3. The City Council now desires to update the foregoing impact fees on new development to fund the costs associated with the increased demand for such public facilities throughout the City.

4. The City Council further desires to establish an impact fee on new development to fund the cost of fire protection facilities within the City and utilized by the Rancho Cucamonga Fire Protection District.

5. Proposed Ordinance No. 1038, once effective, will add Chapter 3.80 (“Fire Impact Fee”) to the Municipal Code to establish a Fire Impact Fee.

6. These existing and proposed Municipal Code provisions will establish the program and the requirements for imposition of development impact fees on development projects, as supported by nexus studies, and provide that the City Council shall, by resolution, impose the specific amount of development impact fees that will be levied on new development in the City for each category of fee.

7. NBS Government Finance Group has prepared the City of Rancho Cucamonga Development Impact Fee Nexus Study dated February 20, 2025, included as Exhibit A ("NBS Nexus Study"). The NBS Nexus Study covers the Park Impact Fees, Community and Recreation Center Impact Fee, Library Impact Fee, Animal Center Impact Fee, Police Impact Fee, and proposed Fire Impact Fee.

8. The NBS Nexus Study identifies the purpose of each fee and the use of each fee, and demonstrates a reasonable relationship between each fee's use, the type of development projects where the fee will be imposed, provides how there is a reasonable relationship between the amount of each fee, and the cost of the public facility or portion of the public facility attributable to the development. In addition, the Nexus Study identifies capital projects necessary to meet the goals, programs and objectives within the City's General Plan.

9. The Nexus Study provides the documentation, detail, and other information required by the Mitigation Fee Act as the basis for the adoption and imposition of the development impact fees for (1) park, (2) community and recreation center, (3) library, (4) animal center, (5) police, and (6) fire facilities. Furthermore, the Nexus Study describes the benefit and impact area on which the development impact fees are to be imposed, lists specific public improvements to be financed through the imposition and collection of the development impact fees, describes the estimated cost of providing the improvements and facilities, describes the reasonable relationship between the development impact fees and the various types of new development, and otherwise satisfies the requirements of the law with regard to the imposition and collection of development impact fees.

10. The facts and evidence presented to the City Council have established that there is a reasonable relationship between the need for new facilities or improvements and the impacts of new development for which a corresponding fee is charged, also that there is a reasonable relationship between the fees' uses and the type of development for which the fees are imposed.

11. There is a reasonable relationship between the development and improvement of parks and residential development that does not involve the subdivision of land for which the fee is imposed, because the additional parks and improvements will improve and expand the City's Park system and thus reduce the risk that the City's increasing population will overuse or overcrowd the City's parks.

12. The City is required to implement the fee program according to various administrative, accounting, reporting, and public notice responsibilities that are specified in the Government Code. These responsibilities require the expenditure of staff time and often include retaining outside advisory services. The City proposes to include a fee to allow for reasonable cost recovery for these administrative costs and proposes a fee of two and one-half percent (2.5%) which is in line with representative implementation costs, including as specified and studied in the “Nexus Study and Residential Feasibility Calculation Templates in fulfillment of AB 602” prepared by the Turner Center for Housing Innovation at UC Berkeley for the California Department of Housing and Community Development.

13. The City has complied with the notice and hearing requirements of state law and the Mitigation Fee Act prior to adopting the Nexus Studies, Capital Improvement Plans, and fees specified in this Resolution, and a notice of public hearing on the development impact fees was mailed as required by law to any interested party who filed a written request with the City Clerk for mailed notice of a meeting on new or increased fees.

14. The City Council opened a duly noticed public hearing at the April 2, 2025 regular City Council meeting, at which time testimony was presented. Thereafter, the City Council continued the public hearing to the City Council’s regular meeting of April 16, 2025 as to the non-transportation impact fees described herein. The City Council re-opened the duly notice public hearing at the April 16, 2025 regular City Council meeting and took further testimony, and closed the public hearing as to the non-transportation fees.

15. The City Council continued the item with respect to the F&P Nexus Study and the Transportation Development Impact Fee to its May 7, 2025 meeting, and took action to approve the NBS Nexus Study and the park, community and recreation center, library, animal center, police, and fire facilities impact fees.

16. Fehr & Peers has prepared the Transportation Development Impact Fee Program Nexus Study dated February 11, 2025, The F&P Nexus Study covers the Transportation Development Impact Fee. It will be considered at the May 7, 2025 continued public hearing.

17. The City Council finds that the record of these proceedings, including the NBS Nexus Study, the City’s General Plan, ordinances and resolutions, the staff report, written correspondence received by the City, and the testimony received at the hearing prior to the adoption of this Resolution held on April 2, 2025, contains substantial evidence to support the imposition and collection of the development impact fees established herein.

18. The City Council has reviewed and considered the development impact fees established herein, and finds that the fees will mitigate some of the impacts associated

with additional capital and infrastructure needs necessitated by new residential and non-residential development in the City.

B. Resolution.

The City Council of the City of Rancho Cucamonga finds and resolves as follows:

SECTION 1. Recitals. The City Council hereby specifically finds that all of the facts and recitals set forth in Part A of this Resolution are true and correct and incorporated as a material part of this Resolution.

SECTION 2. CEQA. The approval of the Nexus Studies, Capital Improvement Plans associated with the Nexus Studies, and the adoption of the development impact fees specified in this Resolution, was reviewed in accordance with the criteria contained in the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines. The City Council finds that approval of the Nexus Studies, Capital Improvement Plans, and the adoption of the development impact fees specified in this Resolution will not have a significant impact on the environment and are exempt from CEQA pursuant to Section 15061(b)(3) of State CEQA Guidelines because these actions involve the adoption of development impact fees and no specific development is authorized by the adoption of the Nexus Studies, Capital Improvement Plans, or the adoption of new or updated development impact fees. Furthermore, the Capital Improvement Program is a prioritizing and funding allocation program and cannot and does not have the potential to cause a significant effect on the environment. No physical activity will occur until all required environmental review is conducted at the time the physical improvements prioritized in the Capital Improvement Program are undertaken at a future unspecified date. Therefore, the approval of the Nexus Studies, Capital Improvement Plans associated with the Nexus Studies, and adoption of the development impact fees does not have the potential for causing a significant effect on the environment. In addition, the adoption of this Resolution approves and sets forth a procedure for determining fees for the purpose of obtaining funds for capital projects and equipment necessary to maintain service within existing service areas and is statutorily exempt from CEQA pursuant to State CEQA Guidelines 15273(a)(4). Also, approval of the Capital Improvement Plans associated with the Nexus Studies, is exempt from the requirements of CEQA pursuant to State CEQA Guidelines Section 15378(b)(4) because the Plan is not a "project" as defined by CEQA, but involves the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.

SECTION 3. Approval of the NBS Nexus Study and Mitigation Fee Act Findings. The City Council hereby approves the NBS Nexus Fee Study, and the findings contained therein. The NBS Nexus Study shall constitute the current "Study" for each respective fee pursuant to Chapters 3.52, 3.56, 3.60, 3.64, 3.68, and the proposed Chapter 3.80 of the Rancho Cucamonga Municipal Code. A copy of the NBS Nexus Study shall be on file with the City Clerk and available during regular City business hours for public inspection. With respect to development impact fees for (1) park, (2) community and recreation center, (3)

library, (4) animal center, (5) police, and (6) fire facilities, the NBS Nexus Study explains (1) the purpose of each impact fee; (2) the use of each impact fee; (3) the reasonable relationship between the use of each impact fee and the development type on which it is imposed; (4) the reasonable relationship between the need for the facilities and the type of development between the need for the type of development on which each fee is imposed; and (5) the reasonable relationship between the amount of the fee and facility cost attributable to the applicable development project. The City Council agrees with the findings set forth in the NBS Nexus Study and adopts them as their own as if set forth in full here.

SECTION 4. Adoption of a Capital Improvement Program. The City Council hereby adopts the amendments to the Fiscal Year 2024/25 Major Projects Program which contains the City's Capital Improvement Program as shown in the attached listing included as Exhibit B to this Resolution as a part of the Nexus Studies.

SECTION 5. Establishing the Amount of Development Impact Fees. The City Council hereby adopts the development impact fee amounts for the Park Impact Fees, Community and Recreation Center Impact Fee, Library Impact Fee, Animal Center Impact Fee, Police Impact Fee, and Fire Impact Fee in accordance with the Amendments to the Master Fee Schedule, attached hereto as Exhibit C and incorporated herein by this reference. The Master Fee Schedule shall be amended to contain the fees and amounts identified therein. The City Council is not readopting or revising the existing fees not identified in this Resolution or analyzed in the Nexus Studies; all such fees and charges remain in place at the current amount.

SECTION 6. Adoption of Methodology for Calculation, Adjustment, and Collection of Development Impact Fees. The City Council adopts the methodology set forth in the NBS Nexus Study for calculating and collecting the development impact fees adopted herein. The amount of the development impact fees shall be adjusted annually in July of each calendar year beginning in 2026, using the Construction Cost Index (CCI), for the Park Impact Fees, the Building Cost Index (BCI) for the Community and Recreation Center Impact Fee, Library Impact Fee, Animal Center Impact Fee, Police Impact Fee, and Fire Impact Fee for the Los Angeles Region both as reported by Engineering News Record (ENR) for the twelve-month period ending in May, or a similar published index if the BCI, CCI, or Caltrans Construction Cost Indexes are no longer available. The City Council hereby authorizes the City Manager, or designee, to make such annual adjustments to certain fees based on an inflationary factors effective July 1 of each year.

SECTION 7. Timing of Payment. All development fees shall be paid when required by the applicable provisions of the Rancho Cucamonga Municipal Code and in accordance with Government Code section 66007.

SECTION 8. Effective Date of Development Impact Fees. Except for the Fire Impact Fee, the development impact fees established by Section 5 of this Resolution shall be effective on the later of: (i) the sixtieth (60th) day following the adoption of this Resolution or (ii) July 1, 2025. The Fire Impact Fee established by Section 5 of this Resolution shall be effective on the later of: (i) the sixtieth (60th) day following the adoption of this

Resolution, (ii) the effective date of proposed Ordinance No. 1038, an ordinance adding Chapter 3.80 ("Fire Impact Fee") to the Municipal Code and establishing the City's program and requirements for the imposition of a fire development impact fees on development projects, or (iii) July 1, 2025.

SECTION 9. Delayed Effective Date for Development Impact Fees on Housing Development Projects. Notwithstanding Section 8 above, a housing development project that is the subject of an application for a land use entitlement submitted prior to 5 P.M. on April 16, 2025, and that has been deemed complete or is subsequently deemed complete, may elect to be subject to either: (i) the development impact fees and rates in effect as of April 16, 2025 ("Old DIF Program"); (ii) the development impact fees and rates in effect as of the effective date provided in Section 8 ("New DIF Program"); or (iii) the development impact fees and rates in effect as of the time the fees are paid (or as otherwise provided for under applicable state law). For purposes of this Section 9, a "housing development project" shall have the same meaning as currently provided under Government Code Section 65589.5(h)(2).

In order for a housing development project to qualify under the Old DIF Program, the land use entitlement(s) that is the subject of the timely application must be approved and a building permit to construct the associated housing development project must be issued prior to July 1, 2026. Thereafter, the housing development project shall be subject to the development impact fees and rates in effect as of the time the fees are paid.

In order for a housing development project to qualify under the New DIF Program prior to the issuance of a building permit, the land use entitlement(s) that is the subject of the timely application must be approved and complete development plans must be submitted to the City for plan check showing the square footages of all units prior to July 1, 2026. Thereafter, the housing development project shall be subject to the development impact fees and rates in effect as of the time the fees are paid.

- The City hereby finds the adjustments noted above will not create a significant deviation in the NBS Nexus Study such that further adjustments would be needed. Any shortfall in funding for improvements identified in the Nexus Study will be paid for by third party sources, such as grant funding or the General Fund.

SECTION 10. Administration Fee. The City shall include an Administration Fee in the not to exceed amount of two and one-half percent (2.5%) of the total project cost for the management of the development impact fee program.

SECTION 11. No Changes to Other City Fees. Nothing in this Resolution shall repeal, amend or supersede any other City imposed fees except for the amount of specific type and category of development impact fee addressed in the Nexus Studies and expressly established by this Resolution.

SECTION 12. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Resolution shall nonetheless remain in full force and effect. The City Council hereby declares that it would have adopted each section,

subsection, sentence, clause, phrase or portion of this Resolution, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions of this Resolution be declared invalid or unenforceable.

SECTION 13. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 16th day of April 2025

AYES:
NOES:
ABSENT:
ABSTAINED:

L. Dennis Michael, Mayor

ATTEST:

Kim Sevy, City Clerk

I, KIM SEVY, CITY CLERK of the City of Rancho Cucamonga, California, do hereby certify that the foregoing Resolution was duly passed, approved and adopted by the City Council of the City of Rancho Cucamonga, California, at a Regular Meeting of said City Council held on the 16thnd day of April 2025.

Executed this ____ day of _____, 2025 at Rancho Cucamonga, California

Kim Sevy, City Clerk

EXHIBIT A
NBS NEXUS STUDY

EXHIBIT B
CAPITAL IMPROVEMENT PLANS

EXHIBIT C
AMENDMENTS TO MASTER FEE SCHEDULE

CITY OF RANCHO CUCAMONGA

Development Impact Fee Study Revised Final Draft Report

April 10, 2025

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Executive Summary

The City of Rancho Cucamonga retained NBS Government Finance Group to prepare this study to analyze the impacts of new development on several types of capital facilities and to calculate impact fees based on that analysis.

The methods used in this study are consistent with those outlined in the *Impact Fee Nexus Study Templates* prepared for the California Department of Housing and Community Development by the Turner Center for Housing Innovation at UC Berkeley in fulfillment of AB 602. Those methods are designed to satisfy the legal requirements of the U. S. Constitution, and the California Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Organization of the Report

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

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

Chapters 3 through 8 analyze the impacts of development on specific types of facilities and calculate impact fees for those facilities. The facilities addressed in this report are listed by chapter below:

- Chapter 3. Park Land and Park Improvements
- Chapter 4. Community and Recreation Center Facilities
- Chapter 5. Library Facilities and Materials
- Chapter 6. Animal Center Facilities, Vehicles and Equipment
- Chapter 7. Police Department Facilities
- Chapter 8. RCFPD Facilities, Apparatus and Equipment

Chapter 9 summarizes requirements for adopting and implementing impact fees.

Appendix A to this report contains data from the CoStar real estate database that supports the estimated cost per acre for land used throughout this report. Appendix B contains a detailed inventory of park maintenance vehicles and equipment supporting replacement cost estimates shown in Table 3.3 in Chapter 3. Appendix C contains maps of the City's existing parks supporting the total park acreage and improved park acreage estimates shown in Table 3.1 in Chapter 3.

Development Data

Chapter 2 of this report presents estimates of existing development in Rancho Cucamonga and a forecast of future development in terms of units of development, population, police department calls for service per year and Rancho Cucamonga Fire

Protection District (RCFPD) calls for service per year for each type of development defined in this study.

Chapter 2 also establishes values for factors such as population per unit and police and fire calls per unit per year. Those factors are used to represent the impact of new development in the impact fee calculations.

It is important to note that because of amendments to the Mitigation Fee Act contained in AB 602 (2021) that were incorporated into California law effective in 2022, residential impact fees must be calculated proportionately to the square footage of the proposed units. Impact fees for residential development in this study are calculated as impact fees per square foot for single-family and multi-family development. Prior to the adoption of AB 602 it was common practice to calculate residential impact fees on a per-unit basis for single-family and multi-family residential development.

Impact Fee Analysis

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

The impact fees are based only on capital costs for facilities and other capital assets needed to mitigate the impacts of additional development. Impact fees may not be used to pay for maintenance or operations.

Impact fees calculated in this report are shown later in this Executive Summary.

The following paragraphs briefly discuss the methods used to calculate impact fees for each of the facility types addressed in this study.

Park Land and Park Improvements. Chapter 3 of this report calculates impact fees for park land acquisition and park improvements. The cost of park maintenance vehicles and equipment is included in the park improvement impact fees.

Impact Fees for Park Land Acquisition. The impact fees for park land acquisition calculated in Chapter 3 apply only to residential development and are based on the existing level of service which is defined in this report as the existing ratio of improved park acres to population in the City.

The park land impact fees calculated in Chapter 3 are based on the City's existing ratio of improved park land to population in acres per capita, and the land cost per acre used in those calculations is based on the estimated cost per acre to acquire additional park land in the City. Those factors are used to calculate a cost per capita, which is multiplied by the population per unit for single-family and multi-family residential development to get a park land impact fee per unit for each type of residential development. Those impact fees per unit are divided by the average square feet per unit to get impact fees per square foot

for single-family and multi-family residential development. Impact fees for park land do not apply to non-residential development.

The City does not require dedication of park land or payment of fees in lieu of dedication pursuant to the Quimby Act. Park land acquisition is funded, in part, through development impact fees imposed on residential development.

Impact Fees for Park Improvements. The park improvement impact fees calculated in Chapter 3 are based on the City's existing ratio of improved park land to population in acres per capita, and the estimated cost per acre for park improvements. The cost of park maintenance vehicles and equipment is incorporated into the park improvement impact fees, but the vehicles and equipment component represents less than 0.5% of those fees.

Park improvement impact fees per unit and per square foot for single-family and multi-family residential development are calculated in the same manner as for the park land impact fees.

The impact fees calculated in this report for park land and park improvements are shown in Table S.1 on page S-5.

Community and Recreation Center Facilities. Chapter 4 of this report calculates impact fees for community and recreation centers.

The impact fees for community and recreation center facilities are based on the City's existing level of service for these facilities, which is defined as the relationship between the existing population and the replacement cost of existing community and recreation center facilities. That relationship is stated as a cost per capita. The impact fees per unit for community and recreation center facilities are calculated as the cost per capita multiplied by the population per unit for single-family and multi-family residential development. Those impact fees per unit are divided by the average square feet per unit to get an impact fee per square foot for single-family and multi-family development. The impact fees for community and recreation center facilities do not apply to non-residential development.

The impact fees calculated in this report for community and recreation center facilities are shown in Table S.1 on page S-5.

Library Facilities and Materials. Chapter 5 of this report calculates impact fees for library facilities and materials.

The library impact fees are based on the City's existing level of service which is defined as the relationship between the existing population and the replacement cost of existing library facilities and materials. That relationship is stated as a cost per capita. Impact fees per unit of development are calculated as the cost per capita multiplied by the population per unit for single-family and multi-family residential development. Those impact fees per unit are divided by the average square feet per unit to get an impact fee per square foot for single-family and multi-family development. The impact fees for library facilities and materials do not apply to non-residential development.

The impact fees for Library facilities and Library materials are calculated separately in Chapter 5, but they are shown as a combined fee in Table S.1 on page S-5.

Animal Center Facilities, Vehicles and Equipment. Chapter 6 of this report calculates impact fees for animal center facilities, vehicles and equipment.

The impact fees are based on the City's existing level of service for these facilities which is defined as the relationship between the existing population and the replacement cost of the existing facilities, vehicles and equipment. That relationship is stated as a cost per capita. The impact fees per unit for the animal center are calculated as the cost per capita multiplied by the population per unit for single-family and multi-family residential development. Those impact fees per unit are divided by the average square feet per unit to get an impact fee per square foot for single-family and multi-family development. The impact fees for the animal center apply only to residential development.

The impact fees calculated in this report for animal center facilities are shown in Table S.1 on page S-5.

Police Department Facilities. Chapter 7 calculates impact fees for Police Department facilities based on the existing level of service in the City. The existing level of service is defined as the relationship between the replacement cost of existing Police Department facilities and the number of calls for service per year received by the Department. That relationship is stated as a cost per call for service per year.

As part of this study, NBS analyzed the distribution of Police Department calls for service for a full year to determine the average number of calls per unit per year generated by each type of development defined in this study. The impact fee per unit for each type of development is calculated by multiplying the cost per call for service and the number of calls per unit per year. For residential development, the cost per unit for single-family and multi-family residential development is divided by the average square feet per unit to get an impact fee per square foot. Police impact fees are intended to apply to all types of new development in the City.

The impact fees calculated in this report for Police Department facilities are shown in Table S.1 on page S-5 for residential development and in Table S.2 on page S-6 for non-residential development.

Fire Department Facilities, Apparatus and Equipment. Fire protection and emergency response services for the City of Rancho Cucamonga are provided by the Rancho Cucamonga Fire Protection District (RCFPD). Chapter 8 calculates fire impact fees for the City of Rancho Cucamonga, which occupies a large part of the RCFPD service area.

By law, fire districts are prohibited from imposing impact fees on their own, but they are allowed to receive funds from other entities for any legitimate purpose. So, the City can impose fire impact fees on new development in the City and provide the revenue from those fees to RCFPD to pay for capital facilities, apparatus and equipment needed to mitigate the impacts of new development in the City.

Unlike the other impact fees calculated in this study which are based on the existing level of service for the relevant facilities, the fire impact fees in Chapter 8 are calculated using the system plan method. That method bases the impact fees on future conditions, so the cost of both existing and future RCFPD assets serving the City are allocated to both existing and future development in the City. In this case, future development is projected out to 2040.

The impact of development on RCFPD facilities, apparatus and equipment is represented in this study by the number of calls for service per year generated by development in the City. As part of this study, NBS analyzed the distribution of RCFPD calls for service for a full year to determine the average number of calls per unit per year generated by different types of development.

A cost per call for service year is calculated by dividing estimated 2040 asset costs by the projected number of calls for service per year generated by development in the City in 2040. Then, an impact fee per unit is calculated by multiplying that cost per call by the number of calls for service per unit per year generated by each category of development defined in this study. The impact fee per unit for single-family and multi-family residential development is divided by the average square feet per unit to get an impact fee per square foot.

The impact fees calculated in this report for Fire Department facilities are shown in Table S.1, below for residential development and Table S.2 on the next page for non-residential development.

Impact Fee Summary

Table S.1 summarizes the residential impact fees calculated in this report, which are all shown as impact fees per square foot.

Table S.1: Summary of Residential Impact Fees per Square Foot Calculated in This Study

Development Type	Units ¹	Park Land	Park Imprvmnts	Comm/Rec Centers	Libraries	Animal Center	Police	RCFPD	Total
Residential, Single Family	SF	\$ 1.04	\$ 1.94	\$ 0.85	\$ 0.42	\$ 0.09	\$ 0.15	\$ 0.38	\$ 4.87
Residential, Multi-Family	SF	\$ 1.20	\$ 2.24	\$ 0.99	\$ 0.49	\$ 0.10	\$ 0.19	\$ 0.42	\$ 5.63

¹ SF = 1 gross square foot of building area

Table S.2 shows the non-residential impact fees calculated in this report, which are calculated on a per-unit basis.

Table S.2: Summary of Non-Residential Impact Fees per Unit Calculated in This Study

Development Type	Units ¹	Park Land	Park Imprvmnts	Comm/Rec Centers	Libraries	Animal Center	Police	RCFPD	Total
Senior/Assisted Living	Bed						\$ 893	\$ 14,397	\$ 15,290
Commercial/Retail	KSF						\$ 1,010	\$ 1,175	\$ 2,185
Hotel/Motel	Room						\$ 64	\$ 585	\$ 649
Office	KSF						\$ 239	\$ 621	\$ 860
Industrial	KSF						\$ 66	\$ 89	\$ 155

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Bed = accommodation for a single resident or patient

Table S.3 shows the City's existing impact fees.

Table S.3: Existing Impact Fees From City of Rancho Cucamonga 2024 Fee Schedule

Development Type	Units ¹	Park Land	Park Imprvmnts	Comm/Rec Centers	Libraries	Animal Center	Police	RCFPD	Total
Residential, Single Family	DU	\$ 4,744	\$ 4,583	\$ 2,481	\$ 891	\$ 169	\$ 376	\$ 0	\$ 13,244
Residential, Multi-Family	DU	\$ 3,239	\$ 3,129	\$ 1,693	\$ 608	\$ 116	\$ 297	\$ 0	\$ 9,082
Senior/Assisted Living	Bed	\$ 1,576	\$ 1,523	\$ 825	\$ 296	\$ 56	\$ 136	\$ 0	\$ 4,412
Commercial/Retail	KSF						\$ 1,184	\$ 0	\$ 1,184
Hotel/Motel	Room						\$ 182	\$ 0	\$ 182
Office	KSF						\$ 371	\$ 0	\$ 371
Industrial	KSF						\$ 54	\$ 0	\$ 54

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Bed = accommodation for a single resident or patient

Because the proposed residential impact fees shown in Table S.1 are calculated on a per-square-foot basis in response to amendments to the Mitigation Fee Act, they cannot be compared to the City's existing residential impact fees, which are charged on a per-unit basis. However, non-residential impact fees are still calculated on a per-unit basis, so it is possible to compare the existing and proposed non-residential impact fees. Table S.4 shows the difference between the existing non-residential impact fees in Table S.3 and the proposed non-residential impact fees from Table S.2. Numbers in parentheses indicate that the proposed fees are lower than the existing fees.

Table S.4: Difference Between Existing Non-Residential Impact Fees and Impact Fees Calculated in This Study

Development Type	Units ¹	Park Land	Park Imprvmnts	Comm/Rec Centers	Libraries	Animal Center	Police	RCFPD	Total
Senior/Assisted Living	Bed	\$ (1,576)	\$ (1,523)	\$ (825)	\$ (296)	\$ (56)	\$ 757	\$ 14,397	\$ 10,878
Commercial/Retail	KSF						\$ (174)	\$ 1,175	\$ 1,001
Hotel/Motel	Room						\$ (118)	\$ 585	\$ 467
Office	KSF						\$ (132)	\$ 621	\$ 489
Industrial	KSF						\$ 12	\$ 89	\$ 101

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Bed = accommodation for a single resident or patient

This study proposes eliminating many of the existing impact fees for Senior/Assisted Living Facilities on the grounds that residents of Senior/Assisted Living facilities have limited access to some types of facilities addressed in this study. That is why most of the

fees for that category show a negative change in Table S.4. At the same time, the proposed creation of an impact fee for RCFPD results in a large increase overall for impact fees on the Senior/Assisted Living category.

Chapter 1. Introduction

Purpose

The purpose of this study is to analyze the impacts of development on the need for certain capital facilities and other capital assets provided by the City of Rancho Cucamonga (City) and the Rancho Cucamonga Fire Protection District (RCFPD or District) and to calculate impact fees based on that analysis. This report documents the approach, data and methodology used in this study to calculate impact fees.

The City has previously enacted impact fees for the City facilities addressed in this report. The purpose of this study is to update those fees to reflect current costs and conditions in the City. See Rancho Cucamonga Municipal Code Chapters 3.52 (Community and Recreation Center Impact Fee), 3.56 (Library Impact Fee), 3.60 (Animal Center Impact Fee), 3.64, (Police Impact Fee), and 3.68 (Park In-lieu/Impact Fees). The impact fee calculated in this study for Rancho Cucamonga Fire Protection District facilities, apparatus and equipment would be a new fee.

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

Legal Framework for Impact Fees

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

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

In two cases dealing with exactions, the U. S. Supreme Court has held that when a government agency requires the dedication of land or an interest in land as a condition of development approval or imposes exactions as a condition of approval on a development project, the agency must demonstrate an “essential nexus” between such exactions and the interest being protected (See *Nollan v. California Coastal Commission*, 1987) and make an “individualized determination” that the exaction imposed is “roughly proportional” to the burden created by development (See *Dolan v. City of Tigard*, 1994). In April 2024, the U. S. Supreme Court ruled that even legislatively adopted impact fees are subject to *Nollan* and *Dolan*.

Defining “Nexus.” The nexus required to justify exactions and impact fees can be thought of as having the three elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard*. The elements of the nexus discussed below mirror the three “reasonable relationship” findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

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

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

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

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

3. Proportionality. An agency imposing impact fees must demonstrate that the amount of those fees is proportional to the impact created by development projects subject to the fees. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that those costs are allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIII A. Impact fees calculated in this report do not exceed the cost of providing facilities needed to serve new development and, thus, are not special taxes requiring voter approval pursuant to Article XIII A.

Articles XIII C and XIII D, added to the California Constitution by Proposition 218 in 1996, require voter approval for some “property-related fees,” but exempt “the imposition of fees or charges, as a condition of property development.” Thus, impact fees are exempt from those requirements.

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

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

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

To avoid confusion with other types of fees, this report uses the widely accepted term “impact fee” which should be understood to mean “fee” as defined in the Mitigation Fee Act.

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

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

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

In addition, Section 66001 (b) requires that in any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The requirements outlined above are discussed in more detail below.

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

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

Identifying the Use of the Fees. According to Section 66001(a)(2), if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. Section 66002 (b) requires that if a capital improvement plan is used to identify the facilities, it must be updated annually.

However, a new provision in Section 66016.5(a)(6), which was added by AB 602 in 2021, requires that large jurisdictions adopt a capital improvement plan as part of an impact fee study. That requirement applies to impact fee nexus studies adopted after January 1, 2022. “Large jurisdiction” means a county of 250,000 or more or any city within that county. The statute does not provide any detail about what must be included in the capital improvement plan or how it should relate to the impact fee study. That new requirement appears to override the original language of Section 66001(a)(2), so that a capital improvement plan (CIP) is no longer optional. A CIP is now required for all new impact fee nexus studies adopted by large jurisdictions. The annual update requirement remains in effect.

The City of Rancho Cucamonga publishes the Capital Improvement Program as part of the annual budgeting procedures, and the latest available information can be found on the City's website under Financial Reports. Further, the City has prepared an amendment to the Major Project Program (which includes the Capital Improvement Program) which will be considered for approval as part of the DIF Program update. A copy of the Major Project Program amendment is available under separate cover.

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

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

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

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

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

Impact Fees for Existing Facilities. Impact fees may be used to recover costs for existing facilities to the extent that those facilities are needed to serve additional development and have the capacity to do so. In other words, it must be possible to show that fees used to pay for existing facilities meet the need and benefit elements of the nexus. As a practical matter, such fees are difficult to implement unless the fees are needed to repay outstanding debt related to the facilities in question.

Recent Legislation

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

SB 330 – The Housing Crisis Act of 2019. SB 330 (amended and clarified in 2021 by SB 8) contained a variety of amendments designed to promote affordable housing. Among them was a provision in Government Code Section 65589.5 that prohibits the imposition of new approval requirements on a housing development project once a preliminary application has been submitted. That provision applies to increases in impact fees except when the resolution or ordinance establishing the fee authorizes automatic, inflationary adjustments to the fee or exaction. These provisions will remain in effect until January 1, 2030.

AB 1483 – Housing Data: Collection and Reporting (2019). AB 1483 added Section 65490.1 to the Government Code, and requires that a city, county or special district must post on its website a current schedule of its fees and exactions, as well as associated nexus studies and annual reports. Updates must be posted within 30 days.

SB 13 – Accessory Dwelling Units (2019). SB 13 amended Government Code Section 65852.2 to prohibit the imposition of impact fees on accessory dwelling units (ADUs) smaller than 750 square feet and to require that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the primary dwelling unit. The proportionality requirement means that impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis during the approval process.

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

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

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

- A nexus study must identify the existing level of service for each facility, identify the proposed new level of service (if any), and explain why the new level of service is appropriate.

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

AB 516 – Amendments to the Mitigation Fee Act (2023). AB 516, which took effect on January 1, 2024, amends Government Code Section 66006 to add certain requirements to the annual reports mandated by that section. Specifically, Section 66006 now requires that:

- Annual reports indicate whether construction on public improvements identified in previous annual reports began on the approximate date shown in the previous annual report; and,
- If a project failed to start construction on schedule, the annual report must explain the reason for the delay and provide a revised approximate date when construction will begin.

AB 516 also amends Section 66023 to provide that when a person requests an audit of a fee or charge levied by a local agency, that audit may address when revenue generated by that fee or charge is scheduled to be expended, and when the public improvement to be funded by that fee or charge is scheduled to be completed. Prior to this amendment, the only stated purpose of such an audit was to determine whether such a fee or charge

exceeds the amount reasonably necessary to cover the cost of any product, public facility or service provided by the local agency.

Impact Fee Calculation Methodology

The methods used to calculate impact fees in this study are designed to comply with all of the legal requirements discussed earlier in this chapter. Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics of, and planning requirements for, the type of facility being addressed. To some extent those methods are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

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

Although it is not mandatory, this study adopts the nomenclature used in the Impact Fee Nexus Study Templates prepared by the Turner Center for Housing Innovation at UC Berkeley to describe impact fee calculation methods. Those templates were prepared for The California Department of Housing and Community Development pursuant to Section 50466.5 of the Health and Safety Code and are cited in AB 602.

Planned Facility Method. With this method, impact fees are calculated so that new development will pay for the planned expansion of facilities at the future standard attributable to new development. To calculate the cost per unit of demand, the cost of planned facilities is divided by the amount of demand that will be created by new development. The impact fees depend on the cost of planned future facilities and a plan for future development, so the fees should be recalculated if facility plans or development plans change.

Existing Inventory Method. With this method, impact fees are calculated so that new development will fund expansion of facilities at the same standard currently used to serve existing development. To calculate the cost per unit of demand, the value of existing facilities is divided by the amount of demand associated with existing development. This method allows impact fees to be calculated without a list of planned facilities, but such a list is required by AB 602 as part of a Capital Improvement Plan that must be adopted with any new impact fee nexus study. This approach can be used to calculate impact fees for many types of public facilities but is usually not appropriate for facilities such as transportation improvements or water, wastewater or drainage systems where improvement needs must be determined by engineering analysis.

System Plan Method. With this method, impact fees are calculated so that new development pays for its share of the cost of an integrated system of facilities at the future standard attributable to new development. To calculate the cost per unit of

demand, the value of existing facilities plus the cost of planned facilities is divided by the combined demand associated with both existing development and planned development. This approach is especially appropriate for impact fees for fire protection and EMS facilities because new facilities must be planned to integrate geographically with existing facilities.

Alternative Funding Sources

The Terner Center impact fee templates recommend that an impact fee study discuss the availability of alternative funding sources for facilities addressed in the study and whether there are existing deficiencies for which other funding is needed. This study has not identified existing deficiencies with respect to the existing level of service standard used as the basis for impact fee calculations for all impact fees except those for RCFPD. However, for several types of facilities including libraries and the animal center, there is a perceived need in the City to provide a level of service higher than the existing level. This study has not identified alternative funding sources that could be used to elevate the level of service in the City above the level currently provided. Should such funding become available, it could be used for that purpose or, given the many uncertainties regarding the course of future development and the actual cost of future facilities, such funding could be used to cover unanticipated costs of needed facilities. In the event that the City should acquire funding specifically earmarked for facilities identified in the Capital Improvement Program for impact fee funding, it may be appropriate to modify the impact fee calculations to take account of that funding.

Impact Fees for Accessory Dwelling Units (ADUs)

SB 477, enacted in 2024, relocated and consolidated California's ADU laws into a new Government Code Chapter (Chapter 13, Division 1, Title 7). Recent amendments to ADU law provide that impact fees may not be imposed on ADUs smaller than 750 square feet and establish the following requirement for impact fees imposed on ADUs of 750 square feet or more:

“Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.”

The proportionality requirement depends on the square footage of both the primary unit and the ADU, which necessitates that impact fees for ADUs be calculated on a case-by-case basis. Consequently, this report does not calculate a schedule of impact fees for ADUs. The formula for calculating proportional ADU impact fees is:

Primary unit impact fee X (ADU square feet / Primary unit square feet)

Impact Fee Credits and Exemptions

Existing State law provides that certain types of projects, largely involving housing, are exempt from or receive reduced or vested development impact fees (exceptions). These exceptions include, for example, a prohibition on impact fees for accessory dwelling units of 750 square feet or less and vested impact fees for qualifying housing development projects subject to a preliminary application under the Housing Accountability Act, SB 330. Such exceptions may change over time. As a Pro Housing jurisdiction, the City of Rancho Cucamonga recognizes the importance of providing more housing and affordable housing for all income levels. To that end, the City supports current State law in this regard and intends to comply with future changes in this area.

This nexus study anticipated all future development in the City without considering the potential applicability of any exceptions to the impact fees applied to such development. This is because, among other reasons, it is not possible to determine whether any particular project will qualify for an exception and then to what extent. It is speculative to forecast that a certain amount of development expected in the City will be attributable to projects that qualify for exceptions. To be sure, the value of any potential exception was not re-allocated or re-distributed to other development projects. Therefore, no project will subsidize any lost revenue caused by a project that qualifies for an exception, and any shortfalls in funding for exempt or reduced fee projects will be made up through grants or other local discretionary funding sources.

Further, the City has long recognized that for some development projects there is mutual benefit for the developer to construct public improvements or dedicate land that are part of the impact fee program's list of capital projects. In accordance with the applicable provisions of the Rancho Cucamonga Municipal Code and other laws, the developer may be eligible for a credit against the amount of the relevant impact fee for the cost of the improvement or value of the land dedicated when the development impact fee is calculated. In order to ensure the sustainability and equity of the program, such credits are equal to the estimated value of the improvements and/or dedicated land as outlined in the nexus study, as adjusted and in effect as of the date the fees are calculated.

Finally, the City seeks to defray the cost of construction for public infrastructure through alternative means such as grant programs. The City proactively pursues grants and other funding mechanisms; however, the City does not have the ability to guarantee a certain percentage of grant awards toward projects within this DIF program. In order to ensure that new development funds its fair share of the improvements in this program, applicable grant awards will be first used to offset the appropriate project cost share attributable to existing development and then remaining grant awards (if any) will be used to offset the cost borne by the fee program unless the grant award is specifically made to offset new development costs. Should new development costs be offset by grant or other funding mechanisms, such offset will be accounted for in the next major update to this nexus study.

Review of Assumptions As Required by Gov't Code Section 66016.5(a)(4)

The most recent iteration of the adopted fee programs for Park Land and Park Improvements, Community and Recreation Facilities, Library Facilities and Materials, Animal Center Facilities, Vehicles, and Equipment, and Police Facilities Impact Fees were adjusted in 2020 by Resolution No. 20-121 (Appendix XX – Resolution No. 20-121). Government Code Section 66016.5(a)(4) as amended by AB 602 requires local agencies adopting increases to existing DIF program fees review the assumptions in the prior study as part of a new nexus study. Since the adoption of Resolution No. 20-121, the City approved a General Plan update that set forth a renewed vision for the community including anticipated development patterns, population growth estimates, and public infrastructure, facilities, materials, and equipment needs. Further, since that time, construction costs have increased dramatically for public improvements. This study has reviewed the prior assumptions and incorporated currently available data and assumptions as more appropriate to the analysis considered in this study.

Facilities Addressed in this Study

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

- Park Land and Park Improvements
- Community and Recreation Center Facilities
- Library Facilities and Materials
- Animal Center Facilities, Vehicles and Equipment
- Police Facilities
- Rancho Cucamonga Fire District Facilities, Apparatus and Equipment

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

Chapter 2. Development Data

This chapter presents data on existing and future development that will be used to calculate impact fees in subsequent chapters of this report. The information in this chapter may be used to establish levels of service, analyze facility needs, and/or allocate the cost of capital facilities between existing and future development and among various types of new development.

Study Area

The study area for the City of Rancho Cucamonga (City) in this study is the planning area defined in the City's current General Plan which was adopted in 2021. That area encompasses both the existing City and the small Sphere of Influence (SOI) along the northern edge of the City above the Alta Loma neighborhood. Impact fees for City facilities are calculated in Chapters 3 through 7 of this report.

The study area for the Rancho Cucamonga Fire Protection District (RCFPD or District) impact fees is the entire area within the boundaries of the District, which includes the entire City and its SOI, as well as an area north of the City that is currently unincorporated and is not planned for annexation to the City. All of RCFPD's capital assets are located within the City of Rancho Cucamonga, but a very small percentage of the calls for service originating within the district boundaries come from the portion of RCFPD outside the City. The RCFPD impact fees are calculated using all of the calls for service within the District so that the cost of serving the area outside the City is not averaged into the RCFPD impact fees charged within the City. Impact fees for RCFPD facilities, apparatus and equipment are calculated in Chapter 8 of this report.

Time Frame

Planned future development in this study is forecasted out to 2040. However, the methods used to calculate impact fees in this study do not depend on the timing of future development.

Development Types

The development types for which impact fees are calculated in this report are discussed below. Impact fees calculated in this report are intended to be applied based on actual land uses rather than zoning or general plan land use designations. For mixed use development projects, impact fees should be applied to each type of development within the project, consistent with the number of units of development of each type within the project.

Residential Development. Government Code Section 66016.5(a)(5)(A) which was added to the Mitigation Fee Act by AB 602 in 2021 contains the following requirement:

"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”

This study calculates impact fees per square foot for two types of residential development using average square-feet-per-unit numbers provided by the City:

- Single-family Residential Units
- Multi-family-Residential Units (including all attached dwelling units)

Senior/Assisted Living Facilities. While senior living and assisted living facilities, including rehabilitation and skilled nursing facilities have some of the characteristics of residential uses, their impact characteristics can be substantially different from most residential development, with less impact on transportation and parks and recreation facilities and greater impact on emergency medical services. Consequently senior/assisted living facilities are treated as a separate category in this study and are not considered a form of housing development subject to the requirements of Government Code Section 66016.5. Development in this category is measured in terms of beds, which is intended as a proxy for the number of occupants of a facility.

Non-Residential Development. Non-residential development types used in this study are:

- Commercial/Retail
- Hotel/Motel
- Office
- Industrial

The impact fees calculated in this report are intended to be applied to development projects, or portions of projects, based on the actual type of development being constructed. Except for the Hotel/Motel category, which is measured in terms of guest rooms, the non-residential development types listed above are measured in terms of gross leasable floor area in thousands of square feet (KSF).

In the Rancho Cucamonga Development Code (Title 17 of the Municipal Code), allowable uses are grouped into broad categories. In general, those categories correspond reasonably well with the development types listed above, except that in the Development Code, hotels and other lodging uses are included in a category called Service and Office Uses whereas this study breaks out hotels and motels as a separate category.

In cases where a proposed development project does not fit reasonably well into one of the development types defined in this study, the City has the option to calculate an impact fee that is tailored to that specific use. See the sub-section on Other Types of Development, below.

Public Facilities, Public Schools and Parks. In addition to the development types listed above, the development tables presented later in this chapter include public

(government) facilities, public schools and parks. The City does not impose impact fees on those uses, either because of legal constraints or because it would be imposing the fees on itself, which serves no purpose. However, those uses do create measurable impacts on some services, including law enforcement and fire protection/emergency medical services, and they are included in the impact fee analysis so that the impacts associated with those exempt uses can be distinguished from demand associated with fee-paying development types.

Other types of Development. The development types for which impact fees are calculated in this study will encompass most new development in the City, but there may be some development projects that don't fit very well within any of the established fee categories. In such cases, it is possible for City staff to calculate a customized impact fee at the time a project is approved.

For example, to calculate a customized police impact fee, it would be necessary to estimate the number of police calls for service per year that will be generated by the project, based on the number of calls generated by similar existing uses in the City. Then, that number would be multiplied by the cost per call calculated in this study to arrive at the police impact fee for the project. Customized impact fees for other facility types could be calculated in a similar manner.

Demand Variables

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

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

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

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

Demand variables used in this study are discussed below. Specific demand factors can be found in Table 2.2.

Population. Population is used in this study as the demand variable for parks, libraries, community and recreation centers and the animal center. The need for those facilities is driven largely by the added population associated with residential development. They are not impacted substantially by non-residential development. The specific population per unit factors used in this study are shown in Table 2.1.

Police Department Calls for Service. Demand for police services is impacted by both residential and non-residential development in the City. In this study, the number of police calls for service per unit per year is used to represent the demand for police services by various types of development. The calls-for-service factors used in this study are based on analysis by NBS of a random sample of all calls for service received by the Rancho Cucamonga Police Department for a one-year period from May 2023 to May 2024.

During that period, the Rancho Cucamonga Police Department logged about 80,000 calls. A random sample of 648 calls was classified by development type based on address or location. Calls that could not be associated with a particular type of development were excluded from the analysis. The percentage of sampled calls associated with each type of development defined in this study was applied to the total number of 2023 calls to get the number of calls generated by each type of development for the year. The number of calls associated with each type of development was divided by the number of existing units for that type of development to arrive at the average number of calls per unit per year for that type of development.

RCFPD Calls for Service per Year. Demand for fire protection, emergency medical response and other services provided in the City by RCFPD is impacted by both residential and non-residential development. In this study, the number of calls for service per unit per year to RCFPD is used to represent the demand for fire protection and emergency response services by various types of development in the City. The calls-for-service factors used in this study are based on analysis by NBS of a random sample of all 2023 calls for service to the Rancho Cucamonga Fire Protection District.

In 2023, RCFPD logged about 18,600 calls for service. As part of this study, NBS analyzed a random sample of 700 of those calls and classified them by development type based on address. Calls that could not be associated with a particular type of development were excluded from the analysis.

The percentage of sampled calls associated with each type of development defined in this study was applied to the total number of 2023 calls to get the full number of calls generated by that type of development for the year. Then, the number of calls per year was divided by the number of existing units for each type of development to arrive at the average number of calls per unit per year. Fire calls-per-unit-per-year factors used in this study are shown in Table 2.2, below.

Demand Factors

Table 2.1 shows the values of demand factors by development type used in this study. Factors for population per unit and Police Department calls for service per unit per year are for the City of Rancho Cucamonga. Factors for Rancho Cucamonga Fire Protection District calls for service per unit per year are for the area within the boundaries of the District. Calls from development within the City make up an estimated 99.6% of all calls generated within RCFPD.

Table 2.1: Demand Factors Used in This Study

Development Type	Dev Units ¹	Population per Unit ²	RCPD Calls per Unit ³	RCFPD Calls per Unit ⁴
Residential, Single Family	DU	3.15	0.717	0.185
Residential, Multi-Family	DU	2.48	0.617	0.139
Senior/Assisted Living Facility	Beds		1.738	2.829
Commercial/Retail	KSF		1.966	0.231
Hotel/Motel	Rooms		0.125	0.115
Office	KSF		0.465	0.122
Industrial	KSF		0.129	0.017
Public Facilities	KSF		0.954	0.476
Public Schools	Students		0.118	0.015
Parks	Acres		3.474	0.213

¹ Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel/motel room or suite; Bed = accommodation for a single resident or patient

² Population per unit based on American Community Survey Tables 25032 and 25033, 2022 one-year estimates

³ Estimated average Police Department calls for service per unit per year based on analysis of a random sample of calls for service for a one-year period from May 2023 to May 2024; see discussion in text

⁴ Estimated average Rancho Cucamonga Fire Protection District calls for service per unit per year based on analysis of a random sample of 2023 calls for service by NBS; see discussion in text

Existing and Future Development

Tables 2.2 through 2.4, beginning on the next page, present summaries of existing and future development by development type in Rancho Cucamonga. The figures for units, population and police department calls for service shown in those tables are for the City only. The RCFPD calls for service shown in those tables are for the entire District, but development in the City accounts for more than 99% of those calls.

The portion of RCFPD outside the City is small and development in that area is constrained by topography. The only difference in existing and future development between the City and the District is that the District has an estimated 348 more existing residential units than the number of existing residential units in the City. The number of units does not

enter directly into the impact fee calculations. Those 348 additional residential units are not shown in these tables but are included in the calculation of impact fees for RCFPD.

Table 2.2 shows estimated existing development as of January 1, 2024, in terms of units, population, police department calls for service and RCFPD calls for service.

Table 2.2: Existing Development - January, 2024

Development Types	Dev Units ¹	Existing Units ²	Existing Population ²	Existing RCPD Calls ³	Existing RCFPD Calls ⁴
Residential, Single Family	DU	38,997	122,821	27,980	7,152
Residential, Multi-Family	DU	28,803	69,166	17,773	4,013
Senior/Assisted Living Facility	Beds	709		1,232	2,006
Commercial/Retail	KSF	8,412		16,542	1,942
Hotel/Motel	Rooms	1,410		176	162
Office	KSF	5,300		2,464	647
Industrial	KSF	40,805		5,279	712
Public Facilities	KSF	1,292		1,232	615
Public Schools	Students	32,732		3,871	485
Parks	Acres	456		1,584	97
Total			191,987	78,133	17,831

¹ Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel/motel room or suite; Bed = accommodation for a single resident or patient

² Existing residential units and population based on travel demand model data provided by Fehr & Peers; non-residential units provided by the City of Rancho Cucamonga Planning Department

³ Existing RCPD calls for service per year based on analysis of calls for service to the Rancho Cucamonga Police Department for a one-year period from May 2023 to May 2024

⁴ Existing RCFPD calls for service per year based on analysis of 2023 calls for service to the Rancho Cucamonga Fire Protection District

Table 2.3 shows projected new development to 2040, in terms of units, population, police department calls for service and RCFPD calls for service.

Table 2.3: Projected New Development to 2040

Development Types	Dev Units ¹	Added Units ²	Added Population ²	Added RCPD Calls ³	Added RCFPD Calls ⁴
Residential, Single Family	DU	2,868	8,750	6,278	531
Residential, Multi-Family	DU	15,812	33,150	20,455	2,203
Senior/Assisted Living Facility	Beds	138		240	391
Commercial/Retail	KSF	700		1,377	162
Hotel/Motel	Rooms	275		34	32
Office	KSF	2,000		930	244
Industrial	KSF	5,800		750	101
Public Facilities	KSF	252		240	120
Public Schools	Students	6,383		755	95
Parks	Acres	89		309	19
Total			41,900	31,369	3,897

¹ Units of development: DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = hotel/motel room or suite; Bed = accommodation for a single resident or patient

² Added residential units and population based on travel demand model data provided by Fehr & Peers, added non-residential units based on conservative scenario projections by Strategic Economics; see Appendix 5.14-1 to the General Plan DEIR

³ Added RCPD calls = added units X calls per unit per year from Table 2.2; average residential calls per unit per year based on the rate for >1,200 - 1,900 square foot units

⁴ Added RCFPD calls = added units X calls per unit per year from Table 2.2; average residential calls per unit per year based on the rate for >1,200 - 1,900 square foot units

Table 2.4 shows projected total development in 2040 in terms of units, population, police department calls for service and RCFPD calls for service.

Table 2.4: Projected Total Development in 2040

Development Types	Dev Units ¹	2040 Units ²	2040 Population ²	2040 RCPD Calls ³	2040 RCFPD Calls ⁴
Residential, Single Family	DU	41,865	123,370	34,258	7,683
Residential, Multi-Family	DU	44,615	110,517	38,228	6,216
Senior/Assisted Living Facility	Beds	847		1,472	2,397
Commercial/Retail	KSF	9,112		17,919	2,104
Hotel/Motel	Rooms	1,685		210	194
Office	KSF	7,300		3,394	891
Industrial	KSF	46,605		6,029	813
Public Facilities	KSF	1,544		1,472	735
Public Schools	Students	39,115		4,626	580
Parks	Acres	545		1,893	116
Total			233,887	109,502	21,728

Note: The figures in Table 2.5 represent the sum of the corresponding figures in Table 2.3 and Table 2.4

Chapter 3. Park Impact Fees

This chapter calculates impact fees for park land acquisition and for park improvements. Chapter 3.68 of the Rancho Cucamonga Municipal Code established and governs impact fees for park land acquisition and park improvements. The City does not require park land dedication or payment of fees in lieu of dedication pursuant to the Quimby Act (Government Code Section 66477). The Quimby Act would allow park land dedication and in-lieu fee requirements to be based on 3.0 acres per 1,000 population, which is a substantially higher standard than the existing level of service used to calculate park land impact fees in this study.

At present, the City of Rancho Cucamonga has five community parks and 26 neighborhood parks. The City owns about 399 acres of land designated for park use, of which about 346 acres are currently developed as parks. The park impact fees calculated in this chapter are based on the relationship between the City's existing ratio of improved park acres to population. However, later in this chapter, unimproved, City-owned park land is credited against the amount of park land needed to serve future residential development at the existing level of service. The result is a substantial reduction in the amount of the park land impact fees applied to new development.

Service Area

All park impact fees calculated in this chapter are intended to apply to the entire City.

Methodology

This chapter calculates impact fees using the existing inventory method discussed in Chapter 1. With that method, impact fees are based on the existing level of service so that the impact fees will provide the funding needed to maintain that level of service as the City grows.

Demand Variable

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

Population is used here because in Rancho Cucamonga, as in most cities, the need for parks is defined in terms of the relationship between park acreage and population.

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

The impact fees for each type of residential development depend on the average population per dwelling unit for that type of development. The individual population-per-unit factors used to calculate the park impact fees are from Table 2.2 in Chapter 2. See the discussion of population per unit in Chapter 2.

Level of Service

The level-of-service standard used to calculate park impact fees is based on the relationship between the City's existing park acreage and its existing population.

In 2021, Section 66016.5 was added to the Mitigation Fee by Act AB 602. Paragraph (a)(2) of that section requires that, after January 1, 2022, the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2).

Existing Parks

Table 3.1 on the next page lists the City's existing parks and shows both total acres and improved acres of park land. For the parks listed in Table 3.1, there are four parks for which the total acres exceed the improved acres, indicating that there is unimproved land available within those parks. Two of those parks, Central Park and Etiwanda Community Park, have a total of 46.61 acres of unimproved land available. Later, in Table 3.4, that unimproved land is credited against the acreage needed to serve future residential development at the current level of service in terms of improved acres per thousand population.

Of the other two parks shown as having available, unimproved park land, Don Tuburcio Tapia Park is on land that is owned by the Cucamonga Valley Water District, not the City, and is subject to lease rights that allow for the District's ongoing use of the property. Therefore, the availability of this land for future park purposes remains uncertain, and the 4.34 acres shown as unimproved land is not credited to future development. The 911 Park has park improvements currently under construction, so 1.4 acres shown as unimproved land for that park is also not credited to future development.

Table 3.1: Existing Parks

Park Name	Total Acres ¹	Improved Acres ⁴
<i>Community Parks</i>		
Central Park	74.45	35.84
Etiwanda Creek Community Park	22.48	14.48
Heritage Community Park	34.02	34.02
Red Hill Community Park	44.20	44.20
Epicenter Adult Sports Complex	48.90	48.90
<i>Subtotal Community Parks</i>	<i>224.05</i>	<i>177.44</i>
<i>Neighborhood Parks</i>		
Bear Gulch Park	4.56	4.56
Beryl Park East	10.10	10.10
Beryl Park West	8.72	8.72
Church Street Park	7.00	7.00
Coyote Canyon Park	4.74	4.74
Day Creek Park	9.98	9.98
Don Tuburcio Tapia Park (Long Term Lease)	4.34	0.00
Ellena Park	6.04	6.04
Garcia Park	5.55	5.55
Golden Oak Park	4.99	4.99
Hermosa Park	9.57	9.57
Kenyon Park	7.82	7.82
Legacy Park	3.76	3.76
Lions Park	2.50	2.50
Los Amigos Park	3.36	3.36
Milliken Park	8.40	8.40
Mountain View Park	5.03	5.03
Old Town Park	5.01	5.01
Olive Grove Park	7.38	7.38
Ralph M. Lewis Park	8.03	8.03
Rancho Summit Park	6.71	6.71
Spruce Avenue Park	3.89	3.89
Victoria Arbors Park	7.75	7.75
Victoria Groves Park	6.02	6.02
Vintage Park	8.02	8.02
West Greenway Park	6.10	6.10
Windrows Park	8.01	8.01
9/11 Park	1.40	0.00
<i>Subtotal Neighborhood Parks</i>	<i>174.78</i>	<i>169.04</i>
Total	398.83	346.48

¹ Source: City of Rancho Cucamonga; park acreage numbers revised February 2025; see maps of individual parks in Appendix C

Existing Level of Service

Table 3.2 calculates existing levels of service in terms of acres per capita and acres per 1,000 population for total City-owned park land and for improved park land.

Table 3.2: Existing Level of Service - Total/Improved Park Land

Component	Existing Acres ¹	Existing Population ²	Acres per Capita ³	Acres per 1,000 ⁴
Total Park Land	398.83	191,987	0.00208	2.08
Improved Park Land	346.48	191,987	0.00180	1.80

¹ See Table 3.1

² Existing residential population; see Table 2.2

³ Acres per capita = existing acres / existing population

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

The level-of-service standard for parks contained in the 2021 Rancho Cucamonga General Plan, in terms of a ratio of acres to population, is five acres per 1,000 residents for neighborhood parks (see Table OS-2 in the General Plan).

In 2019, the California Court of Appeal in *Boatworks, LLC vs. City of Alameda* held that parks not currently open to the public may not be used in calculating the existing level of service for purposes of establishing park impact fees. Impact fees calculated in this chapter are based on the existing level of service in terms of improved park acres per 1,000 population. Only park acreage that is improved and open to the public is counted in establishing the existing level of service for both park land acquisition and park improvement impact fees in this study.

In the following pages, the existing level of service is converted into a cost per capita for park land acquisition and park improvements using the existing level of service in acres per capita multiplied by the estimated cost per acre for park land acquisition and park improvements.

There is one additional cost component included in the park improvement impact fees. That is the capital cost of added park maintenance vehicles and equipment. Table 3.3 calculates the costs per capita for park maintenance vehicles and equipment based on the replacement cost of existing park maintenance vehicles and equipment divided by the existing population of the City. That cost per capita is added to the cost per capita for park improvements in Table 3.6 where the per-capita costs are converted into a cost per unit of development.

Table 3.3: Cost per Capita - Existing Park Maintenance Equipment

Total Cost ¹	Existing Population ²	Cost per Capita ³
\$1,450,620	191,987	\$7.56

¹ See Appendix B for a detailed listing of existing park maintenance vehicles and equipment

² Existing population; see Table 2.3

³ Cost per capita = total cost / existing population

Cost Per Capita

Table 3.4 calculates the cost per capita for park land acquisition and for park improvements using the existing level of service in acres per capita and the cost-per-acre estimates for park land acquisition and park improvements. In both cases, the acres-per-capita standard is based on the existing level of service discussed previously in this chapter.

Table 3.4: Cost per Capita - Park Land Acquisition and Park Improvements

Cost Component	Acres per Capita ¹	Cost per Acre ²	Cost per Capita ³
Park Land Acquisition	0.0018	\$ 1,176,197	\$ 2,117.15
Park Land Acquisition-Adjusted ⁴	0.0007	\$ 1,176,197	\$ 823.34
Park Improvements	0.0018	\$ 850,000	\$ 1,530.00

¹ Acres per capita for both park land acquisition and park improvements is based on the existing level of service for improved park land; see Table 3.2

² Cost per acre for land acquisition based on recent sales data from the CoStar real estate database; see Appendix A for detailed data; cost per acre for park improvements is based on improvement costs, adjusted for specialized improvement or typical improvements that were omitted, with an adjustment for inflation, for a recently completed 4.9 acre dog park

³ Cost per capita = acres per capita X cost per acre

⁴ Park land acres per capita is adjusted to credit future development for 46.61 acres (0.0011 acres per capita) of City-owned, unimproved park land in Central Park and Etiwanda Community Park; that adjustment reduces the total park land to be funded by park land impact fees from 75.42 acres to 29.33 acres; the adjusted cost per capita is used in Table 3.5 to calculate impact fees for park land acquisition

In the next section, the per-capita costs from Table 3.4 are used to calculate impact fees per unit, which are then divided by square-feet-per-unit factors to get impact fees per

square foot for single-family and multi-family residential development for park land acquisition and park improvements.

Impact Fees per Square Foot

Table 3.5 shows the calculation of park land impact fees per square foot for single-family and multi-family residential development. The average square feet per unit for single-family and multi-family residential development were provided by the City.

Table 3.5: Park Land Acquisition Impact Fee per Square Foot

Development Type	Unit Type ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$ 823.34	\$ 2,593.51	2,500	\$ 1.04
Residential, Multi-Family	DU	2.48	\$ 823.34	\$ 2,041.88	1,700	\$ 1.20

¹ DU = dwelling unit

² See Table 2.1

³ See Table 3.4

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Table 3.6 shows the calculation of impact fees per square foot for single-family and multi-family residential development for park improvements. The cost of park maintenance vehicles and equipment is incorporated into the park improvement impact fees but amounts to less than 0.5% of those fees.

Table 3.6: Park Improvement Impact Fee per Square Foot (Incl. Maintenance Equipment)

Development Type	Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$1,537.56	\$ 4,843.30	2,500	\$ 1.94
Residential, Multi-Family	DU	2.48	\$1,537.56	\$ 3,813.14	1,700	\$ 2.24

¹ DU = dwelling unit

² See Table 2.1

³ Includes cost per capita for park improvements from Table 3.4 and cost per capita for park maintenance vehicles and equipment from Table 3.3

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Projected Revenue

Table 3.7 projects revenue from park land impact fees using the park land impact fees per square foot from Table 3.5, the average square feet per unit for each type of residential development and the added residential units from Table 2.3. This projection assumes that future development occurs as shown in Chapter 2 and that all future private development will be subject to impact fees. However, for a variety of reasons, some future development may not be subject to these impact fees. See the section on Impact Fee Credits and Exemptions in Chapter 1.

Table 3.7: Projected Revenue - Park Land Acquisition Impact Fees

Development Type	Impact Fee per Sq Ft ¹	Avg Sq Ft per Unit ²	Added Units ³	Projected Revenue ⁴
Residential, Single Family	\$ 1.04	2,500	2,868	\$ 7,456,800
Residential, Multi-Family	\$ 1.20	1,700	15,812	\$ 32,256,480
Total				\$ 39,713,280

¹ See Table 3.5

² Average square feet per unit provided by the City of Rancho Cucamonga

³ See Table 2.3

⁴ Projected revenue = impact fee per square foot X average square feet per unit X added units

Table 3.8 projects revenue from park improvement impact fees using the park land impact fees per square foot from Table 3.6, the average square feet per unit for each type of residential development and the added residential units from Table 2.3. This projection assumes that future development occurs as shown in Chapter 2.

Table 3.8: Projected Revenue - Park Improvement Impact Fees

Development Type	Impact Fee per Sq Ft ¹	Avg Sq Ft per Unit ²	Added Units ³	Projected Revenue ⁴
Residential, Single Family	\$ 1.94	2,500	2,868	\$ 13,909,800
Residential, Multi-Family	\$ 2.24	1,700	15,812	\$ 60,212,096
Total				\$ 74,121,896

¹ Impact fee (cost) per capita; see Table 3.6

² Average square feet per unit provided by the City of Rancho Cucamonga

³ See Table 2.3

⁴ Projected revenue = impact fee per square foot X average square feet per unit X added units

Specific projects and costs to be funded by these impact fees can be found in the City's Capital Improvement Plan.

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for parks in Rancho Cucamonga and to prevent a reduction in the level of service provided to residents of the City as a result of new development.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional parks to mitigate the impacts of new development in the City. Specific projects and costs to be funded by these impact fees can be found in the City’s Capital Improvement Program.

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

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the need for

parks to maintain the existing level of service, as described earlier in this chapter. Without additional parks, the increase in population associated with new residential development would result in a reduction in the level of service provided to all residents of the City.

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

Chapter 4. Community and Recreation Center Impact Fee

This chapter calculates impact fees for community and recreation centers needed to serve future development in the City. Chapter 3.52 of the Rancho Cucamonga Municipal Code establishes and governs the Community and Recreation Center Impact Fee.

The City of Rancho Cucamonga has a number of existing community and recreation centers as well as the Victoria Gardens Cultural Center, which is included in this category. The Paul A. Biane Library, which is a part of the Victoria Gardens Cultural Center, is addressed separately in Chapter 5, Libraries.

The community and recreation center impact fees calculated in this chapter are based on the relationship between the City's existing population and the replacement cost of Rancho Cucamonga's existing community center and recreation center facilities.

Service Area

The community and recreation center impact fee is intended to apply to the entire City.

Methodology

This chapter calculates impact fees using the existing inventory method discussed in Chapter 1. With that method, impact fees are based on the existing level of service so that the impact fees will provide the funding needed to maintain that level of service as the City grows.

Demand Variable

A "demand variable" is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development. The demand variable used to calculate impact fees for community and recreation centers is population. Since population is associated with residential development, these impact fees will apply only to residential development.

Population is used as the demand variable for these fees because the need for community and recreation centers is normally defined in terms of the size of the population to be served. Added population is used in this chapter to measure the impact of new development on the need for community and recreation center facilities.

Average population per unit is estimated for each category of residential development defined in this study. Individual population-per-unit factors for each category of residential development are shown in Table 2.2 in Chapter 2.

Level of Service

The City has not adopted a formal level of service standard for community and recreation centers. Since some existing facilities such as the Lewis Family Playhouse at the Victoria Gardens Cultural Center are one-of-a-kind, a ratio of facility square footage to population would not reflect differences in cost for different types of facilities. Consequently, the level-of-service standard used to calculate impact fees in this chapter is the existing relationship between the City's population and the replacement cost of existing community and recreation centers, stated as a cost per capita. See the Cost per Capita section below.

In 2021, Section 66016.5 was added to the Mitigation Fee by Act AB 602. Paragraph (a)(2) of that section requires that, after January 1, 2022, the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2).

Existing Facilities

Table 4.1 lists the City's existing community and recreation centers with their estimated replacement cost. Replacement cost is used in this analysis as an indicator of the cost of constructing additional facilities to serve future development.

Table 4.1: Existing Community and Recreation Centers Estimated Replacement Cost

Facility Name	Site Acres ¹	Site Value ²	Building Sq. Feet ³	Building Repl Cost ⁴	Impact Fee Cost Basis ⁵
RC Family Resource Center	1.80	\$ 2,117,155	11,800	\$ 6,926,502	\$ 9,043,657
RC Sports Center	1.47	\$ 1,729,010	32,000	\$ 18,783,734	\$ 20,512,744
Lion's Center West	0.24	\$ 282,287	11,400	\$ 6,691,705	\$ 6,973,993
Lion's Center East	0.37	\$ 435,193	11,384	\$ 6,682,313	\$ 7,117,506
Lewis/Brulte Community/Sr. Ctr.	Located in Central Park		57,000	\$ 33,458,527	\$ 33,458,527
Heritage Park Equestrian Center	Located in Heritage Park		3,045	\$ 1,787,390	\$ 1,787,390
Victoria Gardens Cultural Center	1.80	\$ 2,117,155	67,584	\$ 49,005,658	\$ 51,122,812
Total		\$ 6,680,799	194,213	\$ 123,335,829	\$ 130,016,628

¹ Site Acres provided by the City of Rancho Cucamonga Community Services Department

² Existing site value = site acres X estimated land value of \$1,176,197 per acre; see Appendix A

³ Building square footage provided by the City of Rancho Cucamonga Community Services Department

⁴ Building replacement cost based on estimated cost in 2020 impact fee study escalated to 2024 using the California Construction Cost Index

⁵ Impact fee cost basis = site value + building replacement cost

Cost per Capita

Table 4.2 calculates the replacement cost per capita for community and recreation center facilities using the impact fee cost basis from Table 4.1 and the existing population from Table 2.3 in Chapter 2.

Table 4.2: Community and Rec Centers - Existing Level of Service

Impact Fee Cost Basis ¹	Existing Population ²	Cost per Capita ³
\$130,016,628	191,987	\$677.22

¹ See Table 4.1

² Existing population; see Table 2.2

³ Cost per capita = impact fee cost basis / existing population

In the next section, the cost per capita from Table 4.2 is used to calculate community and recreation center impact fees per unit, which are then divided by square-feet-per-unit factors to get impact fees per square foot for single-family and multi-family residential development.

Impact Fees per Square Foot

Table 4.3 shows the calculation of community and recreation center impact fees per square foot for single-family and multi-family residential development. The average square feet per unit for single-family and multi-family residential development were provided by the City.

Table 4.3: Community and Recreation Centers - Impact Fees per Square Foot

Development Type	Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$677.22	\$ 2,133.23	2,500	\$ 0.85
Residential, Multi-Family	DU	2.48	\$677.22	\$ 1,679.50	1,700	\$ 0.99

¹ Units of development; DU = dwelling unit

² See Table 2.1

³ Cost per capita; see Table 4.2

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Projected Revenue

Table 4.4 projects revenue from the community and recreation center impact fees using the impact fees per square foot from Table 4.3, the average square feet per unit for each

type of residential development and the added residential units from Table 2.3. This projection assumes that future development occurs as shown in Chapter 2 and that all future private development will be subject to impact fees. However, for a variety of reasons, some future development may not be subject to these impact fees. See the section on Impact Fee Credits and Exemptions in Chapter 1.

Table 4.4: Projected Revenue - Community/Rec Center Impact Fees

Development Type	Impact Fee per Sq Ft ¹	Avg Sq Ft per Unit ²	Added Units ³	Projected Revenue ⁴
Residential, Single Family	\$ 0.85	2,500	2,868	\$ 6,094,500
Residential, Multi-Family	\$ 0.99	1,700	15,812	\$ 26,611,596
Total				\$ 32,706,096

¹ See Table 4.3

² Average square feet per unit provided by the City of Rancho Cucamonga

³ See Table 2.3

⁴ Projected revenue = impact fee per square foot X average square feet per unit X added units

Specific projects and costs to be funded by these impact fees can be found in the City's Capital Improvement Plan.

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

- The use of the fee and the development type on which it is imposed;
- The need for the facility and the type of development on which the fee is imposed; and

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

Satisfying those requirements also ensures that the fees meet the “rational nexus” and “rough proportionality” standards enunciated in the *Nollan* and *Dolan* decisions discussed in Chapter 1. (For more detail, see “Legal Framework for Impact Fees” in Chapter 1.) The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to prevent new residential development from reducing the quality and availability of public services provided to residents of the city by requiring new residential development to contribute to the cost of expanding the availability of community and recreation center assets in the city.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional community and recreation centers to mitigate the impact of new development on the need for those facilities in the City. Specific projects and costs to be funded by these impact fees can be found in the City’s Capital Improvement Program.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional community and recreation center facilities to mitigate the impact of added population associated with new residential development on the need for community and recreation centers in Rancho Cucamonga.

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

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The community and recreation center impact fees calculated in this chapter are proportional to the impact of the added population associated with various categories of residential development in the City. The fees per square foot of development calculated in this chapter for each type of residential development are based on the estimated average population per unit and square footage per unit for each type of residential development in Rancho Cucamonga. Thus, the fee charged to a development project reflects the impact of that project on the need for community and recreation center facilities in the City.

Chapter 5. Library Impact Fee

This chapter calculates impact fees for library facilities and materials needed to serve future development in the City. The City of Rancho Cucamonga has two existing libraries: the Paul A. Biane Library located in the Victoria Gardens Cultural Center and the Archibald Library on Archibald Avenue. Chapter 3.56 of the Rancho Cucamonga Municipal Code establishes and governs the Library Impact Fee.

Service Area

The library impact fee is intended to apply to the entire City.

Methodology

This chapter calculates impact fees using the existing inventory method discussed in Chapter 1. With that method, impact fees are based on the existing level of service so that the impact fees will provide the funding needed to maintain that existing level of service as the City grows.

Demand Variable

A “demand variable” is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development. The demand variable used to calculate the library impact fee is population.

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

Because population per dwelling unit varies by development category, the average population per unit is estimated for each category of residential development defined in this study. Those individual population-per-unit factors are shown in Table 2.2 in Chapter 2.

Level of Service

The City has not adopted a formal level of service standard for libraries. The level-of-service standard used to calculate impact fees in this chapter is the existing relationship between the City’s population and the replacement cost of library facilities and materials stated as a cost per capita. See the Cost per Capita section below.

In 2021, Section 66016.5 was added to the Mitigation Fee by Act AB 602. Paragraph (a)(2) of that section requires that, after January 1, 2022, the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees

in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2).

Existing Facilities

Table 5.1 lists the City's existing libraries with their estimated replacement cost. Replacement cost is used in this analysis as an indicator of the cost of constructing additional facilities to serve future development. Cost for library furniture fixtures and equipment, and the contents of the museum at the Biane Library are listed separately.

Table 5.1: Existing Library Facilities

Facility	Site Acres	Site Value ¹	Building Sq. Feet ²	Building Repl Cost ³	Impact Fee Cost Basis ⁴
Paul A. Biane Library	1.35	\$ 1,587,866	38,912	\$ 26,298,402	\$ 27,886,268
Museum Contents at Biane Library					\$ 3,500,000
Archibald Library	1.67	\$ 1,964,249	22,500	\$ 11,964,272	\$ 13,928,521
Library Furniture, Fixtures, Equipt.					\$ 4,100,000
Library Kiosk (RC Resource Center)			199	\$ 220,000	\$ 220,000
Library Kiosk (Fire Station 178)			199	\$ 220,000	\$ 220,000
Total		\$ 3,552,115	61,810	\$ 38,702,674	\$ 49,854,789

¹ Site value based on \$1,176,197 per acre; see Appendix A

² Building square footage provided by the City of Rancho Cucamonga Library Services Department

³ Building replacement cost based on the estimated cost in 2020 impact fee study escalated to 2024 using the California Construction Cost Index

⁴ Impact fee cost basis = site value + building replacement cost

This analysis also includes the cost of library materials (books and electronic media). Table 5.2 shows the estimated replacement cost of the library system's existing materials.

Table 5.2: Existing Library Materials

Number of Items ¹	Avg Cost per Item ²	Impact Fee Cost Basis ³
269,559	\$54.71	\$14,747,573

¹ Number of items provided by the City of Rancho Cucamonga Library Services Department

² Cost per item estimated by the Library Services Department

³ Impact fee cost basis = cost of existing library materials = number of items X average cost per item

Cost per Capita

Table 5.3 calculates the replacement cost per capita for library facilities and materials using the impact fee cost basis for library facilities from Table 5.1, and the impact fee cost basis for existing library materials from Table 5.2, both divided by the City's existing population from Table 2.3 in Chapter 2.

Table 5.3: Library Facilities and Materials - Cost per Capita

Component	Impact Fee Cost Basis ¹	Existing Population ²	Cost per Capita ³
Library Facilities	\$ 49,854,789	191,987	\$ 259.68
Library Materials	\$ 14,747,573	191,987	\$ 76.82
Total	\$ 64,602,362	191,987	\$ 336.49

¹ See Tables 5.1 and 5.2

² Existing population; see Table 2.2

³ Cost per capita = impact fee cost basis / existing population

In the next section, the total cost per capita from Table 5.3 is used to calculate library impact fees per unit, which are then divided by square feet per unit factors to get impact fees per square foot for single-family and multi-family residential development.

Impact Fees per Square Foot

Table 5.4 shows the calculation of library impact fees per square foot for single-family and multi-family residential development. The average square feet per unit for single-family and multi-family residential development were provided by the City.

Table 5.4: Library Impact Fees per Square Foot

Development Type	Dev Units ¹	Cost per Capita ²	Population per Unit ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$ 336.49	3.15	\$ 1,059.96	2,500	\$ 0.42
Residential, Multi-Family	DU	\$ 336.49	2.48	\$ 834.51	1,700	\$ 0.49

¹ Units of development; DU = dwelling unit

² Cost per capita; see Table 5.3

³ See Table 2.1

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Projected Revenue

Table 5.5 projects revenue from the library impact fees using the impact fees per square foot from Table 5.4, the average square feet per unit for each type of residential development and the added residential units from Table 2.3. This projection assumes that future development occurs as shown in Chapter 2 and that all future private development will be subject to impact fees. However, for a variety of reasons, some future development may not be subject to these impact fees. See the section on Impact Fee Credits and Exemptions in Chapter 1.

Table 5.5: Projected Revenue - Library Impact Fees

Development Type	Impact Fee per Sq Ft ¹	Avg Sq Ft per Unit ²	Added Units ³	Projected Revenue ⁴
Residential, Single Family	\$ 0.42	2,500	2,868	\$ 3,011,400
Residential, Multi-Family	\$ 0.49	1,700	15,812	\$ 13,171,396
Total				\$ 16,182,796

¹ See Table 5.4

² Average square feet per unit provided by the City of Rancho Cucamonga

³ See Table 2.3

⁴ Projected revenue = impact fee per square foot X average square feet per unit X added units

Specific projects and costs to be funded by these impact fees can be found in the City's Capital Improvement Plan.

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Satisfying those requirements also ensures that the fees meet the “rational nexus” and “rough proportionality” standards enunciated in the *Nollan* and *Dolan* decisions discussed in Chapter 1. (For more detail, see “Legal Framework for Impact Fees” in Chapter 1.) The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to prevent new residential development from reducing the quality and availability of public services provided to residents of the city by requiring new residential development to contribute to the cost of expanding the availability of library and cultural center assets in the city.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional library facilities and materials to mitigate the impact of new development on the need for those facilities in the City. Specific projects and costs to be funded by these impact fees can be found in the City’s Capital Improvement Program.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional library facilities and materials to mitigate the impact of added population associated with new residential development on the need for library services in Rancho Cucamonga.

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

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The library impact fees calculated in this chapter are proportional to the impact of the added population associated with various categories of residential development in the City. The fees per square foot of development calculated in this chapter for each category of residential development are based on the estimated average population per unit and square footage per unit for each type of residential development in Rancho Cucamonga. Thus, the fee charged to a development project reflects the impact of that project on the need for library facilities and materials in the City.

Chapter 6. Animal Center Impact Fee

This chapter calculates impact fees for additional animal center facilities, vehicles and equipment needed to serve future development in the City. Chapter 3.60 of the Rancho Cucamonga Municipal Code establishes and governs the animal center impact fee.

The City's existing Animal Center is already over capacity and additional space will be needed to serve the growing demand imposed by future development. It should be noted that the impact fees calculated in this chapter will only maintain the existing level of service provided by the Animal Center and will not remedy any existing deficiencies in Animal Center facilities.

Service Area

The animal center impact fee is intended to apply to the entire City.

Demand Variable

It is reasonable to assume that the demand for Animal Center facilities depends on the number of pets kept by City residents, in which case the need for animal center facilities is reasonably related to population of the City. Consequently, added population will be used to represent the impact of development on the need for additional Animal Center facilities.

Because added population is a function of new residential development, the fees calculated in this chapter apply only to residential development.

Methodology

This chapter calculates impact fees using the existing inventory method discussed in Chapter 1. With that method, impact fees are based on the existing level of service so that the impact fees will provide the funding needed to maintain that existing level of service as the City grows.

Level of Service

The City has not adopted a formal level of service standard for animal center facilities. Consequently, the level-of-service standard used to calculate impact fees in this chapter is the existing relationship between the City's population and the replacement cost of existing animal center facilities, vehicles and equipment, stated as a cost per capita. See the Cost per Capita section below.

In 2021, Section 66016.5 was added to the Mitigation Fee by Act AB 602. Paragraph (a)(2) of that section requires that, after January 1, 2022, the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees

in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2).

Existing Facilities

Table 6.1 shows the estimated replacement cost for the City's existing Animal Center and the value of a 1.92-acre site the City has acquired to expand that facility. Table 6.1 also shows a credit for the current balance in the City's Animal Center impact fee fund which is available to increase the existing level of service.

Table 6.1: Existing Animal Center Replacement Cost

Facility	Site Acres	Site Value ¹	Building Sq. Feet ²	Building Repl Cost ³	Impact Fee Cost Basis ⁴
Existing Animal Center	1.60	\$1,881,915	12,148	\$ 8,305,256	\$ 10,187,171
Animal Center Expansion Site	1.92	\$2,258,298			\$ 2,258,298
Total		\$ 4,140,213	12,148	\$ 8,305,256	\$ 12,445,469

¹ Existing site value = site acres X \$1,176,197 per acre; see Appendix A

² Building square footage provided by the City of Rancho Cucamonga Animal Services Department

³ Building replacement cost based on estimated cost in 2020 impact fee study escalated to 2024 using the California Construction Cost Index

⁴ Impact fee cost basis = site value + building replacement cost

Table 6.2 lists the Animal Services Department's existing vehicles and equipment with replacement costs.

Table 6.2: Animal Center Vehicles and Equipment

Manufacturer	Type	Description	Impact Fee Cost Basis ¹
Ford	F-250	Pickup Truck	\$ 110,000
Ford	F-250	Pickup Truck	\$ 110,000
Ford	Ranger	Pickup Truck	\$ 40,000
Saturn	UT		\$ 30,000
Chevrolet	SV	Cargo Van	\$ 55,000
Chevrolet		Cargo Van	\$ 55,000
Maverick		Horse Trailer	\$ 15,000
Midmark		Dental X-Ray Machine	\$ 22,970
Midmark		Mobile Dental Machine	\$ 12,792
VMS	Plus	Anesthesia Machine (2)	\$ 7,274
VMS		Anesthesia Machine (2)	\$ 6,738
		LED Procedure Light - Dual	\$ 7,851
		LED Procedure Light - Single (4)	\$ 15,704
		LED Procedure Light - Mobile	\$ 3,926
Cuattro	DR	X-Ray Machine	\$ 52,000
Sound Imaging		Ultrasound Machine	\$ 20,000
Total			\$ 564,255

¹ Impact fee cost basis = replacement cost; replacement cost estimated by the Animal Services Department

Cost per Capita

Table 6.3 calculates the cost per capita for Animal Center facilities, vehicles and equipment using the impact fee cost basis from Tables 6.1 and 6.2 and the City's existing residential population from Table 2.3 in Chapter 2.

Table 6.3: Animal Shelter Facilities and Equipment - Cost per Capita

Cost Component	Impact Fee Cost Basis ¹	Existing Population ²	Cost per Capita ³
Facilities	\$ 12,445,469	191,987	\$ 64.82
Vehicles & Equipment	\$ 564,255	191,987	\$ 2.94
Total	\$ 13,009,724	191,987	\$ 67.76

¹ See Tables 6.1 and 6.2

² See Table 2.2

³ Cost per capita = impact fee cost basis / existing population

In the next section, the total cost per capita from Table 6.3 is used to calculate animal center impact fees per unit, which are then divided by square feet per unit factors to get impact fees per square foot for single-family and multi-family residential development.

Impact Fees per Square Foot

Table 6.4 shows the calculation of animal center impact fees per square foot for single-family and multi-family residential development. The average square feet per unit for single-family and multi-family residential development were provided by the City.

Table 6.4: Animal Shelter - Impact Fees per Square Foot

Development Type	Units ¹	Population per Unit ²	Cost per Capita ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	3.15	\$ 67.76	\$ 213.46	2,500	\$ 0.09
Residential, Multi-Family	DU	2.48	\$ 67.76	\$ 168.05	1,700	\$ 0.10

¹ Units of development; DU = dwelling unit

² See Table 2.1

³ Cost per capita; see Table 6.3

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

⁵ Average square feet per unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot = impact fee per unit / square feet per unit

Projected Revenue

Table 6.5 projects revenue from the animal center impact fees using the impact fees per square foot from Table 6.4, the average square feet per unit for each type of residential development and the added residential units from Table 2.3. This projection assumes that future development occurs as shown in Chapter 2 and that all future private development will be subject to impact fees. However, for a variety of reasons, some future development may not be subject to these impact fees. See the section on Impact Fee Credits and Exemptions in Chapter 1.

Table 6.5: Projected Revenue - Animal Center Impact Fees

Development Type	Impact Fee per Sq Ft ¹	Avg Sq Ft per Unit ²	Added Units ³	Projected Revenue ⁴
Residential, Single Family	\$ 0.09	2,500	2,868	\$ 645,300
Residential, Multi-Family	\$ 0.10	1,700	15,812	\$ 2,688,040
Total				\$ 3,333,340

¹ See Table 6.4

² Average square feet per unit provided by the City of Rancho Cucamonga

³ See Table 2.3

⁴ Projected revenue = impact fee per square foot X average square feet per unit X added units

Specific projects and costs to be funded by these impact fees can be found in the City's Capital Improvement Plan.

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to prevent new residential development from reducing the quality and availability of public services provided to residents of the city by requiring new residential development to contribute to the cost of expanding the availability of animal center assets in the city.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional animal center facilities and equipment to mitigate the impact of new development on the need for those facilities in the City. Specific projects and costs to be funded by these impact fees can be found in the City's Capital Improvement Plan.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional animal center facilities and equipment to mitigate the impact of added

population associated with new residential development on the need for animal center facilities in Rancho Cucamonga.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New residential development increases the need for animal center facilities to maintain the existing level of service, as described earlier in this chapter. Without additional animal center facilities, additional residential development would further overburden the existing animal center.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. This study assumes that the need for animal center facilities in the City is impacted by increasing population. The amounts of the animal center impact fees calculated in this chapter are proportional to the impact of the added population associated with various categories of residential development in the City. The fees per square foot calculated in this chapter for each type of residential development are based on the estimated average population per unit and square footage per unit for that type of residential development in Rancho Cucamonga. Thus, the fee charged to a development project reflects the impact of that project on the need for animal center facilities in the City.

Chapter 7. Police Impact Fee

This chapter calculates impact fees for police facilities needed to serve future development in the City. Chapter 3.64 of the Rancho Cucamonga Municipal Code establishes and governs the police impact fee.

The City's primary police facility is the Public Safety Building at the Rancho Cucamonga Civic Center. The other existing City-owned police facility is a satellite police station co-located with Fire Station 172 on San Bernardino Road in the western portion of the City. The department also has a substation in a leased space in the Victoria Gardens shopping mall and is planning to construct a permanent substation in that area in the future.

Service Area

The police impact fee is intended to apply to the entire City.

Methodology

This chapter calculates impact fees using the existing inventory method discussed in Chapter 1. With that method, impact fees are based on the existing level of service so that the impact fees will provide the funding needed to maintain that existing level of service as the City grows.

Demand Variable

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

As part of this study, NBS analyzed a random sample of approximately 80,000 calls for service logged by the Rancho Cucamonga Police Department for a one-year period from May 2023 to May 2024 to estimate the number of calls per unit per year generated by each type of development defined in this study. Table 2.2 in Chapter 2 shows the calls-per-unit-per-year factors derived from that analysis. Those factors are used to calculate impact fees per unit later in this chapter. For a more detailed discussion of how calls for service were analyzed, see Chapter 2.

One of the findings from the calls-for-service analysis is that 8.4% of police calls for service in Rancho Cucamonga during the relevant period were generated by public facilities, public schools and parks. The police facility costs associated with those calls are not allocated to new private development in this study.

Level of Service

The City has not adopted a formal level of service standard for police facilities. The level of service used to calculate impact fees in this chapter is the existing level of service, which is defined as the relationship between the replacement cost of police facilities shown in Table 7.1 and the number of police calls for service per year received in the one-year period from May 2023 to May 2024.

In 2021, Section 66016.5 was added to the Mitigation Fee by Act AB 602. Paragraph (a)(2) of that section requires that, after January 1, 2022, the level of service used to calculate impact fees in a nexus study must be compared with the existing level of service, and if the proposed new level of service is higher than the existing level of service, an explanation must be included. Because the level of service used to calculate impact fees in this chapter is the same as the existing level of service, no explanation is required to satisfy the requirements of Section 66016.5(a)(2).

Existing Facilities

Table 7.1 lists the City's existing police facilities with their estimated replacement cost. Replacement cost is used in this analysis as an indicator of the cost of constructing additional facilities to serve future development.

Table 7.1: Existing Police Facilities

Facility Name	Building Square Feet ¹	Impact Fee Cost Basis ²
Civic Center Public Safety Building	30,500	\$ 30,454,510
Police Department Structure Parking - 62 spaces		\$ 2,759,000
San Bernardino Road Satellite Station	5,673	\$ 6,934,243
Total	36,173	\$ 40,147,754

¹ Building square feet provided by the Rancho Cucamonga Police Department

² Impact fee cost basis for Public Safety Building and Satellite Station = estimated building replacement cost from 2020 impact fee study escalated to 2024 using the California Construction Cost Index; impact fee cost basis for Police Dept structure parking based on current estimated construction cost of \$44,500 per space for structure parking

Cost per Call for Service

Table 7.2 calculates the facility cost per call for service for police facilities using the impact fee cost basis from Table 7.1 and the number of existing calls for service from Table 2.3 in Chapter 2.

Table 7.2: Facility Cost per Call for Service per Year

Impact Fee Cost Basis ¹	Existing Calls for Service ²	Cost per Call for Service ³
\$40,147,754	78,133	\$513.84

¹ See Table 7.1

² See Table 2.3

³ Cost per call for service per year = impact fee cost share / existing calls for service

In the next section, the cost per call from Table 7.2 is multiplied by calls per unit factors to calculate police impact fees per unit for each type of development defined in this study. The residential impact fees per unit are then divided by square feet-per-unit factors to get impact fees per square foot for residential.

The cost per call from Table 7.2 can also be used to customize impact fees for any non-residential project that does not reasonably fit within one of the development types identified in this report. Such a customized fee would be based on the estimated number of police calls per year for the project, multiplied by the cost per call from Table 7.2. The number of police calls per year for a specific type of development project can be estimated by reviewing call records for similar existing projects in the City.

Impact Fees per Square Foot (Residential) and per Unit (Non-Residential)

Table 7.3 shows the calculation of police impact fees per square foot for residential development and per unit for non-residential development.

Table 7.3: Police Impact Fees per Square Foot (Residential) and per Unit (Non-Residential)

Development Type	Units ¹	Cost per Call for Service ²	Calls per Unit ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$513.84	0.717	\$ 368.67	2,500	\$ 0.15
Residential, Multi-Family	DU	\$513.84	0.617	\$ 317.07	1,700	\$ 0.19
Senior/Assisted Living Facility	Beds	\$513.84	1.738	\$ 892.88		
Commercial/Retail	KSF	\$513.84	1.966	\$ 1,010.46		
Hotel/Motel	Rooms	\$513.84	0.125	\$ 64.14		
Office	KSF	\$513.84	0.465	\$ 238.89		
Industrial	KSF	\$513.84	0.129	\$ 66.48		

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

Room = guest room or suite; Bed = accommodation for one patient or resident

² Cost per call for service per year; see Table 7.2

³ See Table 2.1 and the discussion of calls for service in Chapter 2

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

⁵ Average square feet per residential unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot (residential) = impact fee per unit / square feet per unit

Projected Revenue

Potential revenue from the police impact fees is projected separately for residential and non-residential development because residential impact fees are per square foot and non-residential impact fees are per unit. These projections assume that future development occurs as shown in Chapter 2 and that all future private development will be subject to impact fees. However, for a variety of reasons, some future development may not be subject to these impact fees. See the section on Impact Fee Credits and Exemptions in Chapter 1.

Table 7.4 shows the projected revenue to 2040 from the residential police impact fees calculated in this chapter.

Table 7.4: Projected Revenue - Police Impact Fees (Residential)

Development Type	Impact Fee per Sq Ft ¹	Avg Sq Ft per Unit ²	Added Units ³	Projected Revenue ⁴
Residential, Single Family	\$ 0.15	2,500	2,868	\$ 1,075,500
Residential, Multi-Family	\$ 0.19	1,700	15,812	\$ 5,107,276
Total				\$ 6,182,776

¹ See Table 7.3

² Average square feet per unit provided by the City of Rancho Cucamonga

³ See Table 2.3

⁴ Projected revenue = impact fee per square foot X average square feet per unit X added units

Table 7.5 shows the projected revenue to 2040 from the non-residential police impact fees calculated in this chapter.

Table 7.5: Projected Revenue - Police Impact Fees (Non-Residential)

Development Type	Dev Units ¹	Impact Fee per Unit ²	Future Units ³	Projected Revenue ⁴
Senior/Assisted Living Facility	Beds	\$ 892.88	138	\$ 123,445
Commercial/Retail	KSF	\$ 1,010.46	700	\$ 707,320
Hotel/Motel	Room	\$ 64.14	275	\$ 17,635
Office	KSF	\$ 238.89	2,000	\$ 477,773
Industrial	KSF	\$ 66.48	5,800	\$ 385,561
Total				\$ 1,711,734

¹ Units of development; DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Bed = accommodation for one patient or resident

² Impact fee per unit of development; see Table 7.3

³ Future units; see Table 2.3

⁴ Projected revenue = impact fee per unit X future units

The combined impact fee revenue from Tables 7.4 and 7.5 equals \$7,894,510. Specific projects and costs to be funded by these impact fees can be found in the City's Capital Improvement Plan.

Updating the Fees

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

Building Cost Index or the General Services Department California Construction Cost Index. See the Implementation Chapter for more on indexing of fees.

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to prevent new residential and commercial/industrial development from reducing the quality and availability of public services provided to residents of the city by requiring new residential and business development to contribute to the cost of expanding the availability of police assets in the city.

Use of the Fee. Impact fees calculated in this chapter will be used to provide additional police facilities to mitigate the impact of new development on the need for those facilities in the City. Specific projects and costs to be funded by these impact fees can be found in the City’s Capital Improvement Plan.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide additional police facilities to mitigate the impact of new development on the need for police facilities in Rancho Cucamonga.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the demand for law enforcement services, which impacts the need for police facilities to maintain the existing level of service, as described earlier in this chapter. Without additional police facilities, the increase in demand associated with new development would negatively

impact the ability of the Rancho Cucamonga Police Department to provide services efficiently and effectively to all development in the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the police impact fees calculated in this chapter are proportional to the impact of the increased demand for law enforcement services associated with various types of development in the City. The fees per square foot for residential development and the fees per unit for non-residential development calculated in this chapter for each category of development are based on the estimated number of calls for service per unit per year for each category of development in Rancho Cucamonga. Thus, the fee charged to a development project reflects the impact of that project on the need for police facilities in the City.

Chapter 8. Fire Impact Fee

Rancho Cucamonga does not have an existing fire impact fee. This chapter calculates impact fees for fire protection and emergency response facilities, apparatus and equipment provided by the Rancho Cucamonga Fire Protection District (RCFPD or District) to all development in the City. The boundary of RCFPD encompasses the entire City as well as a small area to the north of the City that is planned to remain within the unincorporated territory of San Bernardino County.

As discussed in the next section, fire districts are prohibited by California law from imposing impact fees on their own. Impact fees calculated in this chapter will be adopted and imposed by the City and revenue from the impact fees will be transferred to RCFPD to pay for additional capital facilities and other capital assets serving new development in the City. These impact fees will apply only to the portion of RCFPD that is within the City.

Fire Protection District Law of 1987

California Health and Safety Code Section 13916, which is part of the Fire Protection District Law of 1987, states: “A (fire protection) district board shall not charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment.” However, although a district itself may not charge such fees, Health and Safety Code Section 13898 provides that a district may accept revenue from any federal, state, regional, or local agency or from any person for any lawful purpose of the district. That section allows the City to transfer impact fee revenue to RCFPD to pay for facilities, apparatus and equipment needed to serve the City.

Service Area

The impact fees calculated in this chapter are intended to apply to the entire City.

Methodology

This chapter calculates impact fees using the system plan method discussed in Chapter 1. With this method, impact fees are calculated so that new development pays for its share of the cost of an integrated system of facilities at the future standard attributable to new development.

To calculate the cost per unit of demand, the value of existing facilities plus the cost of planned facilities is divided by the combined demand associated with both existing development and planned development. (As discussed in the next section, demand for services provided by RCFPD is represented by calls for service per year.) This method ensures that costs for all existing and future RCFPD facilities, apparatus and equipment are allocated to all existing and future development, so that impact fees charged to future development will pay for future development’s proportionate share of the overall cost of those assets. With the system plan method, we depreciate the replacement cost of existing assets because new development is effectively buying in to those assets. With

the existing inventory method used elsewhere in this report, replacement costs for existing assets are not depreciated because they represent the cost to acquire additional assets needed to serve additional development.

Demand Variable

A “demand variable” is a quantifiable attribute of development that is used in fee calculation formulas to represent the impact of development on a certain type of capital facilities. The demand variable used to calculate impact fees for fire protection and emergency response facilities, apparatus and equipment in this report is calls for service per year.

As part of this study, NBS analyzed a random sample of all calls for service logged by RCFPD in 2023 to estimate the number of calls per unit per year generated by each type of development defined in this study. Chapter 2 discusses that analysis and Table 2.2 in Chapter 2 shows the calls-per-unit-per-year factors derived from that analysis. Those factors are used to calculate impact fees per unit later in this chapter.

Level of Service

The most important single factor in defining level of service for fire protection and emergency medical services agencies is response time to emergency calls. The 2024 Comprehensive Master Plan for RCFPD states that RCFPD’s first due unit currently arrives within 9 minutes and 45 seconds, 90% of the time. The Master Plan makes recommendations to improve total response time, including reducing call processing time. The addition of one fire station will help RCFPD maintain and possibly improve its response time performance as future development occurs.

In 2021, Section 66016.5 was added to the Mitigation Fee by Act AB 602. That section requires that, after January 1, 2022, the level of service used in an impact fee study must be compared with the existing level of service. If new impact fees are based on a level of service that exceeds the existing level of service, an explanation is required.

For other types of impact fees calculated in this study, impact fee calculations are based on the cost of maintaining the existing level of service using the existing inventory method discussed in Chapter 1. That approach can be used for fire impact fees, but we believe the system plan method, discussed above and in Chapter 1, is more appropriate because geography and fire station location are so critical to response time across a fire agency’s service area.

Fire protection and emergency response are provided by an integrated system of assets and the best time to assess the overall relationship between development and service demand is at the point when all of the assets and all of the development will be in place, which is what the system plan method is designed to do.

Facilities, Apparatus and Equipment

At present, RCFPD operates eight fire stations as well as an administrative facility, an all-risk training center (ARTC) and a shop facility. RCFPD is planning to construct one additional fire station and has acquired property on 8th Street as a site for that station.

Table 8.1 lists RCFPD's existing and planned fire stations as well as the administrative and training center buildings and the shop facility. Stations 171 through 178 currently exist. Station 179 is planned for future construction.

Table 8.1: Existing and Future Fire Stations

Facility	Location	Constr Date	Bldg Sq Ft	Site Acres	Building Repl Cost ¹	Useful Life ²	Land Cost ³	Depreciated Bldg Cost ⁴	Impact Fee Cost Basis ⁵
Station 171	Amethyst St	1974	4,480	0.99	\$ 644,687	50	\$ 1,164,435	\$ 0	\$ 1,164,435
Admin Bldg	Amethyst St	1977	2,754	Included	\$ 1,755,420	50		\$ 105,325	\$ 105,325
Station 172	San B'dino Rd	2020	13,341	2.90	\$ 14,053,099	50	\$ 2,728,777	\$ 12,928,851	\$ 15,657,628
Station 173	Firehouse Ct	2005	12,000	2.36	\$ 6,823,656	50	\$ 2,775,825	\$ 4,230,666	\$ 7,006,491
Storage Bldg	Firehouse Ct	2005	2,500	Included	\$ 234,078	50		\$ 145,129	\$ 145,129
Station 174	Jersey Blvd	1992	17,000	6.14	\$ 8,984,714	50	\$ 7,221,850	\$ 3,234,497	\$ 10,456,347
Shop/Garage	Jersey Blvd	2001	14,304	Included	\$ 6,306,495	50		\$ 3,405,507	\$ 3,405,507
Trng Ctr Bldg A	Jersey Blvd	2016	7,000	Included	\$ 3,588,740	50		\$ 3,014,542	\$ 3,014,542
Trng Ctr Bldg B	Jersey Blvd	2016	1,900	Included	\$ 1,180,251	50		\$ 991,411	\$ 991,411
Trng Ctr Bldg C	Jersey Blvd	2016	2,455	Included	\$ 1,064,350	50		\$ 894,054	\$ 894,054
Trng Ctr Bldg D	Jersey Blvd	2016	15,415	Included	\$ 4,006,318	50		\$ 3,365,307	\$ 3,365,307
Trng Ctr Bldg E	Jersey Blvd	2016	3,064	Included	\$ 894,974	50		\$ 751,779	\$ 751,779
Trng Ctr Bldg I	Jersey Blvd	2016	1,300	Included	\$ 1,422,959	50		\$ 1,195,286	\$ 1,195,286
Station 175	Banyan St	1992	13,000	3.05	\$ 7,304,058	50	\$ 3,587,401	\$ 2,629,461	\$ 6,216,862
Station 176	East Av	2003	9,594	1.07	\$ 4,297,952	50	\$ 1,258,531	\$ 2,492,812	\$ 3,751,343
Station 177	Rancho St	2012	6,000	1.23	\$ 4,025,220	50	\$ 1,446,722	\$ 3,059,167	\$ 4,505,890
Station 178	Town Ctr Dr	2023	12,176	3.80	\$ 16,389,052	50	\$ 4,469,549	\$ 16,061,271	\$ 20,530,820
Station 179	8th St	Future	13,000	0.94	\$ 15,600,000	50	\$ 1,105,625	\$ 15,600,000	\$ 16,705,625
Total					\$ 98,576,024		\$ 25,758,714	74,105,065	\$ 99,863,779

¹ Estimated replacement cost for existing buildings other than Station 178 are based on 2020 estimates, escalated by 38% to 2024 costs based on the California Construction Cost Index; cost for Station 178 is actual 2023 construction cost; cost for future Station 179 based on \$1,200 per square foot, which is below the actual cost of the two most recently constructed fire stations; estimated costs include construction soft costs, utilities, site development, and furniture, fixtures and equipment

² Estimated useful life of buildings in years

³ Estimated land value for existing fire stations or land cost for future fire stations = \$1,176,197 per acre

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

⁵ Facility replacement cost = depreciated building replacement cost or new building cost + estimated land cost or value

The impact fee cost basis in the right-hand column of Table 8.1 includes the depreciated replacement cost for existing buildings plus the estimated site value for each building. Where multiple buildings are located on one site, the land cost is shown for the first building. For future Station 179, the cost shown is estimated based on recent construction costs.

Table 8.2 on the next page lists RCFPD's existing firefighting apparatus and other vehicles and equipment. Costs for all vehicles and equipment shown in the far-right column of Table 8.2 are depreciated replacement costs based on the useful life shown in that table.

Vehicles and equipment are assumed to have a residual value of at least 15% of replacement cost, regardless of age. Assets with a value of less than \$10,000 have been omitted from Table 8.2.

Table 8.2: Existing Fire Apparatus and Vehicles

Quantity	Model Year	Description	Useful Life (Yrs)	Unit Repl Cost ¹	Depr Unit Repl Cost ²	Total Depr Repl Cost ³
2	2013	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 180,000	\$ 360,000
2	2003	Type 1 Engine (KME Excel)	10	\$ 1,200,000	\$ 180,000	\$ 360,000
1	2017	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 360,000	\$ 360,000
1	2008	KME Severe Duty Predator	10	\$ 1,200,000	\$ 180,000	\$ 180,000
2	2005	Type 1 Engine (KME Excel)	10	\$ 1,200,000	\$ 180,000	\$ 360,000
1	2018	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 480,000	\$ 480,000
1	2010	Type 1 Engine (KME)	10	\$ 1,200,000	\$ 180,000	\$ 180,000
1	2006	Type 1 Engine (KME Predator)	10	\$ 1,200,000	\$ 180,000	\$ 180,000
1	2020	Type 1 Engine (Rosenbauer)	10	\$ 1,200,000	\$ 720,000	\$ 720,000
1	2023	Type 1 Engine (Rosenbauer Electric)	10	\$ 2,200,000	\$ 1,980,000	\$ 1,980,000
1	2006	Type 3 Engine (West Mark)	10	\$ 600,000	\$ 90,000	\$ 90,000
1	2008	Type 3 Engine	10	\$ 600,000	\$ 90,000	\$ 90,000
1	2014	Type 3 Engine	10	\$ 150,000	\$ 22,500	\$ 22,500
1	2020	Type 6 Engine	10	\$ 150,000	\$ 90,000	\$ 90,000
1	2002	KME Aerial Ladder Truck--Tiller	10	\$ 2,350,000	\$ 352,500	\$ 352,500
1	2008	KME Aerial Ladder Truck	10	\$ 2,350,000	\$ 352,500	\$ 352,500
1	2015	Rosenbauer Aerial Ladder Truck	10	\$ 2,350,000	\$ 352,500	\$ 352,500
1	2022	Rosenbauer Heavy Rescue Unit	10	\$ 1,650,000	\$ 1,320,000	\$ 1,320,000
1	2006	KME Hazmat Unit	10	\$ 1,650,000	\$ 247,500	\$ 247,500
1	2003	KME Water Tender	10	\$ 550,000	\$ 82,500	\$ 82,500
3	2012	Dodge Ram 4WD	7	\$ 110,000	\$ 16,500	\$ 49,500
1	2019	Dodge Ram 4WD V8 Hemi	7	\$ 200,000	\$ 57,143	\$ 57,143
1	2024	Dodge Ram 4WD V8 Hemi	7	\$ 200,000	\$ 200,000	\$ 200,000
1	2015	Ford F-450 Super Duty Stake Bed	7	\$ 120,000	\$ 18,000	\$ 18,000
1	2008	Ford F-350 Medic Squad	10	\$ 100,000	\$ 15,000	\$ 15,000
3	2019	Chevy Bolt EV	7	\$ 35,000	\$ 10,000	\$ 30,000
3	2013	Ford C-Max Hybrid	7	\$ 35,000	\$ 5,250	\$ 15,750
4	2012	Ford Escape Hybrid	7	\$ 35,000	\$ 5,250	\$ 21,000
1	2023	Ford Lightning	7	\$ 110,000	\$ 94,286	\$ 94,286
2	2009	Saturn Vue	7	\$ 35,000	\$ 5,250	\$ 10,500
2	2020	Toyota RAV-4 Hybrid	7	\$ 35,000	\$ 15,000	\$ 30,000
2	2023	Toyota RAV-4 Hybrid	7	\$ 35,000	\$ 30,000	\$ 60,000
1	2024	Toyota RAV-4 Hybrid	7	\$ 35,000	\$ 35,000	\$ 35,000
2	2016	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
2	2018	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
1	2017	Ford F-350	7	\$ 200,000	\$ 30,000	\$ 30,000
1	2019	Ford F-350	7	\$ 200,000	\$ 57,143	\$ 57,143
2	2016	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
2	2018	Chevy Colorado 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
2	2008	Chevy F-2500 4WD	7	\$ 110,000	\$ 16,500	\$ 33,000
1	2012	Chevy 3/4 Ton Suburban	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2005	GMC Yukon	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2002	Dodge Ram 2500 4WD	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2004	GMC 7500 Series w/ Equipment	7	\$ 200,000	\$ 30,000	\$ 30,000
1	2008	Ford E-350 Van	7	\$ 75,000	\$ 11,250	\$ 11,250
1	2021	Ford Transit-250 Van	7	\$ 110,000	\$ 62,857	\$ 62,857
2	2020	Nissan NV200 Van	7	\$ 30,000	\$ 12,857	\$ 25,714
1	2012	Ford 1-Ton 4x4 Long Bed	7	\$ 110,000	\$ 16,500	\$ 16,500
1	2006	Freightliner Ambulance	10	\$ 480,000	\$ 72,000	\$ 72,000
1	2024	Polaris ATV	10	\$ 50,000	\$ 50,000	\$ 50,000
1	2001	Mitsubishi Forklift	10	\$ 65,000	\$ 9,750	\$ 9,750
1	2011	JLG Telehandler	10	\$ 100,000	\$ 15,000	\$ 15,000
1	2013	Griddle Trailer	10	\$ 75,000	\$ 11,250	\$ 11,250
1	2020	Progressive Trailer	10	\$ 25,000	\$ 15,000	\$ 15,000
Total				\$ 29,085,000	\$ 8,652,286	\$ 9,417,143

¹ Replacement cost provided by the Rancho Cucamonga Fire District

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

³ Total depreciated replacement cost = depreciated unit replacement cost X number of units

Table 8.3 shows the cost of future apparatus and equipment needed to serve the City in 2040, including one Type I engine that will be needed for future Fire Station 179. The estimated cost of that engine is based on the current cost of similar equipment. Also shown in that table is the cost of personal protective equipment for nine firefighters that will be needed to staff Station 179.

Table 8.3: Future Fire Apparatus, Vehicles and Equipment

Description	No. of Units	Cost per Unit ¹	Total New Equipt Cost
New Type 1 Engine (Station 179)	1	\$ 1,200,000	\$ 1,200,000
Personal Protective Equipment ²	9	\$ 9,153	\$ 82,377
Total			\$ 1,282,377

¹ Cost per unit provided by the Rancho Cucamonga Fire District

² Personal protective equipment for future added firefighters; estimated cost includes uniforms and personal protective equipment for fire suppression, wild land firefighting and tactical response

Table 8.4 summarizes the costs from the preceding three tables.

Table 8.4: Impact Fee Cost Basis - Existing and Future Assets

Component	Impact Fee Cost Basis ¹
Existing Fire Stations	\$ 83,158,154
Future Fire Station	\$ 16,705,625
Existing - Fire Apparatus, Vehicles and Equipment	\$ 9,417,143
Future - Fire Apparatus, Vehicles and Equipment	\$ 1,282,377
Total	\$ 110,563,299

¹ See Tables 8.1, 8.2 and 8.3

Cost per Call for Service

Table 8.5 calculates the cost per call for service for RCFPD facilities, apparatus and equipment using the total impact fee cost basis from Table 8.4 and the projected number of calls for service per year in 2040. In Table 8.5, the combined cost of existing and planned facilities, apparatus, vehicles and equipment is divided by total 2040 calls to both existing and future development served by RCFPD.

Table 8.5: Cost per Call for Service

Total Impact Fee Cost Basis ¹	2040 Calls for Service per Year ²	Cost per Call for Service per Year ³
\$110,563,299	21,728	\$5,088.58

¹ See Table 8.4

² Projected 2040 calls for service for the District; see Table 2.4

³ Cost per call for service per year = total impact fee cost basis / 2040 calls
for service per year

The number of calls for service per year shown for 2040 includes calls in the area served by RCFPD outside of the City, so that the cost of serving development in that area is not included in the cost per call for impact fees charged by the City. The impact fees calculated in this chapter are designed to recover new development's proportionate share of the cost of all of RCFPD's existing and planned facilities, apparatus and equipment out to 2040. In the next section, the cost per call is multiplied by calls per unit factors to calculate impact fees per unit. Then for residential development, the impact fee per unit is divided by square feet per unit factors to get impact fees per square foot for single-family and multi-family residential development.

The cost per call for service per year in Table 8.5 can also be used to calculate customized impact fees for development of non-residential development projects that do not fit within the categories of development defined in this study. Customized impact fees can be calculated using the cost per call for service per year from Table 8.5 multiplied by the estimated number of calls per year that will be generated by a specific project.

Impact Fees per Square Foot (Residential) and per Unit (Non-Residential)

Table 8.6 shows the calculation of fire impact fees per square foot for residential development and per unit for non-residential development.

Table 8.6: RCFPD Impact Fees per Unit and per Square Foot (Residential)

Development Type	Units ¹	Cost per Call ²	Calls per Unit ³	Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$5,088.58	0.185	\$ 941.39	2,500	\$ 0.38
Residential, Multi-Family	DU	\$5,088.58	0.139	\$ 708.97	1,700	\$ 0.42
Senior/Assisted Living Facility	Beds	\$5,088.58	2.829	\$ 14,397.31		
Commercial/Retail	KSF	\$5,088.58	0.231	\$ 1,174.76		
Hotel/Motel	Rooms	\$5,088.58	0.115	\$ 584.65		
Office	KSF	\$5,088.58	0.122	\$ 621.19		
Industrial	KSF	\$5,088.58	0.017	\$ 88.79		

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; room = guest room or suite;
 Bed = accommodation for a single resident or patient

² Cost per call for service per year; see Table 8.5

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

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

⁵ Average square feet per residential unit provided by the City of Rancho Cucamonga

⁶ Impact fee per square foot (residential) = impact fee per unit / square feet per unit

Fee Adjustment to Avoid Overcollection

If the fees shown in Table 8.6 are used to project potential revenue from the RCFPD impact fees, the result is that projected revenue exceeds the estimated cost of future assets shown in Table 8.4 by around 3%. To avoid the potential for overcollection, the impact fees from Table 8.6 are reduced by 3.1% in Table 8.7. The adjusted impact fees from Table 8.7 are then used to project revenue in the next section and are also shown in Table S.1 in the Executive Summary.

Table 8.7: RCFPD Impact Fees per Unit and per Square Foot Adjusted to Avoid Overcollection

Development Type	Units ¹	Adj Cost per Call ²	Calls per Unit ³	Adj Impact Fee per Unit ⁴	Avg Sq Ft per Unit ⁵	Adj Impact Fee per Sq Ft ⁶
Residential, Single Family	DU	\$4,930.83	0.185	\$ 912.20	2,500	\$ 0.36
Residential, Multi-Family	DU	\$4,930.83	0.139	\$ 686.99	1,700	\$ 0.40
Senior/Assisted Living Facility	Beds	\$4,930.83	2.829	\$ 13,950.99		
Commercial/Retail	KSF	\$4,930.83	0.231	\$ 1,138.34		
Hotel/Motel	Rooms	\$4,930.83	0.115	\$ 566.52		
Office	KSF	\$4,930.83	0.122	\$ 601.93		
Industrial	KSF	\$4,930.83	0.017	\$ 86.04		

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; room = guest room or suite;

Bed = accommodation for a single resident or patient

² Adjusted cost per call for service per year is reduced by 3.1% from Table 8.6

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

⁴ Adjusted impact fee per unit = adjusted cost per call for service X calls for service per unit

⁵ Average square feet per residential unit provided by the City of Rancho Cucamonga

⁶ Adjusted impact fee per square foot (residential) = adjusted impact fee per unit / square feet per unit

Projected Revenue

Potential revenue from the fire impact fees is projected separately for residential and non-residential development because residential impact fees are per square foot and non-residential impact fees are per unit. These projections assume that future development occurs as shown in Chapter 2 and that all future private development will be subject to impact fees. However, for a variety of reasons, some future development may not be subject to these impact fees. See the section on Impact Fee Credits and Exemptions in Chapter 1.

Table 8.8 shows the projected revenue to 2040 based on the adjusted residential impact fees per square foot from Table 8.7.

Table 8.8: Projected Revenue - RCFPD Impact Fees (Residential)

Development Type	Adj Impact Fee per Sq Ft ¹	Avg Sq Ft per Unit ²	Added Units ³	Projected Revenue ⁴
Residential, Single Family	\$ 0.36	2,500	2,868	\$ 2,581,200
Residential, Multi-Family	\$ 0.40	1,700	15,812	\$ 10,752,160
Total				\$ 13,333,360

¹ Adjusted impact fee per square foot; see Table 8.7

² Average square feet per unit provided by the City of Rancho Cucamonga

³ See Table 2.3

⁴ Projected revenue = adjusted impact fee per square foot X average square feet per unit X added units

Table 8.9 shows the projected revenue to 2040 based on the adjusted non-residential impact fees per unit from Table 8.7

Table 8.9 Projected Revenue - RCFPD Non-Residential Impact Fees

Development Type	Dev Units ¹	Adj Impact Fee per Unit ²	Future Units ³	Projected Revenue ⁴
Senior/Assisted Living Facility	Beds	\$ 13,950.99	138	\$ 1,928,794
Commercial/Retail	KSF	\$ 1,138.34	700	\$ 796,840
Hotel/Motel	Room	\$ 566.52	275	\$ 155,765
Office	KSF	\$ 601.93	2,000	\$ 1,203,868
Industrial	KSF	\$ 86.04	5,800	\$ 499,017
Total				\$ 4,584,283

¹ Units of development; DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Bed = accommodation for a single resident or patient

² Adjusted impact fee per unit of development; see Table 8.7

³ Future units; see Table 2.4

⁴ Projected revenue = adjusted impact fee per unit X future units

The sum of the projected revenues from both residential and non-residential impact fees in the preceding tables is \$17,917,643. The estimated cost of future facilities, apparatus and equipment shown in Table 8.4 is \$17,988,002, so the projected revenue based on the adjusted impact fees shown in Table 8.7 is about 0.4% less than the estimated cost of future assets. Additional information is shown in the City's capital improvement plan.

Updating the Fees

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

Nexus Summary

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

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

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

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

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development in the City on the need for facilities, apparatus and equipment provided by the Rancho Cucamonga Fire Protection District (RCFPD).

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

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

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development in the City increases the demand for fire protection and other emergency services provided by the Rancho

Cucamonga Fire Protection District. Without additional facilities, apparatus and equipment, the increase in demand associated with new development would negatively impact the ability of RCFPD to provide services efficiently and effectively to all development in the City.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the fire impact fees charged to a development project will depend on the increase in calls for service associated with that project. The fees per square foot for residential development and the fees per unit of non-residential development calculated in this chapter for each type of development are based on the estimated calls for service per unit per year associated with that type of development in the Rancho Cucamonga Fire Protection District. Thus, the fee charged to a development project reflects the impact of that project on the overall need for facilities, apparatus and equipment used by RCFPD to serve development in the City.

Chapter 9. Implementation

This chapter of the report summarizes requirements for adoption and administration of impact fees, calculated in this study. It was not prepared by an attorney and is not intended as legal advice.

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

Adoption

Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public-hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. However, Section 66016.5 added by AB 602 in 2021 requires that impact fee nexus studies be adopted at a public hearing with at least a 30-day notice.

Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

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

A nexus summary for each impact fee calculated in this report can be found in individual chapters of this report and those nexus summaries may be used to support the findings required by Section 66001.

Administration

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

Notices and Statute of Limitations. Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." The required notification could refer to the capital improvement plan that must now be adopted with each new impact fee nexus study.

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

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

Collection of Fees. Section 66007, as amended by SB 937 in 2024, provides that, with some exceptions, a local agency shall not require payment of impact fees by developers of residential development projects prior to the issuance of the first certificate of occupancy, or first temporary certificate of occupancy, whichever occurs first. That provision does not apply if construction of the residential development does not begin within five years of the date upon which the building permit is issued.

An exception that allows utility service fees to be collected when an application for service is received, is now limited to the cost of “connection activities.”

Local agencies may require payment of fees prior to issuance of a certificate of occupancy under certain conditions, including if the fees are to reimburse the agency for expenditures previously made, unless the project reserves at least 49% of residential units for occupancy by lower income households. For such projects, the local agency may require posting of a performance bond or letter of credit from a federally insured depository institution to guarantee payment when the fees are eligible for collection.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (d) (1) and (2) provide that the City may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid. The local agency may not charge interest or other fees on any amounts deferred pursuant to Section 66007.

If a residential development contains more than one dwelling, the local agency may determine whether the fees or charges described shall be paid on a pro rata basis for each dwelling when it receives its certificate of occupancy, on a pro rata basis when a certain percentage of the dwellings have received their certificate of occupancy, or on a lump-sum basis when all the dwellings in the development receive their certificate of occupancy.

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

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

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

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

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

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

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

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

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

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

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

1. A brief description of the type of fee in the account or fund;

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

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

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

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

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

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

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

For a useful discussion of the foregoing requirements, see “The Mitigation Fee Act’s Five-Year Findings Requirement: Beware Costly Pitfalls” by Glen Hansen, Senior Counsel, Abbott and Kindermann, and Rick Jarvis, Managing Partner, Jarvis, Fay and Gibson, presented at the 2022 League of California Cities City Attorneys Spring Conference.

Audit Requests. Section 66023 provides that any person may request an audit to determine whether any fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product, public facility, as defined in Section 66000, or service provided by the local agency. The legislative body of the local agency may retain an independent auditor to conduct the audit but is not required to conduct an audit if an audit has been performed for the same fee within the previous 12 months.

The agency shall retain an independent auditor to conduct an audit only if the person who requests the audit deposits with the local agency the amount of the local agency’s reasonable estimate of the cost of the independent audit. At the conclusion of the audit, the local agency shall reimburse unused sums, if any, or the requesting person shall pay the local agency the excess of the actual cost of the audit over the amount that was deposited.

However, if the local agency fails to comply with the annual report requirement of Section 66006 following the establishment, increase or imposition of a fee, but requires payment of that fee in connection with the approval of a development project for three consecutive years, the agency shall not require a deposit for the independent audit and shall pay the cost of the audit.

Indexing of In-Lieu/Impact Fees. In-lieu fees and impact fees calculated in this report are based on current costs and should be adjusted periodically to account for changes in the cost of facilities or other capital assets that will be funded by those fees. That adjustment is intended to account for escalation in costs for land, construction, vehicles and other relevant capital assets. For construction costs, the General Services Department’s California Cost Index is a useful reference, as is the *Engineering News Record* Building Cost Index (BCI). Where land costs are covered by an impact fee or in-lieu fee, land costs should be adjusted based on changes in local land prices. Costs for vehicles and other assets may be updated based on vendor information.

Requirements Imposed by AB 602

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

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

burden posed by the development. A nexus study is not required to comply with this requirement if the agency makes certain findings outlined in the statute.

- 8) Large jurisdictions as defined in Section 53559.1 (d) of the Health and Safety Code (counties of 250,000 or more and cities in those counties) shall adopt a capital improvement plan as part of a nexus study.
- 9) All studies shall be adopted at a public hearing with at least 30-day's notice, and the local agency shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.
- 10) Studies shall be updated at least every eight years, beginning on January 1, 2022.

Training and Public Information

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

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

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

Recovery of Study Costs

The City Council will establish an administrative fee in order to recover City costs of administering the impact fee program.

Appendix A

Land Sales Data from CoStar Real Estate Database (2019-2024)

Property Address	Property Type	Land Area AC	Land Area SF	Sale Price	Sale Date	Sale Status	Asking Price	Price Per AC Land
13138 Whittram Ave	Land	1.00	43,560	\$400,000	12/18/2019	Sold		400,000.00
7080 Archibald Ave	Land	1.05	45,738	\$1,807,080	9/30/2021	Sold	1,789,000	1,721,028.57
8920 8TH St	Land	1.08	47,045	\$800,000	3/2/2021	Sold	910,404	740,737.59
8626 8644 Arrow Route	Land	1.23	53,760	\$1,280,000	7/12/2021	Sold		1,037,142.86
8771 Arrow Rt	Land	1.27	55,432	\$996,800	5/5/2022	Sold	995,000	783,313.03
8825 Vineyard Ave	Land	1.55	67,518	\$2,325,000	3/23/2022	Sold	2,700,000	1,500,000.00
8380 Archibald Ave	Land	1.60	69,901	\$1,190,000	10/21/2021	Sold	1,190,000	741,568.79
8760 Archibald Ave	Land	1.72	75,010	\$1,830,000	7/29/2020	Sold		1,062,722.30
Red Oak Ave	Land	1.82	79,279	\$6,775,000	3/30/2023	Sold		3,722,536.86
9070 Milliken Ave	Land	1.85	80,586	\$1,850,000	7/24/2020	Sold	2,300,000	1,000,000.00
8th St	Land	2.00	87,120	\$750,000	7/13/2021	Sold	799,900	375,000.00
Baseline Rd	Land	2.03	88,427	\$1,025,000	12/17/2019	Sold	1,300,000	504,924.97
6910-6946 Archibald Ave	Land	2.11	92,036	\$1,705,000	9/3/2021	Sold		806,964.67
6910-6946 Archibald Ave	Land	2.11	92,036	\$1,600,000	5/7/2021	Sold	1,680,000	757,268.90
Day Creek Blvd	Land	2.28	99,317	\$2,200,000	9/20/2019	Sold		964,910.34
9583 8th St	Land	2.55	111,078	\$3,300,000	9/27/2021	Sold	3,300,000	1,294,117.65
Rochester & Arrow Route Hwy	Land	2.89	125,801	\$3,400,000	11/2/2021	Sold		1,177,287.94
10315 E Foothill Blvd	Land	3.37	146,723	\$3,950,000		U/C	3,950,000	1,172,698.39
SW Baseline & Day Creek Ave	Land	3.50	152,460	\$410,000	8/23/2019	Sold		117,142.86
6140 Haven Ave	Land	3.59	156,380	\$2,120,000	12/11/2019	Sold	2,350,000	590,530.76
Haven Ave	Land	4.50	196,020	\$5,000,000	4/19/2022	Sold		1,111,111.11
Haven Ave	Land	4.50	196,020	\$2,000,000	8/11/2020	Sold	5,489,000	444,444.44
9063 Center Ave	Land	4.60	200,376	\$6,412,500	7/16/2019	Sold	6,412,500	1,394,021.74
Banyan St	Land	4.75	206,910	\$1,200,000	9/17/2021	Sold		252,631.58
0 4th St	Land	4.90	213,444	\$11,000,000	9/1/2022	Sold		2,244,897.96
12915-12949 Foothill Blvd	Land	5.56	242,194	\$10,000,000	11/2/2022	Sold		1,798,558.18
12962 Foothill	Land	6.14	267,299	\$15,280,000	5/31/2022	Sold		2,490,083.39
Day Creek Blvd	Land	6.38	277,913	\$24,000,000	12/7/2021	Sold		3,761,752.78
13216-13286 Foothill Blvd	Land	7.92	344,995	\$9,500,000	8/24/2021	Sold		1,199,495.65
10575 Foothill Blvd	Land	7.93	345,431	\$6,750,000	2/19/2021	Sold	7,000,000	851,197.49
6527 Etiwanda Ave	Land	9.15	398,574	\$4,062,750	1/4/2024	Sold		444,016.39
Average Cost per Acre								1,176,197.01

Appendix B

City of Rancho Cucamonga - Park Maintenance Vehicles and Equipment

ID	Description	Manufacturer	Year	Department	2020 Repl Cost
508T	Utility Trailer	John Deere	2004	PUBLIC WORKS	\$ 679
0545T	Trailer	METAL FAB	1996	PUBLIC WORKS	\$ 8,000
0546T	Trailer	METAL FAB	1997	PUBLIC WORKS	\$ 8,000
0559T	Trailer	METAL FAB	1997	PUBLIC WORKS	\$ 8,000
0570T	Trailer	METAL FAB	1999	PUBLIC WORKS	\$ 7,898
10505	Chipper	BANDIT	2000	PUBLIC WORKS	\$ 4,500
1527T	Trailer, Utility	DEERE	1999	PUBLIC WORKS	\$ 679
1531T	Trailer, Dual-Axle Dump	APACHE	2008	PUBLIC WORKS	\$ 8,757
1533T	Trailer	METAL FAB	1999	PUBLIC WORKS	\$ 6,575
1536T	Trailer	METAL FAB	1997	PUBLIC WORKS	\$ 8,000
1537T	Trailer	METAL FAB	2000	PUBLIC WORKS	\$ 3,949
1561T	Trailer, Tilt Bed	METAL FAB	2000	PUBLIC WORKS	\$ 6,788
1597T	Trailer	DEERE	2000	PUBLIC WORKS	\$ 679
1598T	Trailer	DEERE	2000	PUBLIC WORKS	\$ 679
1900T	Trailer	BIGTEX	2009	PUBLIC WORKS	\$ 8,000
502T	Trailer	0000940	2000	PUBLIC WORKS	\$ 8,000
547T	Trailer			PUBLIC WORKS	\$ 8,000
0526	Cart, Utility	DEERE	2001	PUBLIC WORKS	\$ 7,414
0538	Mower, 72"	EXMARK	2000	PUBLIC WORKS	\$ 7,724
0546	Rake, Field	J-1941	1998	PUBLIC WORKS	\$ 11,853
0552	Cart, Utility	CUSHMAN	1993	PUBLIC WORKS	\$ 11,855
0556	Tri King Mower	J-1941	1999	PUBLIC WORKS	\$ 22,951
0558	Mower, Reel	RANSOMES	1998	PUBLIC WORKS	\$ 16,700
0560	Flail	VRISIMO	1988	PUBLIC WORKS	\$ 3,800
0561	Aerator	GREENCARE	1992	PUBLIC WORKS	\$ 8,950
0562	Spreader	VICON	1992	PUBLIC WORKS	\$ 2,055
0563	Spreader	VICON	1989	PUBLIC WORKS	\$ 1,998
0564	Turf Terra	LELY	1992	PUBLIC WORKS	\$ 5,785
0566	Slit Seeder	LAND-PRIDE	1990	PUBLIC WORKS	\$ 7,314
0568	Aerator	DEERE	1990	PUBLIC WORKS	\$ 2,703
0574	Spray Rig	SDI	0	PUBLIC WORKS	\$ 5,998
0579	Turf Vac	TORO	1987	PUBLIC WORKS	\$ 10,918
0580	Aerator	TERRA	1985	PUBLIC WORKS	\$ 3,000
0584	Mower, 48"	EXMARK	1999	PUBLIC WORKS	\$ 5,274
0596	Cart, Electric	T-4114	1990	PUBLIC WORKS	\$ 8,821
10502	Rake, Field	SMITHCO	1996	PUBLIC WORKS	\$ 11,000
1527	Cart, Utility	DEERE	1999	PUBLIC WORKS	\$ 6,699
1533	Bac-Vac	EXCEL	2000	PUBLIC WORKS	\$ 22,373
1542	Mower, 72"	EXMARK	2000	PUBLIC WORKS	\$ 7,724
1548	Sand Scorpion	JACOBSEN	2001	PUBLIC WORKS	\$ 12,996
1549	Jacobsen	J-1941	2001	PUBLIC WORKS	\$ 12,039
1551	Cart, Utility	DEERE	2000	PUBLIC WORKS	\$ 16,130
1552	Cart, Utility	CUSHMAN	2000	PUBLIC WORKS	\$ 19,918
E1555	Cart, Utility	John Deere	2008	PUBLIC WORKS	\$ 7,100
1582	Chipper	V-3056	2002	PUBLIC WORKS	\$ 4,500

City of Rancho Cucamonga - Park Maintenance Vehicles and Equipment

1596	Cart, Utility	T-4114	2000	PUBLIC WORKS	\$ 7,654
1598	1598	DEERE	2000	PUBLIC WORKS	\$ 8,085
2540	Stump Grinder	VERMEER	2010	PUBLIC WORKS	\$ 2,400
E1559	Electric Cart	John Deere	2008	PUBLIC WORKS	\$ 7,100
E2550	Pro Gator	John Deere	2008	PUBLIC WORKS	\$ 17,727
E2597	Electric Cart	John Deere	2011	PUBLIC WORKS	\$ 10,212
E2598	Electric Cart	John Deere	2011	PUBLIC WORKS	\$ 10,212
E503	Utility Cart	CUSHMAN	2002	PUBLIC WORKS	\$ 16,835
E504	Utility Cart	CUSHMAN	2002	PUBLIC WORKS	\$ 16,835
E5521	Multi-Vac	Billy Goat	2008	PUBLIC WORKS	\$ 1,593
0539	Tractor	DEERE	1989	PUBLIC WORKS	\$ 16,662
0586	Tractor	DEERE	1992	PUBLIC WORKS	\$ 13,305
0587	Tractor	DEERE	1988	PUBLIC WORKS	\$ 14,124
0588	Loader	DEERE	1990	PUBLIC WORKS	\$ 19,387
1535	Tractor	DEERE	2000	PUBLIC WORKS	\$ 28,909
1589	Tractor	KUBOTA	1996	PUBLIC WORKS	\$ 34,000
2589	Tractor and Loader	KIOTI	2009	PUBLIC WORKS	\$ 146,691
E0539	J.D. Tractor	DEERE	2002	PUBLIC WORKS	\$ 29,000
E505	Turf Tractor	DEERE	2002	PUBLIC WORKS	\$ 15,301
E0502	Mower	EXMARK	2002	PUBLIC WORKS	\$ 5,800
E1578	Turf Sweeper	Harper Goosen	2008	PUBLIC WORKS	\$ 19,501
E500	Mower, Lazer	EXMARK	2002	PUBLIC WORKS	\$ 6,171
E5040	Compressor	SEARS		PUBLIC WORKS	\$ 599
E5041	Compressor	SEARS		PUBLIC WORKS	\$ 599
E505.1	Aeravator w/brush	First Products	2008	PUBLIC WORKS	\$ 9,039
E5053	Mower	TORO		PUBLIC WORKS	\$ 792
E5056	Motor, Trolling	EVINRUDE		PUBLIC WORKS	\$ 1,225
E507	Mower, Lazer	EXMARK	2003	PUBLIC WORKS	\$ 5,809
E511	Turf Truck	CUSHMAN	2005	PUBLIC WORKS	\$ 15,000
E512	J.D. Tractor	John Deere	2005	PUBLIC WORKS	\$ 26,852
E513	Utility Cart	John Deere	2006	PUBLIC WORKS	\$ 16,848
E514	4720 Tractor	John Deere	2006	PUBLIC WORKS	\$ 33,936
E516	Cart, Sprayer	CUSHMAN	2005	PUBLIC WORKS	\$ 26,503
E519	4X Loader Tractor	John Deere	2006	PUBLIC WORKS	\$ 28,606
E520	Mixer, Steel Drum Cement, 6 cubic ft. Steel	MULTIQUIP	2008	PUBLIC WORKS	\$ 4,400
E558	Mower, Electric	JACOBSEN	2009	PUBLIC WORKS	\$ 30,251
E5297	Sprayer, 30 Gallon	KISCO	1998	PUBLIC WORKS	\$ 1,463
E5298	Trailer	RYAN	1998	PUBLIC WORKS	\$ 943
E5309	Washer, Pressure	LANDA	0	PUBLIC WORKS	\$ 2,979
E531	52" Zero Turn Mower	Grasshopper	2009	PUBLIC WORKS	\$ 8,650
E5329	Hot Washer	Hydro Tek	2006	PUBLIC WORKS	\$ 5,219
E5338	Sprayer, Skid	SDI	2000	PUBLIC WORKS	\$ 3,643
E5390	Equip trailer		2001	PUBLIC WORKS	\$ 7,000
E548	Pressure Washer	Hydro Tek	2008	PUBLIC WORKS	\$ 8,188
E577	Zero Turn Mower	Exmark	2009	PUBLIC WORKS	\$ 10,528

City of Rancho Cucamonga - Park Maintenance Vehicles and Equipment

E6039	Generator	ONAN	1995	PUBLIC WORKS	\$ 1,200
E6040	Root Cutter		1996	PUBLIC WORKS	
E6076	Generator			PUBLIC WORKS	\$ 1,200
E6443	Generator	YAMAHA		PUBLIC WORKS	\$ 1,200
E572	ATV	POLARIS	2010	PUBLIC WORKS	\$ 11,269
572T	Flt Bd Trailer	Best Trailer	2010	PUBLIC WORKS	\$ 6,438
2587T	2-axle Wht Tlt Trailer	Best Trailer	2010	PUBLIC WORKS	\$ 6,438
E525	UTV Mule	KAWASAKI	2015	PUBLIC WORKS	\$ 11,960
E1553	Utility Vehicle	John Deere	2018	PUBLIC WORKS	\$ 25,859
E1529	Polaris Ranger	POLARIS	2013	PUBLIC WORKS	\$ 12,018
E3544	Greens king Mower	JACOBSEN	2016	PUBLIC WORKS	\$ 30,824
E6188	200 gal. Boom Sprayer	Smithco	2016	PUBLIC WORKS	\$ 31,779
E6189	200 gal. Boom Sprayer	Smithco	2016	PUBLIC WORKS	\$ 31,779
E6190	200 gal. Boom Sprayer	Smithco	2016	PUBLIC WORKS	\$ 31,779
E1517	Field Rake	Smithco	2018	PUBLIC WORKS	\$ 11,000
E2552	UTV Mule	KAWASAKI	2018	PUBLIC WORKS	\$ 11,785
E2599	Turf Gator	John Deere	2016	PUBLIC WORKS	\$ 12,777
E1515	Turf Gator	John Deere	2016	PUBLIC WORKS	\$ 12,777
E1508	Turf Gator	John Deere	2016	PUBLIC WORKS	\$ 12,777
E2587	Kubota Tractor	Kubota	2018	PUBLIC WORKS	\$ 64,534
E3549	Field Groomer	Smithco	2018	PUBLIC WORKS	\$ 879
E2504	ATV	Honda	2022	PUBLIC WORKS	\$ 8,000
E1526	ATV	Honda	2022	PUBLIC WORKS	\$ 8,000
E560	Skiploader	Bobcat	2023	PUBLIC WORKS	\$ 45,000
Total					\$ 1,450,620



Appendix C-1

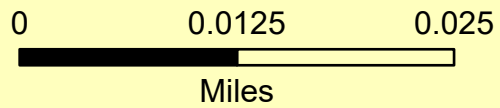
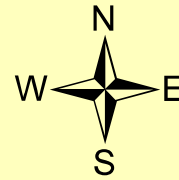
All City Parks Maps

9/11 Memorial Park

Park Improvement Acreage Study



Acreage Type


	Improved	0.00 acres
	Unimproved	1.40 acres




Bear Gulch Park

Park Improvement Acreage Study

Acreage Type	
	Improved 4.56 acres
	Unimproved 0.00 acres



0 0.025 0.05 Miles



BEAR GULCH PL

CALLE VEJAR



AVENIDA LEON

CANDLEWOOD ST

Church St. Park

Park Improvement Acreage Study

Acreage Type

	Improved	7.00 acres
	Unimproved	0.00 acres

0

0.025

0.05

Miles

W

N

E



S




Coyote Canyon Park

Park Improvement Acreage Study

Acreage Type

	Improved	4.74 acres
	Unimproved	0.00 acres



0 0.025 0.05 Miles

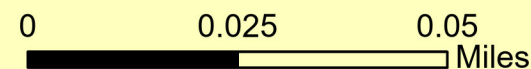


Day Creek Park

Park Improvement Acreage Study

Acreage Type

	Improved	9.98 acres
	Unimproved	0.00 acres





DAY CREEK BLVD

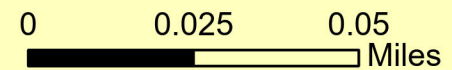
BANYAN ST

Don Tuburcio Tapia Park

Park Improvement Acreage Study

Acreage Type

	Improved	0.00 acres
	Unimproved	4.34 acres

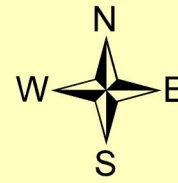


East Beryl Park

Park Improvement Acreage Study

Acreage Type

- Improved 10.10 acres
- Unimproved 0.00 acres



0 0.025 0.05 Miles



I 210 OFRP



I 210 Fwy

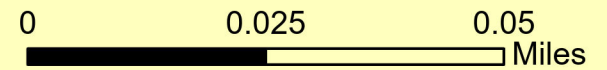
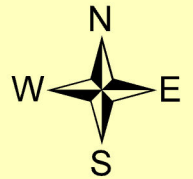
I 210 Fwy

Ellena Park

Park Improvement Acreage Study

Acreage Type

	Improved	6.04 acres
	Unimproved	0.00 acres








Etiwanda Creek Community Park

Park Improvement Acreage Study

Acreage Type

	Improved	14.48 acres
	Unimproved	8.00 acres
	Dedicated	15.59 acres





0 0.05 0.1
Miles

Garcia Park


Park Improvement Acreage Study

Acreage Type

	Improved	5.55 acres
	Unimproved	0.00 acres





0 0.0125 0.025
Miles

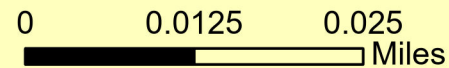


Golden Oak Park

Park Improvement Acreage Study

Acreage Type

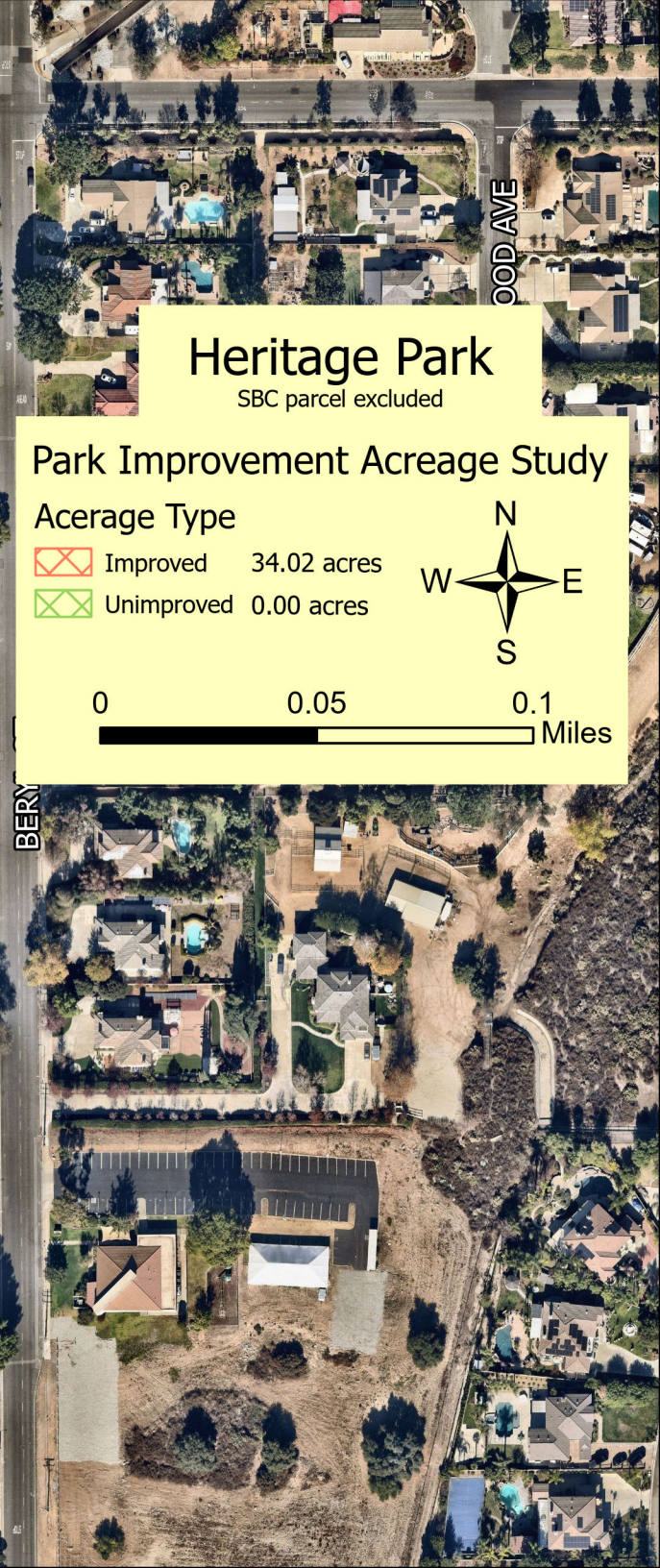
	Improved	4.99 acres
	Unimproved	0.00 acres



GOLDEN OAK RD

6TH ST







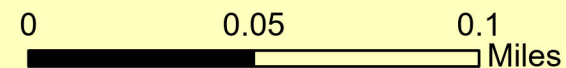
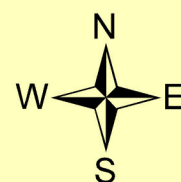
Heritage Park

SBC parcel excluded

Park Improvement Acreage Study

Acreage Type

	Improved	34.02 acres
	Unimproved	0.00 acres



HERMOSA AVE

SCHOOL SCHOOL

100' 100'



100' 100'

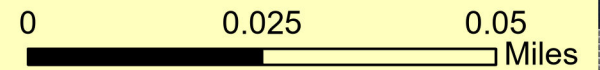
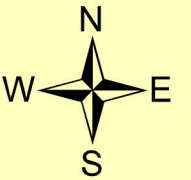


Hermosa Park

Park Improvement Acreage Study

Acreage Type

	Improved	9.57 acres
	Unimproved	0.00 acres

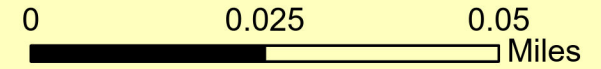


Kenyon Park

Park Improvement Acreage Study

Acreage Type

Improved	7.82 acres
Unimproved	0.00 acres







Legacy Park

Park Improvement Acreage Study


Acreage Type

 Improved 3.76 acres

 Unimproved 0.00 acres



0 0.025 0.05 Miles



A horizontal scale bar with markings at 0, 0.025, and 0.05 miles.

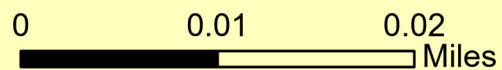
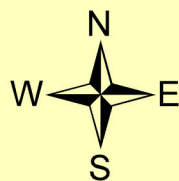
LION ST

Lions Park

Park Improvement Acreage Study

Acreage Type

	Improved	2.50 acres
	Unimproved	0.00 acres





MADRONE AVE

Los Amigos Park

Park Improvement Acreage Study

Acerage Type

	Improved	3.36 acres
	Unimproved	0.00 acres

0

0.0125

0.025

Miles

W

N

E



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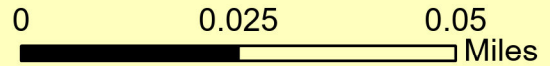


Milliken Park

Park Improvement Acreage Study

Acreage Type

	Improved	8.40 acres
	Unimproved	0.00 acres





MILLIKEN AVE


Mountain View Park


Park Improvement Acreage Study

Acreage Type

	Improved	5.03 acres
	Unimproved	0.00 acres

0 0.025 0.05 Miles







N
W E
S

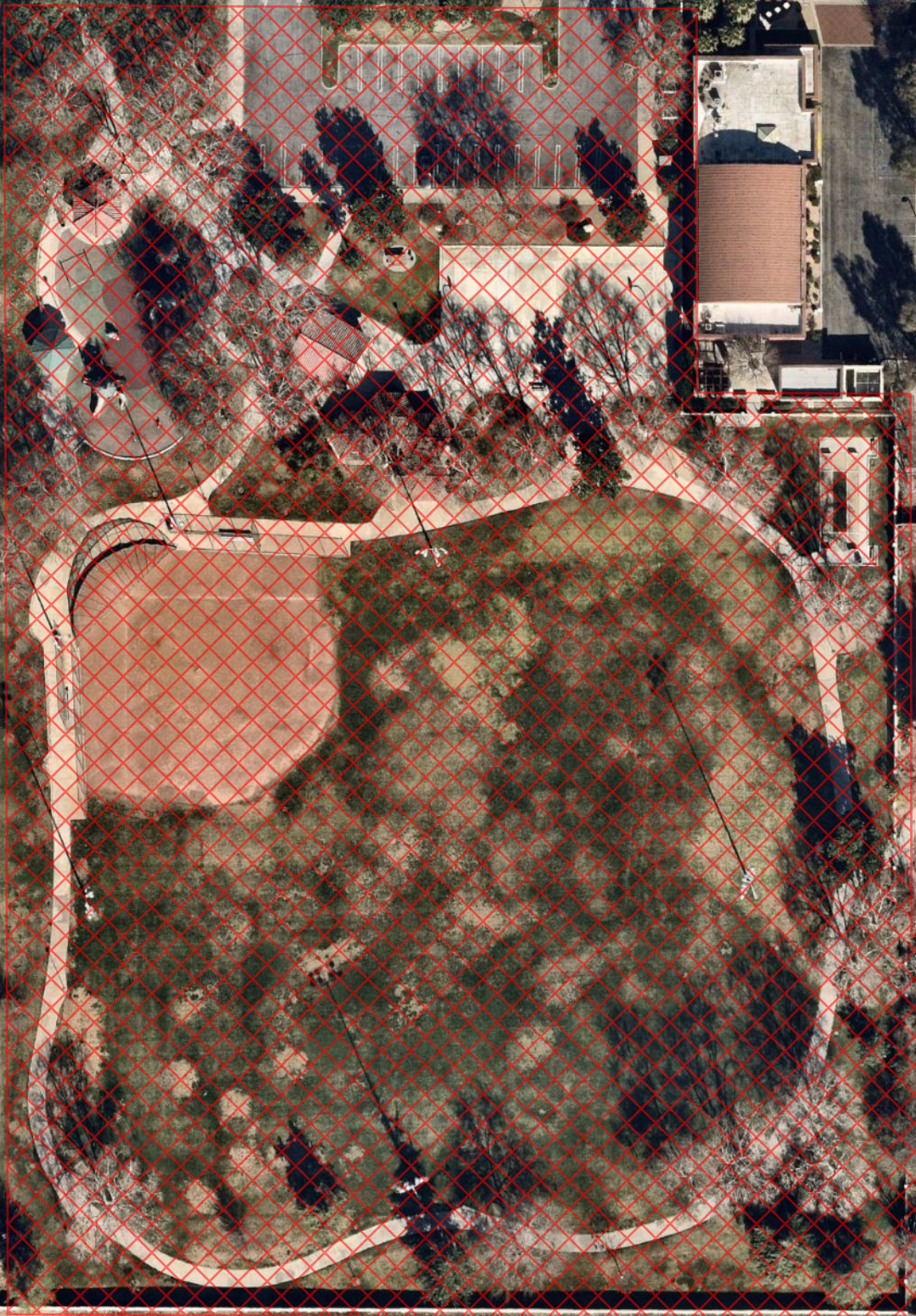
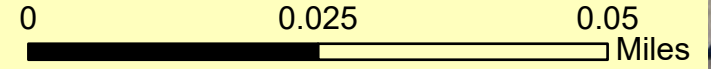


Old Town Park

Park Improvement Acreage Study

Acreage Type

	Improved	5.01 acres
	Unimproved	0.00 acres



MAIN ST

HERMOSA AVE



HUMBOLT AVE

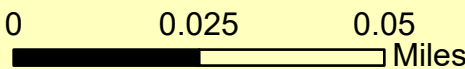


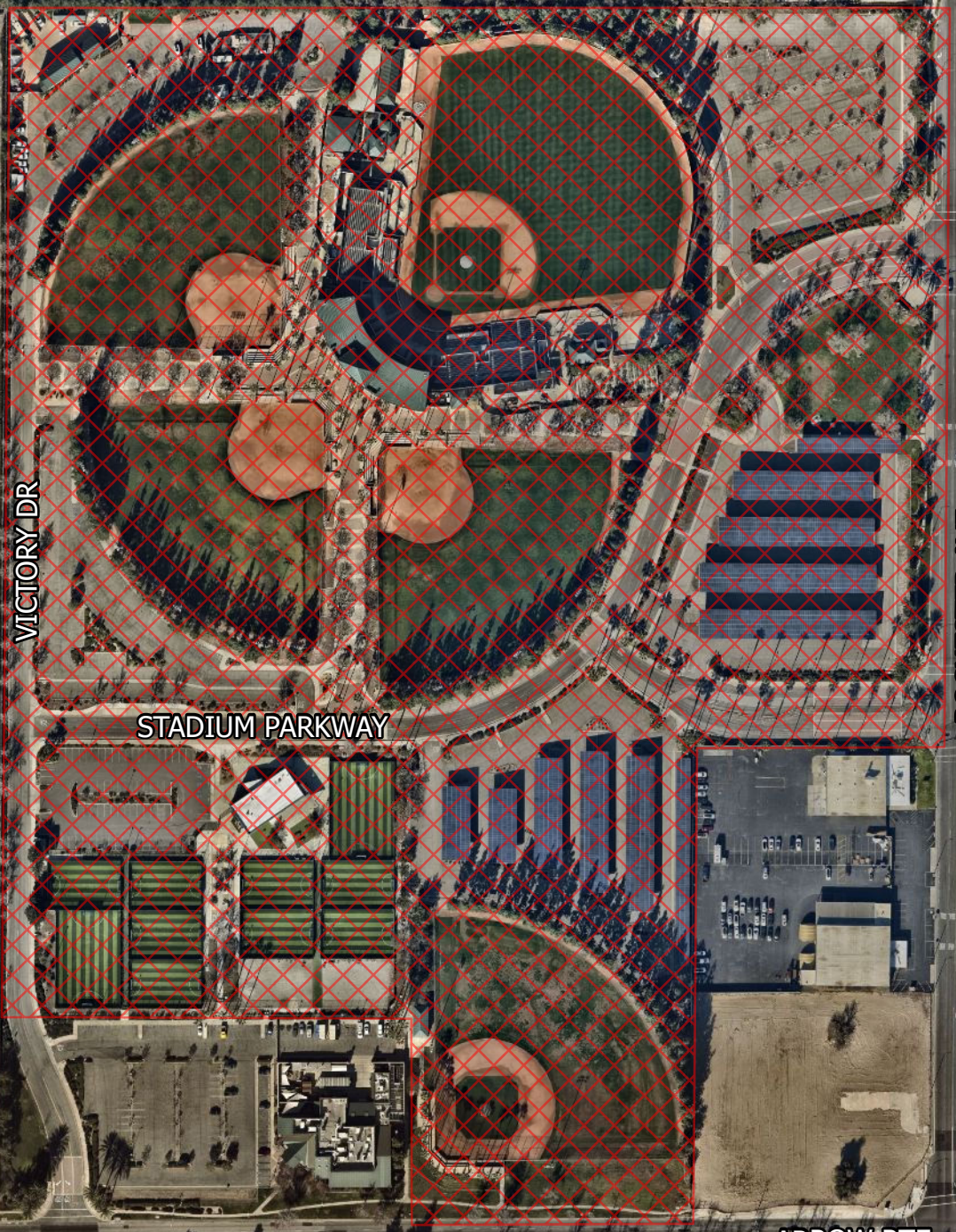
Olive Grove Park

Park Improvement Acreage Study

Acreage Type



	Improved	7.38 acres
	Unimproved	0.00 acres

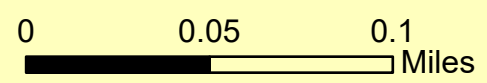




R.C. Adult Sports Complex

Park Improvement Acreage Study



Acreage Type		
	Improved	48.90 acres
	Unimproved	0.00 acres

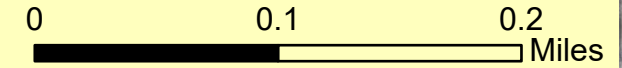
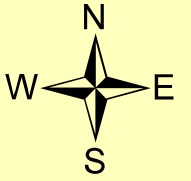


Central Park

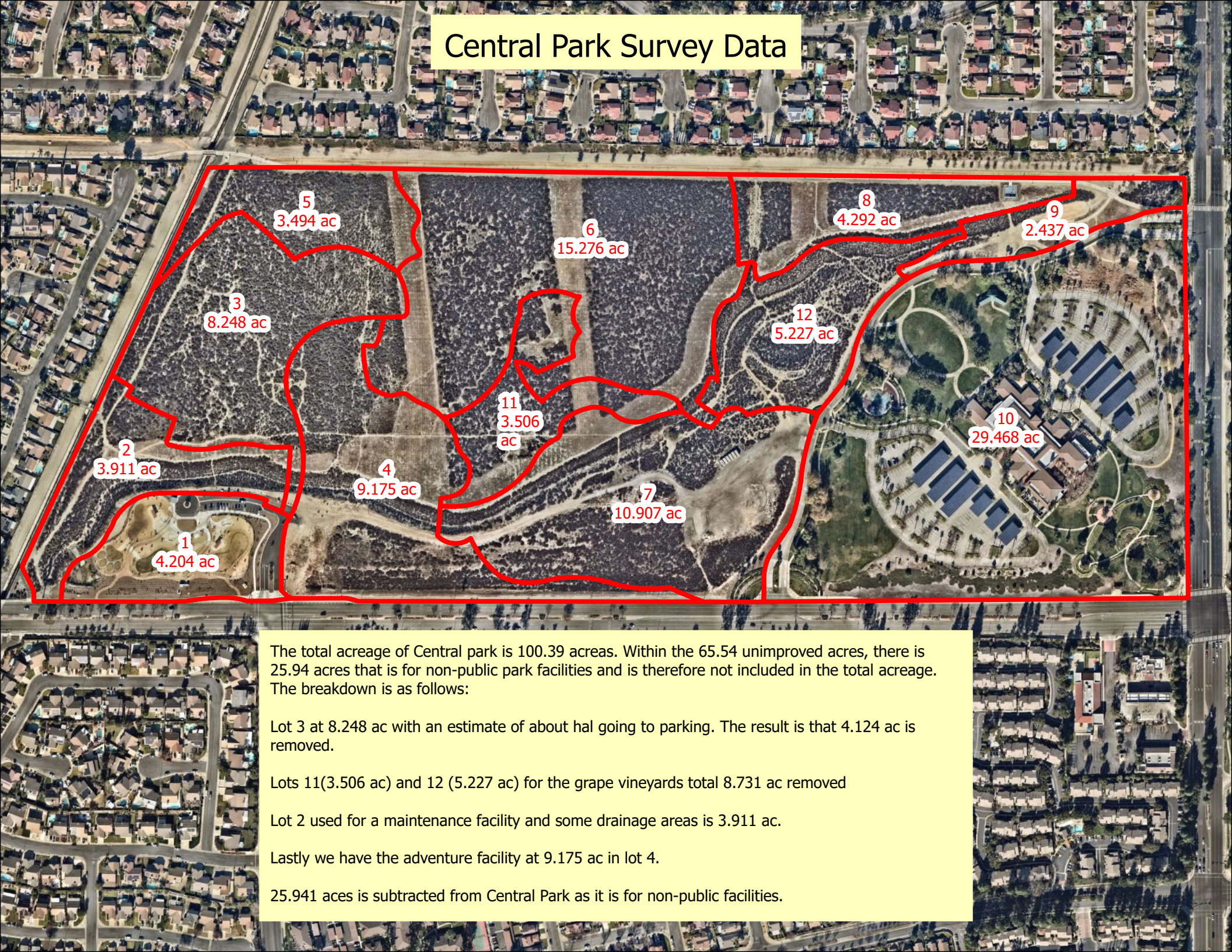
Park Improvement Acreage Study

Acreage Type

	Improved	35.84 acres
	Unimproved	64.54 acres



Central Park Survey Data



The total acreage of Central park is 100.39 acres. Within the 65.54 unimproved acres, there is 25.94 acres that is for non-public park facilities and is therefore not included in the total acreage. The breakdown is as follows:

Lot 3 at 8.248 ac with an estimate of about hal going to parking. The result is that 4.124 ac is removed.

Lots 11(3.506 ac) and 12 (5.227 ac) for the grape vineyards total 8.731 ac removed

Lot 2 used for a maintenance facility and some drainage areas is 3.911 ac.

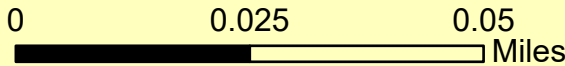
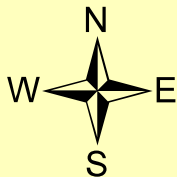
Lastly we have the adventure facility at 9.175 ac in lot 4.

25.941 acres is subtracted from Central Park as it is for non-public facilities.

Park Improvement Acreage Study

Acreage Type

Improved	8.03 acres
Unimproved	0.00 acres



Ralph M. Lewis Park





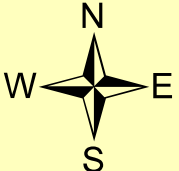
Rancho Summit Park

0 0.02 0.04 Miles

Park Improvement Acreage Study

Acreage Type

	Improved	6.71 acres
	Unimproved	0.00 acres



Red Hill Community Park

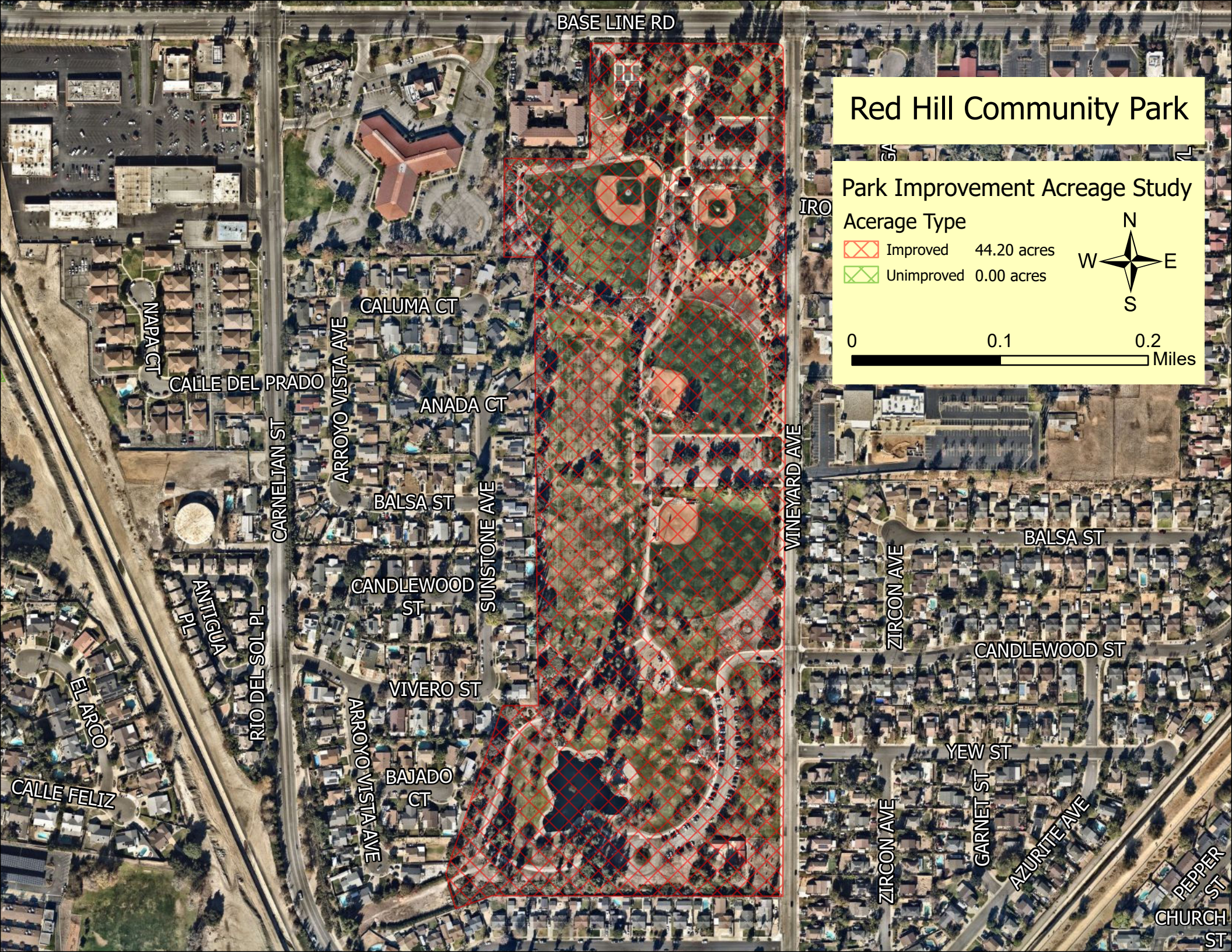
Park Improvement Acreage Study

Acreage Type	N
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Acerage Type

	Improved	44.20 acres
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 Unimproved 0.00 acres





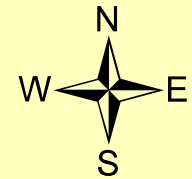
NORFOLK DR

Spruce Ave Park


Park Improvement Acreage Study

Acreage Type

	Improved	3.89 acres
	Unimproved	0.00 acres



0 0.02 0.04 Miles



SPRUCE AVE

ELM AVE

ELM AVENUE WEST



VINTNER DR

SONOMA
CREEK CT

VICTORIA
PARK LN

Victoria Arbors Park

Park Improvement Acreage Study

Acreage Type

Improved	7.75 acres
Unimproved	0.00 acres

0 0.025 0.05 Miles

KENWOOD PL

ARBOR LN

LONG MEADOW DR



NOTTINGHAM DR

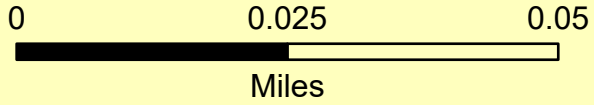
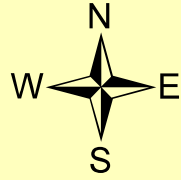
LEEDS PL

Victoria Groves Park

Park Improvement Acreage Study

Acreage Type

	Improved	6.02 acres
	Unimproved	0.00 acres





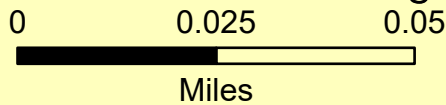
VICTORIA
PARK LN

Vintage Park

Park Improvement Acreage Study

Acreage Type

	Improved	8.02 acres
	Unimproved	0.00 acres



BENEMENTO PL

TRAPANI DR

TOLENTINO DR

FORLI DR

MILANO DR

LUCERA DR
KENYON WAY

SOMERSET DR

EMERALD ST

SOMERSET DR



SACRAMENTO AVE

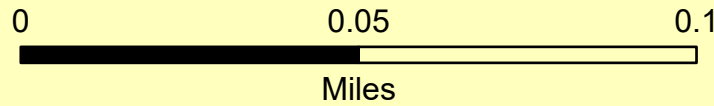
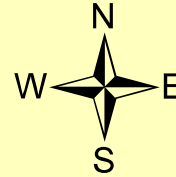
OPAL ST

West Beryl Park

Park Improvement Acreage Study

Acreage Type

	Improved	8.72 acres
	Unimproved	0.00 acres



ALTA LOMA DR

I 210 OFRP



I 210 FWY

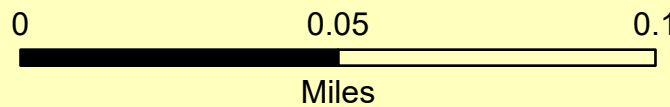
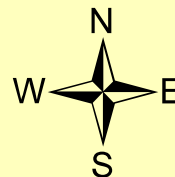


West Greenway Park

Park Improvement Acreage Study

Acreage Type



	Improved	6.10 acres
	Unimproved	0.00 acres

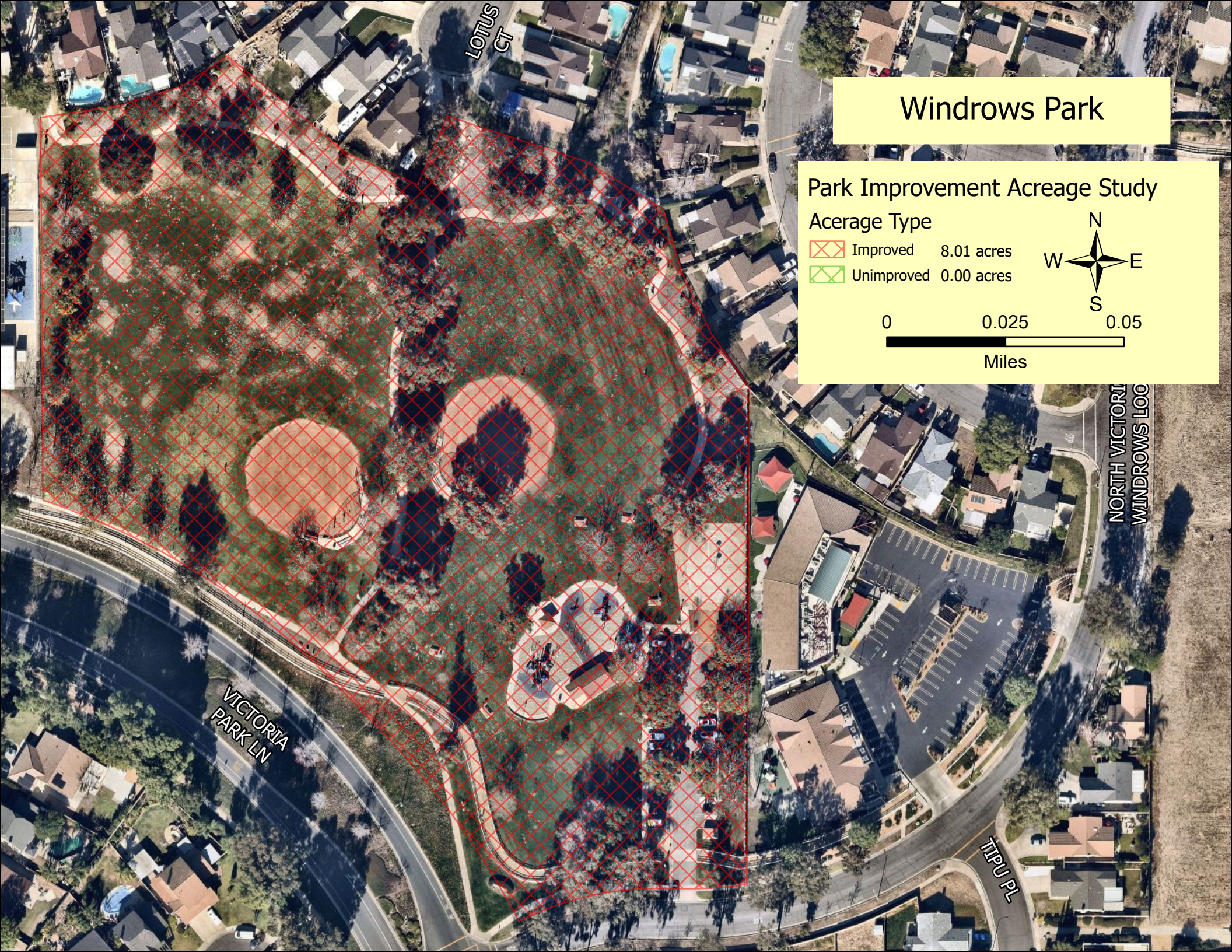
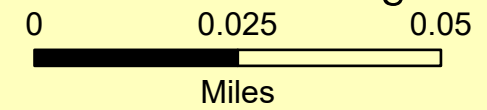


Windrows Park

Park Improvement Acreage Study

Acreage Type

	Improved	8.01 acres
	Unimproved	0.00 acres



Appendix C-2

CO 2024-193 CP Lease Agreement



LEASE

This LEASE ("Lease") is dated October 16, 2024, and is entered into by and between the LANDLORD OF RANCHO CUCAMONGA, a California municipal corporation ("**Landlord**"), and Galleano Winery, Inc., a California corporation ("**Tenant**").

RECITALS:

WHEREAS, in 2018, Landlord adopted the Central Park Master Plan (the "**Plan**");

WHEREAS, in 2024, Landlord approved Tentative Tract Map No. 20680 to subdivide Central Park into developable parcels that matched the 2018 adopted Plan.

WHEREAS, Tenant is engaged in actively farming and maintaining grape vines in the Cucamonga Valley American Viticulture Area (AVA) and desires to expand its production capabilities by planting, maintaining and harvesting grape vines ("**Grape Vines**") on the land described on Exhibit "A" ("**Leased Premises**"); and

WHEREAS, Landlord and Tenant recognize the importance of maintaining existing vineyards and expanding vineyard acreage in the AVA and preserving Rancho Cucamonga's viticultural heritage.

WHEREAS, continued revitalization and care of the identified historic Grape Vines on the Leased Premises, including "historic blocks," will serve as educational exhibits for visitors.

WHEREAS, Landlord is willing to lease the Leased Premises to Tenant, and Tenant is willing to lease the Leased Premises from Landlord, subject to the terms and conditions hereinafter set forth.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing and the mutual terms and covenants herein, the parties hereby agree as follows:

1. Demise of Property. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the Leased Premises from Landlord, for the purpose of landscaping the Leased Premises with Grape Vines to the extent envisioned within the Central Park Master Plan, and otherwise upon and subject to the terms and conditions hereinafter set forth.

2. Term. The term of this Lease shall commence on the date of this Lease Date and shall expire ten (10) years later, unless terminated earlier pursuant to the terms hereof. Tenant shall have two (2) options to extend the initial term hereof for five (5) years each, provided Tenant exercises such options by written notice to City given at least one (1) calendar year prior to the expiration of the then-existing term.

3. Rent. Tenant shall pay rent to Landlord as follows without offset, deduction or prior demand or notice:

Fixed Annual Grove Rent –\$50 per planted acre per year (currently based on a maximum acreage of 8.74 acres), due on or before June 30, 2025 and then annually on June 30 of each consecutive year (prorated for any partial year). It is understood by Landlord and Tenant that Tenant will only pay rent for each acre where Grape Vines have actually been planted by Tenant prior to June 30 of the then current year of the Lease. Tenant is initially planting three (3) acres of the Leased Premises, with such planted acres depicted and described in Exhibit “C” (“Planted Acres”). Should Tenant desire to modify the Planted Acres, then it shall give notice to Landlord by December 1 of each year of the acreage it intends to plant and Exhibit C and the rent shall be adjusted accordingly. The rent shall increase to \$100 per planted acre beginning with the annual rent payment due June 30, 2030. If Tenant exercises its first option to extend the term, the rent shall increase to \$200 per planted acre beginning with the annual rent payment due June 30, 2035. If Tenant exercises its second option to extend the term, the rent shall increase to \$300 per planted acre beginning with the annual rent payment due June 30, 2040. Beginning with the annual rent payment due June 30, 2030, at its sole and absolute discretion, Landlord may elect to receive its rent in whole or in part in the form of bottled wine which was created in whole or in part as a result of fruit picked from the Vineyard by giving written notice to Tenant of such election prior to the end of the then current year of the Lease based on the then current .

4. Interest – If Tenant fails to pay Landlord when due and payable, any sums under this Agreement, the unpaid amounts shall bear interest at the lesser of ten percent (10%) per annum or the maximum lawful rate from the date due to the date of payment, even if such date of payment shall occur after the expiration or earlier termination of this Agreement. This Section 7 shall survive the expiration or earlier termination of this Agreement.
5. AS IS. Tenant acknowledges that neither Landlord (or any employee, agent or representative of Landlord) nor any other entity or person, has made any representation or warranty (express or implied) with respect to the condition or character of or title to the Leased Premises, or its suitability for the use intended and permitted by Tenant hereunder. Tenant takes its interest and rights hereunder subject to all matters of record and all matters visible upon inspection, and acknowledges that it has inspected the Leased Premises and that it accepts its condition and character “AS IS, WHERE IS AND WITH ALL FAULTS” and assumes all responsibility for correcting the physical condition and/or character of the Leased Premises to the extent necessary to change the condition and/or character of the Leased Premises such that it is suitable for the use intended and permitted by Tenant hereunder.
6. Grape Vine Improvements. Tenant may construct and/or install (Tenant having no obligation to Landlord to do so), at its sole cost and expense, the following improvements within the Leased Premises subject to obtaining applicable governmental permits and requiring with applicable laws: (a) such improvements as are reasonably necessary for planting, maintaining and harvesting Grape Vines for wine-making purposes (e.g., an irrigation system and a fence or other trellis-like

structure); and (b) such related improvements as are approved by Landlord (such approval not to be unreasonably withheld, delayed or conditioned) after reasonably-detailed plans therefore have been submitted by Tenant to Landlord (collectively, the “**Grape Vine Improvements**”). Landlord and Tenant will coordinate regarding the landscape materials, irrigation practices, etc. on the Leased Premises surrounding the Grape Vines that are helpful for growing grapes. Tenant shall not plant vegetation that serves as host to insects (vectors) that are damaging to grape vines and shall take precautions to protect the Grape Vines from diseases, including Pierce’s Disease (PD) strains of *Xylella fastidiosa*, etc. Tenant will also provide Landlord with a list of plant vegetation that serves as host to insects that are damaging to grape vines. Landlord shall not plant vegetation that serves as host to insects (vectors) that are damaging to grape vines in Central Park and shall take precautions related to vegetation in Central Park outside of the Leased Premises to protect the Grape Vines from diseases, including Pierce’s Disease (PD) strains of *Xylella fastidiosa*, etc. Except for the Grape Vine Improvements and Grape Vines, Tenant shall not construct or install any other improvements (e.g., signs, markers, or lighting) upon the Leased Premises without first obtaining Landlord’s written approval thereof in its sole and absolute discretion.

7. Phasing. Subject to Section 11, the Grape Vine Improvements shall be constructed/installed by, or on behalf of, Tenant in phases (a “**Grape Vine Improvement Phase**”). Each Grape Vine Improvement Phase shall include soil cultivation for, and the planting of, Grape Vines by, or on behalf of, Tenant, at its sole cost and expense within such Grape Vine Improvement Phase. Once a Grape Vine Improvement Phase has been commenced, the same shall be completed with due diligence and in a good and workmanlike manner in accordance with all laws, ordinances and other governmental rules and regulations applicable thereto.
8. Planting Schedule; Cooperation/Coordination. Landlord acknowledges and agrees that Tenant’s ability to complete the Grape Vine Improvements may be limited to certain seasons of the year when planting materials are available and/or by certain weather conditions that are not conducive to the planting of such materials. To this end, Landlord and Tenant agree to use due care and make reasonable and good faith efforts to coordinate their construction/installation schedules in a manner that minimizes interference and property damage/harm, and otherwise to cooperate in a manner that facilitates the completion thereof.
9. Maintenance and Harvesting. Tenant shall, at its sole cost and expense, maintain the Grape Vine Improvements in a good, safe and sanitary condition; provided, however, that if Tenant fails to do so, Landlord shall have the right, but not the obligation, to perform such maintenance upon twenty (20) days’ prior written notice thereof to Tenant, and Tenant shall pay the reasonable cost thereof as additional rent within twenty (20) days after written notice thereof from Landlord. The Leased Premises shall be cultivated and Grape Vines shall be planted, grown, harvested and pruned by, or on behalf of, Tenant, at its sole cost and expense, in accordance with standard commercial practices. Notwithstanding the preceding sentence, Landlord will bear the cost of all water used by Tenant for irrigating the Grape Vines; however, Tenant

agrees to maintain all irrigation installed by Tenant in good repair and will use dry-farming practices for the Grape Vines as much as feasible. Tenant shall cause the Grape Vine Improvements and Grape Vines to be maintained and harvested in a manner that does not unreasonably interfere with the public use of Central Park; provided, however, that all such work shall be completed during daylight hours. Tenant shall not cause, maintain, or permit any nuisance in, on or about the Leased Premises, nor shall Tenant commit, or allow to be committed, any waste in, on or about the Leased Premises. Tenant agrees to comply with all existing and future governmental permits, laws, ordinances, and regulations that are applicable to the Leased Premises or the operations of Tenant in, on or about the Leased Premises. All fruit obtained from the Grape Vine Improvements and Grape Vines shall be the property of Tenant.

10. Repair. If any improvements or landscaping on any portion of the Leased Premises is damaged as a result of the access to, or use of, the Leased Premises by, or on behalf of, Tenant, Tenant shall, at its own cost and expense, immediately repair any such damage and restore the Leased Premises to substantially the same condition as existed prior to such damage; provided, however, that if Tenant fails to do so, Landlord shall have the right, but not the obligation, to perform such repair and Tenant shall pay the reasonable cost thereof as additional rent within twenty (20) days after written notice thereof from Landlord.
11. Taxes. Tenant shall pay all taxes and assessments, including any possessory interest tax, if any, levied by any governmental authority against, or that become a lien upon, its interest in this Lease or the Leased Premises. Tenant acknowledges that this Lease may create an interest in the Leased Premises that is subject to property taxes or assessments being levied thereon.
12. Liens. Tenant shall not suffer or permit to be enforced against the Leased Premises any mechanics', materialmen's, or subtenants' liens or any claim for damage arising from the Grape Vine Improvements and/or Grape Vines, and Tenant shall pay, or cause to be paid, all of such liens, claims or demands before any action is brought to enforce the same against the Leased Premises. Landlord reserves the right, at any time and from time to time, to post and maintain on the Leased Premises such notices of non-responsibility as may be necessary to protect Landlord against liability for all such liens, claims and demands.
13. Indemnification. Tenant hereby agrees to protect, indemnify, defend and hold Landlord and its agents, representatives, employees and officers (collectively, "**Indemnitees**") free and harmless from and against (collectively, "**Indemnify**") any and all claims, causes of action, demands, damages, liens, liabilities, fines, judgments, penalties, losses, costs and expenses (including reasonable attorneys' fees) to which Indemnitees may become exposed or that Indemnitees may incur in connection with (a) the use of the Leased Premises by, or on behalf of, Tenant; (b) any breach or default in the performance of any obligations on Tenant's part to be performed hereunder; and (c) "Hazardous Materials" (as defined below) being used, stored, generated or disposed of by, or on behalf of, Tenant in, on or about the Leased

Premises (collectively, “**Losses**”). Notwithstanding the foregoing, it is the intent of Tenant and Landlord that Tenant shall be liable to Indemnify Indemnitees under this Section irrespective of the cause of the Losses (i.e., regardless of whether or not caused by any act, omission, willful misconduct or negligent conduct (whether active or passive) of Tenant, or otherwise), except if a cause of the Losses is the negligence or willful misconduct of Indemnitees. Furthermore, Tenant hereby assumes all risk of damage to property or injury to persons in, on or about the Leased Premises, resulting, either directly or indirectly, from Tenant’s use of the Leased Premises or from fire, explosion, earthquake, flood, automobile accidents, latent defects, or any other cause whatsoever in, on or about the Leased Premises; and Tenant hereby waives all claims with respect thereto against Indemnitees and Indemnitees shall not be liable therefor. Tenant shall give prompt notice to Landlord in case of casualty or accidents in, on or about the Leased Premises. The provisions of this Section shall be in addition to any other obligations and liabilities that Tenant may have to Landlord at law, in equity or otherwise, and shall survive the expiration or earlier termination of this Agreement.

14. Assumption of Risk and Waiver. Tenant acknowledges and agrees that the use of the Leased Premises for the planting, maintenance and harvesting of Grape Vines for wine-making purposes shall be at the sole cost, risk and responsibility of Tenant, except as otherwise set forth herein, including costs related to protecting the Grape Vine Improvements and Grape Vines from theft, vandalism, damage or destruction, and that Landlord shall have no liability to Tenant or any other person or entity in connection therewith, except to provide security for the Leased Premises in the form of routine police patrols. Without limiting the foregoing, and to the maximum extent allowed by law, Tenant assumes all risk of loss, damage, or injury of any kind to any person or property. Such assumption of risk shall include any loss, damage or injury caused by Landlord’s operation of the Leased Premises. Tenant, as a material part of the consideration for this Agreement, hereby waives all claims and demands against Landlord for any such loss, damage, or injury. To this end, Tenant waives the benefit of California Civil Code Section 1542, which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

15. Tenant Insurance. Tenant shall obtain and maintain the following insurance at its sole cost and expense; provided, however, that Tenant may also effect (at its sole cost and expense), for its own account, any insurance not required hereunder:
 - 15.1 Fire and Extended Coverage. With respect to the Grape Vine Improvements, Grape Vines and all other improvements located on the Leased Premises, insurance against loss or damage by fire and such other risks as are now or hereafter included in an extended coverage endorsement in common use for such improvements, including vandalism and malicious mischief. The amount

of such insurance shall be the then-replacement cost thereof (the “**full insurable value**”). If any dispute arises between Tenant and Landlord with respect to the amount of the full insurable value, Landlord may, not more than once every three (3) months, request the applicable insurance carrier to determine the full insurable value and the resulting determination shall be conclusive between parties for the purposes of this Section.

- 15.2 Commercial General Liability. With respect to the Leased Premises, insurance against claims and liability for personal injury, death or property damage arising from the use, occupancy, disuse, or condition thereof or adjoining areas or ways. The amount of such insurance shall be at least Two Million Dollars (\$2,000,000) per occurrence for bodily injury or death, and at least Fifty Thousand Dollars (\$50,000) for property damage per planted acre of the Leased Premises.
- 15.3 Policy Form and Carrier. All insurance required hereby shall only be carried by responsible insurance companies licensed to do business in the State of California with a current A.M. Best rating of no less than A:VII. All such policies shall contain language to the effect that: (a) they are primary and noncontributing with any insurance that may be carried by Landlord; (b) they cannot be canceled or materially altered except after thirty (30) days’ notice to Landlord; (c) the Landlord and each of its elected officials, officers and employees are additional insureds; (d) any failure by Tenant to comply with reporting or other provisions thereof, including breaches of warranties, shall not affect the coverage afforded thereby; and (e) they apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the carrier’s liability.
- 15.4 Failure to Maintain; Proof of Compliance. Tenant shall deliver to Landlord, in the manner required for notices, copies of all insurance policies (including certificates evidencing the same and endorsements thereto) required hereby prior to entering on any portion of the Leased Premises and upon the renewal of each policy. If Tenant fails or refuses to obtain or maintain any insurance required hereby, or fails or refuses to furnish Landlord with the required proof thereof, then Landlord shall have the right, but not the obligation, to do so upon twenty (20) days written notice thereof to Tenant, and Tenant shall reimburse Landlord therefor within twenty (20) days of delivery of written notice thereof from Landlord.
- 15.5 Proceeds. All proceeds from any such insurance shall first be applied to the cost and expense of repairing, reconstructing and/or replacing the damaged or destroyed property or improvements. Any remaining proceeds shall be paid to, and shall be the sole property of, Tenant. If such proceeds shall be insufficient to cover the damages, then Tenant shall promptly pay any such deficiency.
16. Inspection and Tests. Landlord shall have the right to inspect the Leased Premises and monitor Tenant’s compliance with this Lease. If Landlord

reasonably determines that any work on, or use or condition of, the Leased Premises may have an adverse effect on the Leased Premises, Landlord shall be permitted to conduct such tests and assessments, including environmental assessments, of the Leased Premises, as it reasonably determines are necessary or useful to evaluate the condition of the Leased Premises.

17. Compliance with Laws. Tenant shall comply with all applicable federal, state, and local laws, regulations, rules, and orders in connection with its work on and use of the Leased Premises and shall furnish satisfactory evidence of such compliance promptly upon request therefor by Landlord. Tenant shall obtain, at its sole cost and expense, all required permits or licenses required by any governmental authority for its use of the Leased Premises as contemplated by this Lease.
18. Hazardous Materials. Tenant shall operate and maintain the Leased Premises in compliance with all, and shall not cause or permit the Leased Premises to be in violation of any federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of the courts, permits or permit conditions, currently existing or as amended or adopted in the future that are or become applicable to Tenant or the Leased Premises (collectively, “**Environmental Laws**”). Except as otherwise approved by Landlord in writing, Tenant shall not cause or permit any Hazardous Materials, insecticides, fungicides, and fertilizers to be brought upon, stored, used, generated, treated, or disposed of on or about the Leased Premises. Any Hazardous Materials on the Leased Premises shall be stored, used, generated, and disposed of in accordance with all applicable Environmental Laws. As used herein, “**Hazardous Materials**” means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its properties or effects. In the event of any release on, or contamination of, the Leased Premises with Hazardous Materials by Tenant, Tenant shall, at its sole cost and expense, promptly take all actions necessary to clean up any portion of the Leased Premises affected thereby and return the same to substantially the same condition as existed prior to such release or contamination, and otherwise to the satisfaction of Landlord and any governmental authorities having jurisdiction.
19. Termination. Landlord may terminate this Lease as provided in Section 21 or for any reason whatsoever upon not less than twelve (12) months’ prior written notice with the lease only terminable during the period from January 1 and April 30 of any year during the Lease to allow for completion of the next harvest of the Grape Vines. Upon termination of the Lease by Landlord as set forth in this section, Landlord shall pay \$100 per planted vine as of the date of termination to Tenant and the Grape Vine Improvements and Grape Vines shall be left on the Leased Premises as of the date of termination. Upon the expiration of this Lease or any extension thereof, where the lease is not terminated by Landlord as set forth in this section, the Grape Vine

Improvements and Grape Vines from the Leased Premises shall be left on the Leased Premises as of the date of termination.. In the event Tenant abandons all or any portion of a Grape Vine Improvement Phase for a period of ninety (90) or more consecutive days, then this Lease shall terminate with respect to the portion of such Grape Vine Improvement Phase so abandoned.

20. Default/Breach. In the event Tenant fails to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant (other than the payment of money), where such failure continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant, then, in addition to any other rights and remedies available at law, in equity or otherwise, Landlord may, without further notice or demand, either perform any necessary or appropriate corrective work (Landlord having no obligation to Tenant to do so), or terminate this Agreement. In the event (a) Tenant fails to make any payment of any amount required to be paid by Tenant to Landlord hereunder prior to delinquency and such failure continues for a period of ten (10) days after delivery to Tenant of written notice from Landlord that it did not receive such payment on the due date, or (b) Tenant makes a general assignment for the benefit of its creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of Tenant's interest in this Lease and/or substantially all of Tenant's assets located in, on or about the Leased Premises (unless possession is restored to Tenant within thirty (30) days); or the attachment, execution or other judicial seizure of Tenant's interest in this Lease and/or substantially all of Tenant's assets located in, on or about the Leased Premises (unless such seizure is discharged within thirty (30) days), then Landlord may, without further notice or demand, terminate this Lease. Landlord may collect damages in accordance with California Civil Code Section 1951.2.

Landlord shall not be in default hereunder unless Landlord fails to cure the default within thirty (30) days after written notice from Tenant.

21. Notices: Any notice, request, direction, instruction, demand, consent, waiver, approval or other communication required or permitted to be given hereunder shall not be effective unless it is given in writing and shall be delivered (a) by certified mail, postage prepaid, return receipt requested, or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and addressed to the parties at the addresses stated below, or at such other address as either party may hereafter notify the other in writing as aforementioned:

Tenant:

Galleano Winery, Inc.
421 Wineville Road

Mira Loma, California 91752
Attention: Domenic Galleano

Landlord:

City of Rancho Cucamonga
10500 Civic Center Drive
Rancho Cucamonga, California 91729
Attention: City Manager

22. Service. Service of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused) as shown by the addressee's return receipt if by certified mail, and as confirmed by the courier service if by courier; provided, however, that if such actual delivery occurs after 5:00 p.m. (local time where received) or on a non-business day, then such notice or demand so made shall be deemed effective on the first business day immediately following the day of actual delivery. No communications via electronic mail shall be effective to give any notice, request, direction, demand, consent, waiver, approval, or other communications hereunder.
23. Interpretation. The words "include," "includes" and "including" shall be construed as if followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Lease shall refer to this Lease as a whole and not to any particular provisions of this Agreement. The captions used herein are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions hereof. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. This Lease has been prepared by Landlord and its professional advisors and reviewed by Tenant and its professional advisors. Landlord, Tenant, and their respective advisors believe that this Lease is the product of all of their efforts, that it expresses their Lease and that it should not be interpreted in favor of, or against, either party hereto.
24. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties had executed the same counterpart.
25. Choice of Law. This Lease shall be governed by, and construed in accordance with, the laws of the State of California, without giving effect to conflict of laws principles.

26. Waiver. The waiver by Landlord of any term, covenant or condition herein shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant, or condition herein. No failure on the part of Landlord to exercise, and no delay by Landlord in exercising, any right or remedy hereunder, at law, in equity or otherwise shall operate as a waiver thereof.
27. Attorneys' Fees. In the event of any action or proceeding at law or in equity between the parties hereto to enforce or interpret any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees and costs incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included in and as a part of such judgment.
28. Entire Agreement. This Lease constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes in all respects any and all other negotiations, representations, correspondence or communications between or among such parties, whether oral or written. No provision of this Lease may be modified except by an Lease in writing signed by the parties hereto. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.
29. Recordation: Concurrently with its execution hereof, Tenant shall execute and deliver to Landlord, duly acknowledged, a counterpart of a Memorandum of Lease in the form attached hereto as Exhibit "B".
30. Time of Essence. Time is of the essence of every provision hereof in which time is a factor.

[This Space Intentionally Left Blank; Signatures Begin On The Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.

LANDLORD:

CITY OF RANCHO CUCAMONGA, a municipal corporation

By: 

Name: L. Dennis Michael

Its: Mayor

ATTEST:

By: 

Name: Janice C. Reynolds

Its: City Clerk

APPROVED AS TO FORM:

By: 

Name: Nicholas R. Ghirelli

Its: City Attorney

TENANT:

Galleano Winery, Inc., a California corporation

By: 

Name: Domenic Galleano

Its: COO

EXHIBIT "B"

FORM OF MEMORANDUM OF LEASE

(See attached.)



Electronically
Recorded in Official Records
San Bernardino County

Assessor-Recorder-County Clerk

DOC# 2024-0285824

RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:

City of Rancho Cucamonga
10500 Civic Center Drive
Rancho Cucamonga, CA 91730
Attn: City Manager

11/27/2024
03:59 PM
SAN
D9865

Titles: 1 Pages: 6

Fees	\$0.00
Taxes	\$0.00
CA SB2 Fee	\$0.00
Total	\$0.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned Lessor declares that this Memorandum of Lease is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is \$0.00, payable by Tenant.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is dated as of October 16, 2024 and is entered into by and between the CITY OF RANCHO CUCAMONGA, a municipal corporation ("Landlord") and Galleano Winery, Inc. ("Tenant").

RECITALS

A. Landlord and Tenant executed that certain Lease dated substantially concurrently herewith (the "Lease") affecting the land described in the Lease ("Leased Premise") in the City of Rancho Cucamonga. (Exhibits A & C) -B.M.

B. Landlord and Tenant now desire to record this Memorandum in order to, among other things, comply with law requiring that municipal leases be recorded, give constructive notice of the existence of the Lease, and permit the Tenant to obtain title insurance for its leasehold estate if so desired.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Ground Lease. Landlord has leased the Leased Premises to Tenant, and Tenant has leased the Leased Premises from Landlord, upon and subject to the terms and conditions set forth in the Lease. The Lease is hereby incorporated herein by this reference.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date and year first above written.

LANDLORD:

CITY OF RANCHO CUCAMONGA,
a municipal corporation

By: 

Print Name: L. Dennis Michael

Title: Mayor

TENANT:

Galleano Winery, Inc.,
a California corporation

By: 

Print Name: Domenic Galleano

Title: COO (Chief Operating Officer) - BM

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of San Bernardino)

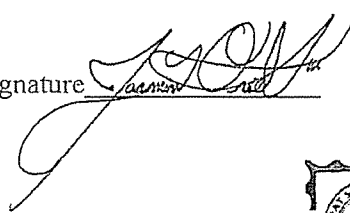
On October 15, 2024, before me, Jasmin Oriel, Notary Public,
(insert name and title of the officer)

Notary Public, personally appeared L. Dennis Michael,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are
 subscribed to the within instrument and acknowledged to me that he she they executed the same
 in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument
 the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

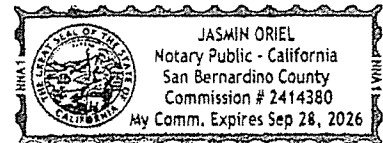
I certify under PENALTY OF PERJURY under the
 laws of the State of California that the foregoing
 paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino)

On November 19, 2024 before me, Lupe Biggs, Notary Public
(insert name and title of the officer)

personally appeared Domenic Galleano,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~(s)~~ are
subscribed to the within instrument and acknowledged to me that ~~(he)~~ ~~she~~ ~~they~~ executed the same in
~~(his)~~ ~~her~~ ~~their~~ authorized capacity(ies), and that by ~~(his)~~ ~~her~~ ~~their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Lupe Biggs

(Seal)

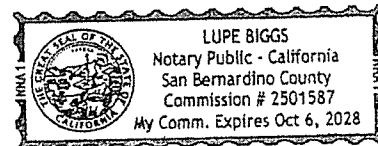


EXHIBIT "A"

LEASED PREMISES

Lots 11 and 12 of Tract No. 20680 in the City of Rancho Cucamonga, County of San Bernardino, State of California as per Map filed in Book 369, Pages 8 to 13, inclusive of Maps, in the Office of the County Recorder of said County.

EXHIBIT "C"

PLANTED ACRES

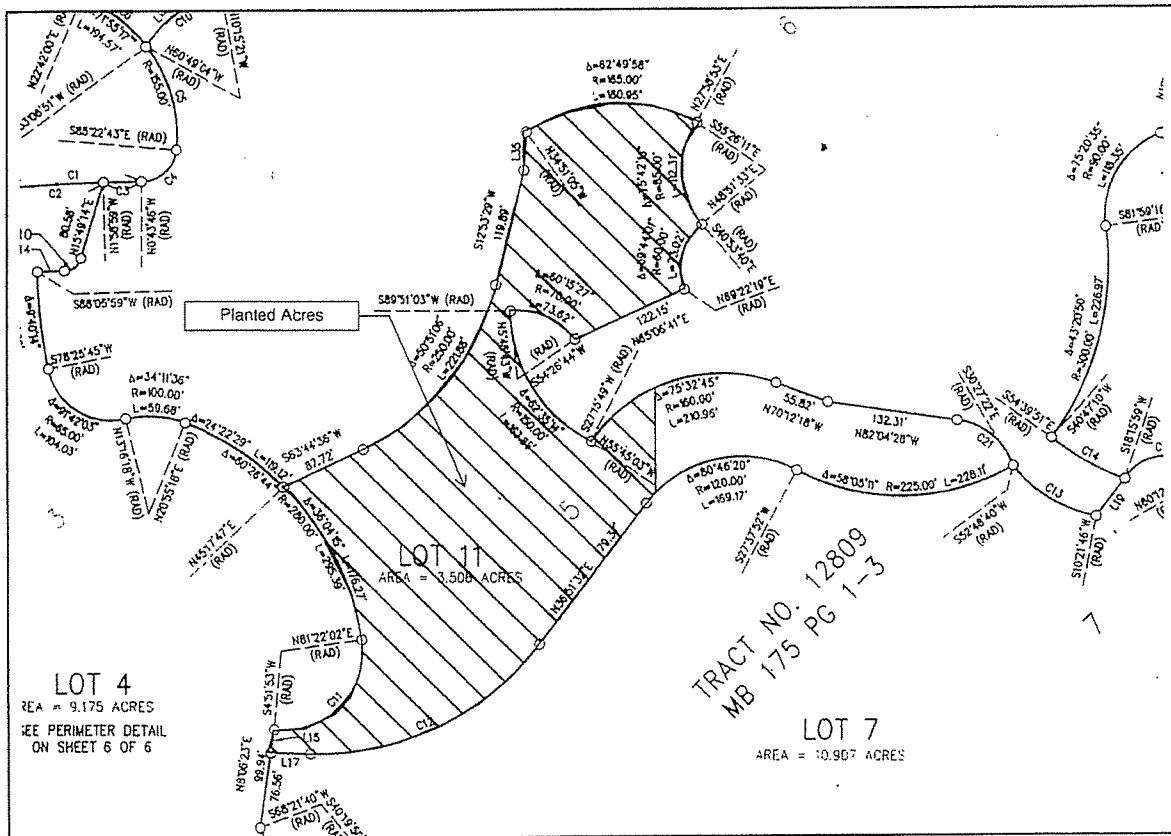


Exhibit "C"

Park Land Impact Fee

Development Type	Unit	Impact Fee (Nexus Study)	Admin. Fee 2.5%	Total Impact Fee
Residential, Single Family	SF	\$1.04	\$0.026	\$1.066
Residential, Multi-Family	SF	\$1.20	\$0.030	\$1.230

Park Improvements Impact Fee

Development Type	Unit	Impact Fee (Nexus Study)	Admin. Fee 2.5%	Total Impact Fee
Residential, Single Family	SF	\$1.94	\$0.049	\$1.989
Residential, Multi-Family	SF	\$2.24	\$0.056	\$2.296

Community and Recreation Center Facilities Impact Fee

Development Type	Unit	Impact Fee (Nexus Study)	Admin. Fee 2.5%	Total Impact Fee
Residential, Single Family	SF	\$0.85	\$0.021	\$0.871
Residential, Multi-Family	SF	\$0.99	\$0.025	\$1.015

Library Facilities and Materials Impact Fee

Development Type	Unit	Impact Fee (Nexus Study)	Admin. Fee 2.5%	Total Impact Fee
Residential, Single Family	SF	\$0.42	\$0.011	\$0.431
Residential, Multi-Family	SF	\$0.49	\$0.012	\$0.502

Animal Center Facilities, Vehicles and Equipment Impact Fee

Development Type	Unit	Impact Fee (Nexus Study)	Admin. Fee 2.5%	Total Impact Fee
Residential, Single Family	SF	\$0.09	\$0.002	\$0.092
Residential, Multi-Family	SF	\$0.10	\$0.003	\$0.103

Police Department Facilities Impact Fee

Development Type	Unit	Impact Fee (Nexus Study)	Admin. Fee 2.5%	Total Impact Fee
Residential, Single Family	SF	\$0.15	\$0.004	\$0.154
Residential, Multi-Family	SF	\$0.19	\$0.005	\$0.195
Senior/Assisted Living	Bed	\$892.88	\$22.322	\$915.202
Commercial/Retail	KSF	\$1,010.46	\$25.261	\$1,035.721
Hotel/Motel	Room	\$64.14	\$1.603	\$65.743
Office	KSF	\$238.89	\$5.972	\$244.862
Industrial	KSF	\$66.48	\$ 1.662	\$68.142

Exhibit "C"

RCFPD Facilities, Apparatus and Equipment Impact Fee

Development Type	Unit	Impact Fee (Nexus Study)	Admin. Fee 2.5%	Total Impact Fee
Residential, Single Family	SF	\$0.36	\$0.009	\$ 0.369
Residential, Multi-Family	SF	\$0.40	\$0.010	\$0.410
Senior/Assisted Living	Bed	\$13,950.99	\$348.775	\$14,299.765
Commercial/Retail	KSF	\$1,138.34	\$28.459	\$1166.799
Hotel/Motel	Room	\$566.52	\$14.163	\$580.683
Office	KSF	\$601.93	\$15.048	\$616.978
Industrial	KSF	\$86.04	\$2.151	\$88.191

Note

Fees established by this resolution shall be adjusted annually, commencing on July 1, 2026, and each year thereafter, without further action of the City Council according to the percentage change in the Engineering News Record Construction Cost Index for the Los Angeles Area, for the 12-month period ending on December 31st of the immediately preceding year. If the Engineering News Record Construction Cost Index for the Los Angeles Area is discontinued, the replacement index in use and accepted as the industry and business standard for Southern California, as determined by the City Engineer, shall be used.

Units of development; DU= dwelling unit; KSF = 1,000 gross square feet of building area;
Room = guest room or suite; Bed = accommodation for one patient or resident.