

DEVELOPMENT IMPACT FEE PROGRAM FIVE-YEAR FINDINGS

Final Report

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1. INTRODUCTION

The purpose of this report is to support the findings required by the Mitigation Fee Act (MFA) that local agencies shall make every five years for each development impact fee that an agency imposes on development projects. This report provides the information and analysis required to make these findings for the following City of Petaluma (City) development impact fees:

- ☐ City Facilities Development Impact Fee
- ☐ Parkland Development Impact Fee
- ☐ Parkland Acquisition Impact Fee
- ☐ Open Space Acquisition Impact Fee
- ☐ Traffic Development Impact Fee

The five-year findings required by the MFA are shown below:¹

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- (A) Identify the purpose to which the fee is to be put.
- (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).
- (D) Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund.

The City imposes two other capital facilities fees on development projects that are not subject to the MFA. The Quimby Act Dedication and In-Lieu Fee is specifically exempt from the MFA.² The Storm Drainage Impact Fee was adopted in 1982 pursuant to the Subdivision Map Act and has not been updated since the effective date of the MFA on January 1, 1987.³

¹ *California Government Code*, sections 66000 through 66025, specifically section 66001(d)(1).

² *Ibid*, section 66005(b).

³ *Ibid*, section 66483.

Methodology

To make the MFA statutory findings noted above, this report relies on the two nexus studies used to justify adoption of each impact fee. The first study, *City of Petaluma Mitigation Fee Act Nexus Report & Quimby Act In-Lieu Fee Report*, was completed by Municipal Resource Group in 2012 (MRG Nexus Study). This study provided documentation to adopt the City Facilities, Parkland Development, Parkland Acquisition, and Open Space Acquisition impact fees. The second study, *Traffic Mitigation Fee Program Update*, was completed by Fehr & Peers also in 2012 (F&P Nexus Study). This study provided documentation to adopt the Traffic Mitigation Impact Fee. The F&P Nexus Study was updated in a memorandum from Willdan Financial Services to the City of Petaluma dated May 10, 2016 (Willdan Memorandum).

This report also relies on the City's latest five-year capital improvement plan included in the *Adopted Operating & Capital Improvement Budget; FY 2023-2024* adopted in June 2023 (CIP). The CIP covers the period FY 2023-24 through FY 2027-2028. The MFA findings stated above are to be made "with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted." For the purposes of this report those funds are the FY 2023-24 beginning fund balance for each fee account shown in the CIP.⁴ Total sources of funding over the five-year horizon are derived from estimated FY 2023-24 fee revenue and total sources by fee account.⁵

Additional information was also provided by city staff when necessary.

To comply with the reasonable relationship finding stated above (paragraph B of section 66001(d)(1)), this report examines the programming of the FY 2023-24 beginning fund balance for each fee account to specific capital projects. First, CIP project descriptions are evaluated for compliance with the applicable nexus study. Second, total expenditures over the five-year CIP period (thus excluding expenditures to date) are compared to the beginning fund balance. If expenditures are greater than the beginning fund balance, there remains a reasonable relationship between the fee and the purpose for which it is charged because funds are not being held for unidentified uses.

This report also uses the capital project information in the CIP to comply with the findings regarding alternative funding (paragraphs C and D of section 66001(d)(1)). The CIP identifies non-impact fee funding if needed to fully fund

⁴ City of Petaluma, *Adopted Operating & Capital Improvement Budget; FY 2023-2024* (2023), p. 31.

⁵ Ibid., p. 31 and p. CIP-9. "Budgeted Expenditures" in the table on p. 31 reflect fee program administrative costs for FY 2023-24, while "Budgeted Transfers Out" reflect FY 2023-24 capital project funding. Total sources of funding from each fee account (beginning balance and future revenue) that are funding capital projects within the CIP five-year horizon are shown in the table on p. CIP-9.

a capital project that is also funded by impact fees, and the timing of that funding.

Several CIP projects include undetermined funding when the City fully anticipates sufficient funding for a capital project, but specific sources have yet to be authorized. This approach is not unusual in capital improvement planning for two reasons:

- ♦ The long time horizon for the planning, permitting, environmental compliance, and construction of public capital projects requires initiation of the project before a complete funding plan is developed. Otherwise, many potential projects would be deferred indefinitely.
- ♦ The time needed to access specific funding sources, particularly intergovernmental grants, other intergovernmental funding programs, and private donations, as well as the time it takes to plan for the issuance of long-term debt to fund large capital projects, limits a local agency's ability to include them in a funding plan until authorization for the funding source has occurred.

Project funding will be updated in the CIP and future five-year development impact fee program reports as specific sources are identified.

Development Capacity and Growth Projections

Urban Economics examined the amount of future development that may be reasonably anticipated within the City given available capacity, and therefore the continuing need for a development impact fee program.

The latest 2023 estimates from the California Department of Finance indicate the City currently has a household population of 57,659. The latest estimate of jobs from the U.S. Census Bureau's OnTheMap estimates shows 27,131 primary jobs in Petaluma as of 2020. As further explained below, there remains significant development demand and available capacity to meet that demand within the City.

Growth projections for the San Francisco Bay region are prepared by the Association of Bay Area Governments (ABAG).⁶ The most recent ABAG projections are for 2050. The ABAG growth projections did not identify specific figures for the City but rather for the South Sonoma County super district. The super district encompasses the cities of Petaluma, Cotati, Sonoma, and Rohnert Park, plus surrounding unincorporated areas. From the 2015 base year of the projections to 2050, super district households are projected to increase by 30 percent and jobs by 11 percent.

⁶ Association of Bay Area Governments, *Plan Bay Area 2050 Final Blueprint Growth Pattern*, updated January 21, 2021.

The City of Petaluma comprised approximately 36 percent of the households and 35 percent of the jobs within the super district in 2015. Applying the City's share of super district 2015 land use to the ABAG projections suggests approximately 71,000 residents and 28,000 jobs in 2050 within the City. Jobs grow by the same rate as the super district (11 percent) while population grows at a slower rate than households (20 percent versus 30 percent) because of declining household size (persons per household).

The General Plan has a total buildout capacity of 72,707 residents and 46,540 jobs within City limits as reported in the MRG Nexus Study. The ABAG projections allocated to the City suggest that the City will be nearing residential buildout by 2050 while substantial nonresidential (job) capacity will remain.

The City's Housing Element, recently adopted in May 2023 demonstrates the City's capacity for near term growth. The City's Regional Housing Needs Allocation (RHNA) is 1,910 new units and the Housing Element estimates that the City can accommodate 3,241 new housing units by 2031. Given the City's current average household size of 2.45 persons per household (based on California Department of Finance estimates) this represents a population growth of between 4,680 to 7,940 new residents within the next eight years, or a total population by 2031 of between 62,339 and 65,599. This pace of growth would result in achieving the ABAG projections and buildout before 2050.

The pace of development and total population within the City will be affected by periodic swings in the real estate development cycle and other factors. For example, the City is currently experiencing a dip in population due to higher vacancy rates and lower persons per household. These factors are not constant and change over time. Based on this analysis of General Plan capacity and ABAG's regional projections, this report finds that overall, the City's population is expected to grow for several decades. Furthermore, the City has existing capacity to accommodate that growth. Therefore, this report concludes that the City has an ongoing need for a development impact fee program.

2. CITY FACILITIES DEVELOPMENT IMPACT FEE

Finding: Purpose of Fee

The Capital Facilities Development Impact Fee funds several types of facilities including city administration, public safety, and community service facilities (library, community center, etc.). The purpose of the fee is to provide funding to achieve the City's goal of either maintaining existing or achieving desired service levels (depending on the facility type) as new development occurs. The MRG Nexus Study identifies the specific purposes of each of the facility types funded by the Fee and the share funded by the fee.⁷

The MRG Nexus Study identifies the maximum fair share of each capital project that can be funded by the fee program based on the nexus methodology. The nexus allocates 100 percent of costs to the fee if the fee is based on existing standards or levels of service, and fee revenues are used to expand facility capacity and/or capabilities. The nexus allocates 21.1 percent of costs to the fee if the capital project serves both existing and new development by raising existing standards or level of service. These maximum funding shares remains unchanged until the nexus study is updated. **Table 1** displays a summary of the 2012 project list, and the overall allocation to new development by project. These figures have not been updated for construction cost inflation to 2023.

Finding: Reasonable Relationship

The Capital Facilities Development Impact Fee bears a reasonable relationship to the purpose for which it is charged for the reasons explained below. These findings are based on the current CIP and additional information provided by city staff.

- ♦ The CIP programs the beginning fee account fund balance and future revenue to projects identified in the MRG Nexus Study, as revised, that remain incomplete.
- ♦ The CIP shows that the fee funds no more than the maximum funding share of each capital project based on the nexus methodology described above and additional information provided by city staff.
- ♦ The CIP shows that fee program expenditures over the five-year horizon are greater than the FY 2023-24 beginning fee account fund balance,

⁷ Municipal Resources Group, *City of Petaluma Mitigation Fee Act Nexus Report & Quimby Act In-Lieu Fee Report*, Aug. 14, 2012, pp. 9-31.

indicating that fee revenues are not being accumulated for unidentified purposes.

Table 1: City Facilities Development Impact Fee Project Summary

| Project | Total Cost | Fee Program Funding | |
|---|---------------|---------------------|---------------|
| | | Percent | Amount |
| Construct City Hall | \$ 15,043,280 | 21.1% | \$ 3,174,132 |
| Construct corporation yard | 7,664,300 | 21.1% | 1,617,167 |
| Purchase VOIP system | 200,000 | 21.1% | 42,200 |
| Purchase vehicles | 556,250 | 100.0% | 556,250 |
| Purchase technology equipment | 36,000 | 100.0% | 36,000 |
| Relocate and construct Fire Station #1 | 15,528,049 | 21.1% | 3,276,418 |
| Refurbish Fire Stations #2 and #3 | 6,344,000 | 21.1% | 1,338,584 |
| Purchase ALS ambulance | 298,104 | 50.0% | 149,052 |
| Purchase firefighter protective equipment | 98,175 | 100.0% | 98,175 |
| Construct Police Station | 25,491,130 | 21.1% | 5,378,628 |
| Install communication tower | 165,000 | 21.1% | 34,815 |
| Purchase Police officer equipment | 90,666 | 100.0% | 90,666 |
| Purchase patrol vehicles | 486,774 | 100.0% | 486,774 |
| Construct aquatic facility | 9,787,382 | 21.1% | 2,065,138 |
| Expand library facility | 4,600,340 | 100.0% | 4,600,340 |
| Expand community center | 9,229,605 | 100.0% | 9,229,605 |
| Total | \$ 95,619,055 | 33.6% | \$ 32,173,945 |

Sources: Municipal Resources Group, LLC, *City of Petaluma Mitigation Fee Act Nexus Report and Quimby Act In-Lieu Fee Report*, Aug. 14, 2012.

A brief description of the reasonable relationship of each project in the CIP to the fee is described below. Based on the CIP, total expenditures and funding by funding source for each project are shown in **Table 2** at the end of this section. Total uses of funds are consolidated into a single annual figure and the CIP provides more detail.

- ♦ **Reserve Apparatus Storage & Security Gate Installation:** This project supports expansion of the fire apparatus fleet. The project reflects a more detailed specification of the vehicles and fire safety equipment projects included in the 2012 project list. Consistent with projects that expand facility capacity and/or capabilities, up to 100 percent of costs can be allocated to new development and the impact fee program. The fee funds 100 percent of project costs.
- ♦ **City Hall West Wing Space Remodel:** This project creates a new City permit center and consolidates all building permit related departments into a single counter to facilitate the issuance of permits. The space being remodeled was previously rented by County, and the

project is converting this space for City uses. This conversion increases the City's permitting capacity. The project reflects a more detailed specification of the city hall and related general administrative facility projects included in the 2012 project list. Consistent with projects that expand facility capacity and/or capabilities, up to 100 percent of costs can be allocated to new development and the impact fee program. The fee funds 60.4 percent of project costs.

- ♦ **Electrical Vehicle Chargers:** This project will support additional planning, investigation, and design documentation of existing building electrical capacity to prioritize electric vehicle charger installation at city facilities. The project reflects a more detailed specification of the new vehicles project included in the 2012 project list. Consistent with projects that expand facility capacity and/or capabilities, up to 100 percent of costs can be allocated to new development and the impact fee program based on in the 2012 nexus study. The fee funds 7.4 percent of project costs.
- ♦ **Library Facility Enhancement and Expansion:** This project is a joint venture between Sonoma County and the City of Petaluma. The project will improve and enhance the Petaluma branch of the Sonoma County Library. Major elements of the project include improving access to the facility, expanding public areas, and upgrading the fire suppression system. The project reflects a more detailed specification of the library project included in the 2012 project list. Consistent with projects that expand facility capacity and/or capabilities, up to 100 percent of costs can be allocated to new development and the impact fee program. The fee funds 16.1 percent of project costs.
- ♦ **HVAC & Energy Efficiency Upgrades:** This project will improve the efficiency of HVAC at most city owned facilities and include upgrades and replacements where necessary. The project reflects a more detailed specification of the city hall and related general administrative facility projects included in the 2012 project list. Consistent with projects that expand facility capacity and/or capabilities, up to 100 percent of costs can be allocated to new development and the impact fee program. The fee funds 35 percent of project costs.
- ♦ **Fire Station #4 / Public Safety Building:** The Public Safety Facilities Assessment, completing in FY 22/23, is informing the construction and siting of a new fire headquarters that will include space for some integral police/public safety operations as well. The assessment is creating a roadmap for next steps including planning and funding needs. The existing facilities do not meet the departments' collective operational needs. The new facility will provide space for current and future needs, accommodate a diverse workforce, and

comply with current seismic and other public safety facility standards. The project reflects an expansion of the 2012 project list based on the recent facilities assessment. Consistent with projects that serve both existing and new development, up to 21.1 percent of costs can be allocated to new development and the impact fee program based on in the 2012 nexus study. The fee funds 20.8 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **Fire Stations 1, 2, and 3 Remodel:** Identified by the Fire Department as needed to continue service to the community and to accommodate growth in both population and building density. The project reflects a more detailed specification of the two fire station projects included in the 2012 project list. Consistent with projects that serve both existing and new development, up to 21.1 percent of costs could be allocated to new development and the impact fee program based on in the 2012 nexus study. The fee funds 21.1 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **Police Department Facility Remodel:** This project will expand the capacity of the police station. This is considered part of the total cost of new police station listed in the MRG Nexus Study. The allocation of \$4.6 million to the City Facilities Impact Fee is less than the \$5.4 million allocated to the impact fee in the 2012 nexus study (not adjusted for inflation). The project reflects a more detailed specification of the police facility project included in the 2012 project list. Consistent with projects that serve both existing and new development, up to 21.1 percent of costs could be allocated to new development and the impact fee program based on in the 2012 nexus study. The fee funds 91.3 percent of project costs. However, city staff indicates that considering all police facility capital projects, either completed since the 2012 nexus study, under construction, or anticipated, particularly the estimate of \$102 mil. for a new police headquarters that is outside the current five-year CIP planning horizon, fee funding for all projects will be less than 21.1 percent.

Of the projects identified in the MRG Nexus Study (see Table 1), the City is still pursuing projects which are not anticipated to be initiated until after the current five-year CIP. Below is a list of those projects:

- ♦ Construct New City Hall
- ♦ Construct Corp Yard
- ♦ Expand Community Center

Fee revenue also may be used for costs to comply with the MFA such as costs for fee collection and accounting, plus costs for administration and management of capital improvement projects funded by fee revenues.

Findings: Alternative Funding Sources and Timing

See **Table 2** for the identified funding sources needed to complete each project and the timing of those sources. Sources of funds are differentiated by source and year.

Table 2: City Facilities Development Impact Fee (\$000s)

| Project No. | Description | Estimate Life to Date thru FY 23 | Adopted Budget FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total | DIF Fee Funding Share |
|------------------|---|--|-------------------------------|----------|----------|----------|----------|--------|-----------------------------|
| C11501911 | Reserve Apparatus Storage & Security Gate Installation | | | | | | | | |
| | Total Uses | 28 | 247 | - | - | - | - | 275 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | 50 | 225 | - | - | - | - | 275 | 100.0% |
| | Total Sources | 50 | 225 | - | - | - | - | 275 | |
| C11202017 | City Hall West Wing Space Remodel & Permit Center | | | | | | | | |
| | Total Uses | 371 | 449 | - | - | - | - | 820 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | 238 | 257 | - | - | - | - | 495 | 60.4% |
| | American Rescue Plan Act (ARPA) | 160 | - | - | - | - | - | 160 | |
| | Grants -SB2 | 165 | - | - | - | - | - | 165 | |
| | Total Sources | 563 | 257 | - | - | - | - | 820 | |
| C11502015 | Electrical Vehicle Chargers | | | | | | | | |
| | Total Uses | 394 | 301 | 181 | 181 | 181 | 142 | 1,380 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | 17 | 17 | 17 | 17 | 17 | 17 | 102 | 7.4% |
| | General Fund | 17 | - | - | - | - | - | 17 | |
| | General Fund- Measure U | 300 | 200 | 135 | 135 | 135 | 125 | 1,030 | |
| | BayAreaAirQualityMgtDistrict Grant | 15 | - | - | - | - | - | 15 | |
| | Water Capital | 76 | - | - | - | - | - | 76 | |
| | Waste Water Capital | 59 | - | - | - | - | - | 59 | |
| | Donation- Green Building | 22 | - | - | - | - | - | 22 | |
| | Street Maintenance | 59 | - | - | - | - | - | 59 | |
| | Total Sources | 565 | 217 | 152 | 152 | 152 | 142 | 1,380 | |
| C11202121 | Library Facility Enhancement and Expansion | | | | | | | | |
| C11502224 | Total Uses | 88 | 4,293 | - | - | - | - | 4,381 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | 175 | 530 | - | - | - | - | 705 | 16.1% |
| | General Fund- Measure U | 600 | 268 | - | - | - | - | 868 | |
| | Transient Occupancy Tax | 12 | - | - | - | - | - | 12 | |
| | ARPA | 192 | - | - | - | - | - | 192 | |
| | Library Infrastructure Grant | - | 1,110 | - | - | - | - | 1,110 | |
| | Sonoma County Contribution | - | 1,494 | - | - | - | - | 1,494 | |
| | Total Sources | 979 | 3,402 | - | - | - | - | 4,381 | |
| C11202223 | HVAC & Energy Efficiency Upgrades | | | | | | | | |
| | Total Uses | 307 | 1,877 | 214 | - | - | - | 2,398 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | - | 440 | 400 | - | - | - | 840 | 35.0% |
| | General Fund- Measure U | 50 | - | - | - | - | - | 50 | |
| | American Rescue Plan Act (ARPA) | 1,508 | - | - | - | - | - | 1,508 | |
| | Total Sources | 1,558 | 440 | 400 | - | - | - | 2,398 | |
| New | Fire Station #4 / Public Safety Building | | | | | | | | |
| | Total Uses | - | 750 | 750 | 8,900 | 16,525 | - | 26,925 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | - | 250 | 750 | - | 4,600 | - | 5,600 | 20.8% |
| | Infrastructure Bond - Measure U | - | - | - | 8,900 | 6,100 | - | 15,000 | |
| | Developer Contributions/Donations | - | 500 | - | - | - | - | 500 | |
| | Undetermined ¹ | - | - | - | - | 5,825 | - | 5,825 | |
| | Total Sources | - | 750 | 750 | 8,900 | 16,525 | - | 26,925 | |
| New | Fire Stations 1, 2 & 3 Remodel | | | | | | | | |
| | Total Uses | 101 | - | - | 236 | 2,833 | 2,830 | 6,000 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | 101 | - | - | 236 | 929 | - | 1,266 | 21.1% |
| | Undetermined ¹ | - | - | - | - | 1,904 | 2,830 | 4,734 | |
| | Total Sources | 101 | - | - | 236 | 2,833 | 2,830 | 6,000 | |
| C11202225 | Police Department Facility Remodel | | | | | | | | |
| | Total Uses | 20 | 353 | 2,339 | 2,288 | - | - | 5,000 | |
| | Sources | | | | | | | | |
| | City Facilities DIF | - | - | 2,279 | 2,288 | - | - | 4,567 | 91.3% |
| | American Rescue Plan Act (ARPA) | 433 | - | - | - | - | - | 433 | |
| | Total Sources | 433 | - | 2,279 | 2,288 | - | - | 5,000 | |

Table 2: City Facilities Development Impact Fee (\$000s) (continued)

| | | Estimate Life to Date thru FY 23 | Adopted Budget FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | | DIF Fee Funding Share |
|-----------------|------------------------------------|--|-------------------------------|----------------|----------------|----------------|-------------|-----------------|-----------------------------|
| Project No. | Description | | | | | | | Total | |
| City Facilities | Development Impact Fee Account | | | | | | | | |
| | Beginning Fund Balance | NA | 7,705 | 7,133 | 4,834 | 3,440 | (959) | 7,705 | |
| | Estimated Fee Revenue ² | 581 | 1,147 | 1,147 | 1,147 | 1,147 | 1,147 | 6,316 | |
| | Expenditures ³ | <u>(581)</u> | <u>(1,719)</u> | <u>(3,446)</u> | <u>(2,541)</u> | <u>(5,546)</u> | <u>(17)</u> | <u>(13,850)</u> | |
| | Estimated Ending Fund Balance | NA | 7,133 | 4,834 | 3,440 | (959) | 171 | 171 | |

¹ "Undetermined funding" as a source is used when a project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

² CIP does not estimate fee revenue beyond FY 2023-2024 so future annual revenue assumed to equal revenue for FY 2023-2024.

³ Expenditures do not include fee program administration costs.

3. PARKLAND DEVELOPMENT IMPACT FEE

Finding: Purpose of Fee

The Parkland Development Impact Fee provides funding to achieve the City's General Plan standards for construction of neighborhood and community parks. Parkland acquisition is funded separately by the Parkland Acquisition Impact Fee.

The MRG Nexus Study applies General Plan standards for community and neighborhood parks to future development to determine the funding required by the fee.⁸ New development can fund up to 100 percent of associated costs if new development is the primary beneficiary of the additional parks, or up to 21.1 percent if both existing and new development benefit (see *Finding: Purpose of Fee* section in Chapter 2, *City Facilities Development Impact Fee*).

Finding: Reasonable Relationship

The Parkland Development Impact Fee bears a reasonable relationship to the purpose for which it is charged for the reasons explained below. These findings are based on the current CIP.

- ♦ The CIP programs the beginning fee account fund balance and future revenue to projects that expand neighborhood and community parks as identified in the MRG Nexus Study.
- ♦ The CIP shows that the fee funds no more than the maximum funding share of each capital project based on the nexus methodology described above.
- ♦ The CIP shows that fee program expenditures over the five-year horizon are greater than the FY 2023-24 beginning fee account fund balance, indicating that fee revenues are not being accumulated for unidentified purposes.

A brief description of the reasonable relationship of each project in the CIP to the fee is described below. Based on the CIP, total expenditures and funding by funding source for each project are shown in **Table 2** at the end of this section. Total uses of funds are consolidated into a single annual figure and the CIP provides more detail.

- ♦ **Petaluma Community Baseball Field:** This project expands the City's capacity of park amenities. The fee funds 77 percent of project costs. All fee funding occurred in prior years and no funds are allocated in the CIP.

⁸ Ibid., pp. 32-41.

- ♦ **Lucchesi Skate Park:** This project adds capacity to the existing skatepark by identifying and adding elements that would encourage participation and skills progression from a broader range of ages, ability levels, and user groups. The fee funds 23.1 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **Marina, Turning Basin Dredging & Dock Upgrades:** This project benefits both existing and new development. The primary goal of this project is to recover the full operational water depth for boating safety, navigation, and (state-leased) Marina operations. The project includes removal of dredged material from Shollenberger Park for beneficial reuse at an adjacent wetland area. The fee funds 3.6 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **Shollenberger Amphitheater and Kiosk Improvements:** This project will expand park facilities by constructing an environmental educational kiosk and an outdoor amphitheater at Shollenberger Park. The fee funds 13.5 percent of project costs.

Fee revenue also may be used for costs to comply with the MFA such as costs for fee collection and accounting, plus costs for administration and management of capital improvement projects funded by fee revenues.

Findings: Alternative Funding Sources and Timing

See Table 3 for the identified funding sources needed to complete each project and the timing of those sources. Sources of funds are differentiated by source and year.

Table 3: Parkland Development Impact Fee (\$000s)

| Project No. | Description | Estimate Life to Date thru FY 23 | Adopted Budget FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total | DIF Fee Funding Share |
|--|--|--|-------------------------------|--------------|----------|----------|----------|---------------|-----------------------------|
| C14501607 | Petaluma Community Baseball Field | | | | | | | | |
| | Total Uses | 6,284 | 913 | - | - | - | - | 7,197 | |
| | Sources | | | | | | | | |
| | Parkland DIF | 5,543 | - | - | - | - | - | 5,543 | 77.0% |
| | Donations/Developer Contrib. | 100 | - | 400 | - | - | - | 500 | |
| | Measure M - Parks | - | 300 | - | - | - | - | 300 | |
| | General Fund Measure U | 154 | - | - | - | - | - | 154 | |
| | Transient Occupancy Tax | - | 500 | - | - | - | - | 500 | |
| | Traffic Impact Fees | 200 | - | - | - | - | - | 200 | |
| | Total Sources | 5,997 | 800 | 400 | - | - | - | 7,197 | |
| C14402215 | Lucchesi Skate Park | | | | | | | | |
| | Total Uses | 110 | 1,528 | 1,175 | - | - | - | 2,813 | |
| | Sources | | | | | | | | |
| | Parkland DIF | - | 650 | - | - | - | - | 650 | 23.1% |
| | Measure M - Parks | 150 | - | 400 | - | - | - | 550 | |
| | American Rescue Plan Act (ARPA) | 313 | - | - | - | - | - | 313 | |
| | General Fund | 525 | - | - | - | - | - | 525 | |
| | Transient Occupancy Tax (TOT) | - | - | 500 | - | - | - | 500 | |
| | Undetermined ¹ | - | - | 275 | - | - | - | 275 | |
| | Total Sources | 988 | 650 | 1,175 | - | - | - | 2,813 | |
| c14402010 | Marina Dredging & Dock Upgrades | | | | | | | | |
| | Total Uses | 2,070 | 5,259 | 6,418 | - | - | - | 13,747 | |
| | Sources | | | | | | | | |
| | Parkland DIF | 387 | - | 107 | - | - | - | 494 | 3.6% |
| | General Fund | 1,100 | - | - | - | - | - | 1,100 | |
| | General Fund-Measure U | - | 700 | 700 | - | - | - | 1,400 | |
| | Transient Occupancy Tax (TO) | 573 | - | - | - | - | - | 573 | |
| | Storm Drainage Utility | 50 | - | - | - | - | - | 50 | |
| | Undetermined ¹ | - | 4,559 | 5,571 | - | - | - | 10,130 | |
| | Total Sources | 2,110 | 5,259 | 6,378 | - | - | - | 13,747 | |
| C14502012 | Shollenberger Amphitheater & Kiosk Improvements | | | | | | | | |
| | Total Uses | 26 | 249 | - | - | - | - | 275 | |
| | Sources | | | | | | | | |
| | Parkland DIF | 27 | 10 | - | - | - | - | 37 | 13.5% |
| | Measure M - Parks | - | 25 | - | - | - | - | 25 | |
| | California State Parks Grant | - | 213 | - | - | - | - | 213 | |
| | Total Sources | 27 | 248 | - | - | - | - | 275 | |
| Parkland Development Impact Fee Account | | | | | | | | | |
| | Beginning Fund Balance | NA | 335 | 289 | 796 | 1,410 | 2,024 | 335 | |
| | Estimated Fee Revenue ² | 5,957 | 614 | 614 | 614 | 614 | 614 | 9,027 | |
| | Expenditures ^{2,3} | (5,957) | (660) | (107) | - | - | - | (6,724) | |
| | Ending Fund Balance | NA | 289 | 796 | 1,410 | 2,024 | 2,638 | 2,638 | |

¹ "Undetermined funding" as a source is used when a project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

² CIP does not estimate fee revenue beyond FY 2023-2024 so future annual revenue assumed to equal revenue for FY 2023-2024. "Life To Date" expenditures and revenue exclude \$105,000 for a playground replacements project not included in this table because no future funding is allocated.

³ Expenditures do not include fee program administration costs.

4. PARKLAND ACQUISITION IMPACT FEE

Finding: Purpose of Fee

The purpose of the Park Land Acquisition Fee is to provide funding to achieve the City's goal of acquiring the neighborhood and community parks identified in its General Plan. Park construction is funded separately by the Parkland Development Impact Fee.

The MRG Nexus Study calculates the remaining parkland necessary to purchase to meet the level of park development proposed by the General Plan and allocates those costs to the fee. The implied standard for purposes of the fee (new park acres per 1,000 residents) is less than the existing standard so new development can fund up to 100 percent of parkland acquisition costs.

Finding: Reasonable Relationship

The Parkland Acquisition Impact Fee bears a reasonable relationship to the purpose for which it is charged for the reasons explained below.

City staff has been exploring the acquisition of land to become Cedar Grove Park. According to city staff, this project is not reflected in the current CIP because acquisition is not anticipated during the current five-year CIP horizon. With adoption of this report the City is establishing a capital project reserve account for this project. See **Table 4** at the end of this section for detail. Based on the information in Table 4:

- ♦ City staff program the beginning fee account fund balance and future revenue to projects that expand parkland as identified in the MRG Nexus Study.
- ♦ The CIP shows that the fee funds no more than the maximum funding share of each capital project based on the nexus methodology described above.
- ♦ The CIP shows that fee program expenditures over the five-year horizon are greater than the FY 2023-24 beginning fee account fund balance, indicating that fee revenues are not being accumulated for unidentified purposes.

Fee revenue also may be used for costs to comply with the MFA such as costs for fee collection and accounting, plus costs for administration and management of capital improvement projects funded by fee revenues.

Findings: Alternative Funding Sources and Timing

As shown in **Table 4**, no additional funding sources are anticipated to complete this project.

Table 4: Parkland Acquisition Impact Fee (\$000s)

| Project No. | Description | Estimate Life to Date thru FY 23 | Adopted Budget FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total | DIF Fee Funding Share |
|-------------|---|----------------------------------|-------------------------|----------|----------|----------|----------|---------|-----------------------|
| N/A | Cedar Grove Park (reserve to complete)¹ | | | | | | | | |
| | Total Uses | - | - | 3,057 | 195 | 195 | 195 | 3,641 | |
| | Sources | | | | | | | | |
| | Parkland Acquisition DIF | - | - | 3,057 | 195 | 195 | 195 | 3,641 | 100% |
| | Total Sources | - | - | 3,057 | 195 | 195 | 195 | 3,641 | |
| | Parkland Acquisition Impact Fee Account | | | | | | | | |
| | Beginning Fund Balance | NA | 2,668 | 2,862 | - | - | - | 2,668 | |
| | Estimated Fee Revenue ² | - | 195 | 195 | 195 | 195 | 195 | 973 | |
| | Expenditures ³ | - | - | (3,057) | (195) | (195) | (195) | (3,641) | |
| | Ending Fund Balance | NA | 2,862 | - | - | - | - | - | |

¹ This project is not in the City's CIP. Funds are being accumulated in a capital project reserve account for future acquisition anticipated to occur beyond the CIP five-year planning horizon.

² CIP does not estimate fee revenue beyond FY 2023-2024 so future annual revenue assumed to equal revenue for FY 2023-2024.

³ Expenditures do not include fee program administration costs.

5. OPEN SPACE ACQUISITION IMPACT FEE

Finding: Purpose of Fee

The purpose of the Open Space Acquisition Fee is to provide funding to acquire sufficient open space to achieve the City's General Plan standard. Unlike neighborhood and community parks, there are no construction costs associated with open space.

The MRG Nexus Study calculates the remaining open space necessary to purchase to achieve the General Plan standard and allocates those costs to the fee. The implied standard for purposes of the fee (open space acres per 1,000 residents) is less than the existing standard so new development can fund up to 100 percent of open space acquisition costs.

Finding: Reasonable Relationship

The Open Space Acquisition Impact Fee bears a reasonable relationship to the purpose for which it is charged for the reasons explained below.

City staff has been exploring two open space acquisition projects, La Questa Ridge and Denman Reach Phase V. According to city staff, these projects are not reflected in the current CIP because acquisition is not anticipated during the current five-year CIP horizon. With adoption of this report the City is establishing a capital project reserve account for each project.

- ◆ City staff program the beginning fee account fund balance and future revenue to projects that expand open space as identified in the MRG Nexus Study.
- ◆ The fee funds no more than the maximum funding share of each capital project based on the nexus methodology described above.
- ◆ Fee program expenditures over the five-year horizon are greater than the FY 2023-24 beginning fee account fund balance, indicating that fee revenues are not being accumulated for unidentified purposes.

A brief description of the reasonable relationship of each project to the fee is described below. Total expenditures and funding by funding source for each project are shown in **Table 5** at the end of this section.

- ◆ **La Cresta Ridge Open Space:** This project seeks to acquire open space at La Cresta Ridge. The City estimates that fees will fund 46 percent of project costs.

The project includes undetermined funding sources. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under

development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **Denman Reach Phase V:** This project consists of the acquisition of land and/or an easement so that the Denman Reach trail can connect to Petaluma Boulevard North at Industrial Drive. The City estimates that fees will fund 100 percent of project costs.

Fee revenue also may be used for costs to comply with the MFA such as costs for fee collection and accounting, plus costs for administration and management of capital improvement projects funded by fee revenues.

Findings: Alternative Funding Sources and Timing

See **Table 5** for the identified funding sources needed to complete each project and the timing of those sources. Sources of funds are differentiated by source and year.

Table 5: Open Space Acquisition Impact Fee (\$000s)

| Project No. | Description | Estimate | Adopted Budget | | | | | DIF Fee Funding | |
|--|---|-------------------------|----------------|----------|----------|----------|----------|-----------------|-------|
| | | Life to Date thru FY 23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total | Share |
| N/A | La Cresta Ridge Open Space (reserve to complete)¹ | | | | | | | | |
| | Total Uses | - | - | 532 | 82 | 82 | 1,705 | 2,400 | |
| | Sources | | | | | | | | |
| | Open Space Acquisition Impact Fee | - | - | 532 | 82 | 82 | 82 | 776 | 32% |
| | Undetermined ² | - | - | - | - | - | 1,624 | 1,624 | |
| | Total Sources | - | - | 532 | 82 | 82 | 1,705 | 2,400 | |
| N/A | Denman Reach Phase V (reserve to complete)¹ | | | | | | | | |
| | Total Uses | - | - | - | - | - | 300 | 300 | |
| | Sources | | | | | | | | |
| | Open Space Acquisition Impact Fee | - | - | - | - | - | 300 | 300 | 100% |
| | Total Sources | - | - | - | - | - | 300 | 300 | |
| Open Space Development Impact Fee Account | | | | | | | | | |
| | Beginning Fund Balance | N/A | 669 | 750 | 300 | 300 | 300 | 669 | |
| | Estimated Fee Revenue ³ | - | 82 | 82 | 82 | 82 | 82 | 408 | |
| | Expenditures ⁴ | - | - | (532) | (82) | (82) | (382) | (1,076) | |
| | Ending Fund Balance | N/A | 750 | 300 | 300 | 300 | - | - | |

¹ This project is not in the City's CIP. Funds are being accumulated in a capital project reserve account for future acquisition anticipated to occur beyond the CIP five-year planning horizon.

² "Undetermined funding" as a source is used when a project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

³ CIP does not estimate fee revenue beyond FY 2023-2024 so future annual revenue assumed to equal revenue for FY 2023-2024.

⁴ Expenditures do not include fee program administration costs.

6. TRAFFIC DEVELOPMENT IMPACT FEE

Finding: Purpose of Fee

The purpose of the Traffic Development Impact Fee is to fund improvements and expansion to the City's citywide transportation infrastructure to address and manage the impacts of additional travel demand from new development. Strategies may include not only managing vehicle impacts, but also shifting vehicle trip demand to transit, biking, and walking. The F&P Nexus Study identifies the specific purposes of each of the facility types funded by the fee.

The Willdan Memorandum (2016 update to the F&P Nexus Study) updated the maximum fair share of each capital project that can be funded by the fee based on the F&P Nexus Study methodology. That study allocated a share of the cost of each project to the fee based on the results of a traffic modeling analysis that identified the impacts of new development. These maximum funding shares remains unchanged until the nexus study is updated. **Table 6** displays a summary of the F&P Nexus Study project list as updated by the Willdan Memorandum, and the cost allocation to new development. These figures have not been updated for construction cost inflation to 2023.

Table 6: Traffic Development Impact Fee Project Summary

| Project | Cost ¹ | Maximum Fee Funding (Nexus Analysis) | |
|--|-----------------------|---|-----------------------|
| | | Fair Share | Amount |
| Rainier Avenue Extension and Interchange | \$ 89,725,097 | 100.0% | \$ 89,725,097 |
| Caulfield Lane Extension | 54,561,194 | 100.0% | 54,561,194 |
| Old Redwood Highway Interchange Improvements | 2,879,990 | 100.0% | 2,879,990 |
| Caulfield Lane/Payran Street Intersection Improvements | 500,000 | 100.0% | 500,000 |
| Petaluma Blvd./Magnolia Ave. – Payran St. Intersection | 500,000 | 100.0% | 500,000 |
| Construction of New Intersections Throughout the City | 2,250,000 | 74.1% | 1,668,224 |
| Traffic Signal Upgrades Throughout the City | 1,885,000 | 22.4% | 422,803 |
| Pedestrian/Bicycle Improvements Throughout the City | 27,389,000 | 32.8% | 8,978,853 |
| Transit Improvements Throughout the City | 2,500,000 | 22.4% | 560,746 |
| Redevelopment Supplement ² | 9,972,739 | 100.0% | 9,972,739 |
| SMART Station (350 Parking Spaces) | 10,500,000 | 22.4% | 2,355,134 |
| Administration | 1,278,262 | 100.0% | 1,278,262 |
| Total | \$ 203,941,282 | 85.0% | \$ 173,403,042 |

¹ Costs exclude previously identified funding for Rainier Avenue, Caulfield Land, and Old Redwood Highway projects shown in the F&P Nexus Study.

² Represents the funding disputed by the California Department of Finance in former Petaluma Community Development Commission (PCDC) (redevelopment agency) agreements for the Rainier Avenue and Old Redwood Highway projects. The City will collect this supplement pending resolution of the status of these funds. If the PCDC agreements are recognized the project list and fee will be adjusted to remove the Redevelopment Supplement.

Sources: Willdan Financial Services, memorandum to City of Petaluma, May 10, 2016.

Finding: Reasonable Relationship

The Traffic Mitigation Fee bears a reasonable relationship to the purpose for which it is charged for the reasons explained below:

- ♦ The fee funds no more than the maximum funding share of each capital project based on the nexus methodology described above.
- ♦ The fee is programmed to projects identified in the 2016 nexus study, as revised, that remain incomplete. These projects are documented in the CIP.
- ♦ The CIP shows that fee program expenditures over the five-year horizon are greater than the FY 2023-24 beginning fee account fund balance, indicating that fee revenues are not being accumulated for unidentified purposes

A brief description of the reasonable relationship of each project in the CIP to the Fee is described below. Based on the CIP, total expenditures and funding by funding source for each project are shown in **Table 7**. Total uses of funds are consolidated into a single annual figure and the CIP provides more detail.

- ♦ **Rivertrail – 101/Crossing, Crosstown Connector-** The Rivertrail-101/Crossing, included in the Petaluma River Access and Enhancement Plan, provides a critical Rivertrail gap linkage with access to the river as well as the downtown transit area. It is a Crosstown Connector linking the southern, central, and eastern portions of the City. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 27.6 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **North McDowell Boulevard Complete Streets:** This project expands bike and pedestrian capacity. This design will improve safety for all modes of transportation and encourage more bicycle and pedestrian use by adding bicycle lanes, improving sidewalks, and installing ADA accessibility improvements. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 11.8 percent of project costs.

- ♦ **Caulfield Bridge Crosstown Connector:** Project (listed as Caulfield Lane Extension in the 2016 project list) will connect east and west Petaluma via Caulfield Lane over the Petaluma River to Petaluma Blvd. South near the Hwy 101 bridge at the southern end of the city. Up to 100 percent of costs can be allocated to new development and the impact fee program. The fee funds 48.9 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **Pedestrian Improvements Citywide:** This program delivers roadway and multi-use trail improvements focused on safety and accessibility. Priority will be given to areas with high pedestrian activity, including areas surrounding schools and parks, as well as streets and intersections with higher collision rates. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 32.8 percent of project costs.
- ♦ **1st and F St Bridge Replacement:** Street maintenance funds will fund most project costs. Traffic impact fees will fund the pedestrian elements including a new sidewalk. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 8.2 percent of project costs.
- ♦ **Traffic Signal Improvements – Citywide:** This multi-year, multi-phased project will modernize the City's Traffic Signal Timing System to deliver continuous and reliable communications with a central management system. Up to 22.4 percent of costs can be allocated to new development and the impact fee program. The fee funds 16.4 percent of project costs.
- ♦ **Traffic Calming & Bike Boulevards:** This project targets safer walking and biking, particularly around schools and parks. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 32.7 percent of project costs.
- ♦ **D Street Improvements:** This Complete Streets project will include reconstruction of D Street from the city limits to Petaluma Boulevard

South along with traffic calming and bike and pedestrian improvements to address safety and equity. Traffic impact fees will fund the bike and pedestrian elements. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 11.5 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

- ♦ **Pedestrian Bridge Renovations:** New development is funding the share of this project that will add capacity. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 32.8 percent of project costs.
- ♦ **Active Transportation Plan & Wayfinding:** New development is funding a share of the implementation of this master plan. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 32.6 percent of project costs.
- ♦ **Pavement Restoration & Reconstruction Citywide:** The fee will fund the parts of this project associated with expansion of the City's bike, pedestrian, and active transportation infrastructure. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 10.8 percent of project costs.
- ♦ **Bicycle/Pedestrian Wayfinding and Bicycle Parking:** This project will implement bicycle and pedestrian directional/wayfinding signage and bike racks throughout Petaluma on an ongoing basis. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 33.0 percent of project costs.
- ♦ **Lynch Creek Trail / Crosstown Connector:** This project is a vital non-motorized east-west connection in the heart of Petaluma. The trail will expand the capacity of the City's parks and transportation

amenities and facilities. The project reflects a more detailed specification of the pedestrian/bicycle improvements project included in the 2016 project list. Up to 32.8 percent of costs can be allocated to new development and the impact fee program. The fee funds 32.8 percent of project costs.

The CIP includes undetermined funding sources for this project. The City uses this designation when a capital project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). The City is currently seeking grant revenue to fully fund this project. If grants cannot be secured to fund this project, the City may use the fee. Project funding will be updated as specific sources are identified.

- ◆ **Bus Stop Improvements:** This project expands the sidewalk width in front of bus stops to improve accessibility for wheelchair users and adds features for passenger comfort like shelters, benches, trash cans, and bike racks. The project reflects a more detailed specification of the transit improvements project included in the 2016 project list. Up to 22.4 percent of costs can be allocated to new development and the impact fee program. The fee funds 22.3 percent of project costs.

Of the projects identified in the Willdan Memorandum (see Table 6), the City is still pursuing projects which are not anticipated to be initiated until after the current five-year CIP. Below is a list of those projects:

- ◆ Rainier Avenue Extension
- ◆ Old Redwood Highway Interchange Improvements
- ◆ Caulfield Lane/Payran Street Intersection Improvements
- ◆ Petaluma Blvd./Magnolia Ave. – Payran St. Intersection
- ◆ Construction of New Intersections Throughout the City
- ◆ SMART Station (350 Parking Spaces)

Fee revenue also may be used for costs to comply with the MFA such as costs for fee collection and accounting, plus costs for administration and management of capital improvement projects funded by fee revenues.

Findings: Alternative Funding Sources and Timing

See Table 7 for the identified funding sources needed to complete each project and the timing of those sources. Sources of funds are differentiated by source and year.

Table 7: Traffic Mitigation Fee (\$000s)

| Project No. | Description | Estimate Life to Date thru FY 23 | Adopted Budget FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total | DIF Fee Funding Share |
|------------------|---|--|-------------------------------|----------|----------|----------|----------|--------|-----------------------------|
| C16101519 | Rivertrail – 101/Crossing, Crosstown Connector | | | | | | | | |
| | Total Uses | 53 | 150 | - | 4,520 | - | - | 4,723 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 3 | 155 | - | 1,146 | - | - | 1,304 | 27.6% |
| | Developer contributions | 50 | - | - | - | - | - | 50 | |
| | Undetermined ¹ | - | - | - | 3,369 | - | - | 3,369 | |
| | Total Sources | 53 | 155 | - | 4,515 | - | - | 4,723 | |
| C16102147 | North McDowell Boulevard Complete Streets | | | | | | | | |
| | Total Uses | 8,868 | 5,235 | - | - | - | - | 14,103 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 1,300 | 364 | - | - | - | - | 1,664 | 11.8% |
| | Street Maintenance | 719 | 3,320 | - | - | - | - | 4,039 | |
| | Bond- Measure U Sales Tax | 5,000 | 3,400 | - | - | - | - | 8,400 | |
| | Total Sources | 7,019 | 7,084 | - | - | - | - | 14,103 | |
| C16401824 | Caulfield Bridge Crosstown Connector | | | | | | | | |
| | Total Uses | 570 | 341 | 6,199 | 51,335 | - | - | 58,445 | |
| | Sources | | | | | | | | |
| | Traffic DIF | - | - | 5,784 | 22,789 | - | - | 28,573 | 48.9% |
| | Developer contributions | 1,326 | - | - | - | - | - | 1,326 | |
| | Undetermined ^{1,2} | - | - | - | 28,546 | - | - | 28,546 | |
| | Total Sources | 1,326 | - | 5,784 | 51,335 | - | - | 58,445 | |
| C16102032 | Pedestrian Improvements Citywide | | | | | | | | |
| | Total Uses | 314 | 440 | 273 | 221 | 221 | 221 | 1,690 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 77 | 287 | 136 | 20 | 20 | 14 | 554 | 32.8% |
| | Street Maintenance | 193 | 164 | 137 | 201 | 201 | 202 | 1,098 | |
| | Measure M Parks | 38 | - | - | - | - | - | 38 | |
| | Total Sources | 308 | 451 | 273 | 221 | 221 | 216 | 1,690 | |
| C16402141 | 1st and F St Bridge Replacement | | | | | | | | |
| | Total Uses | 2,101 | 422 | - | - | - | - | 2,523 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 168 | 39 | - | - | - | - | 207 | 8.2% |
| | Street Maintenance | 2,022 | 294 | - | - | - | - | 2,316 | |
| | Total Sources | 2,190 | 333 | - | - | - | - | 2,523 | |
| C16102250 | Traffic Signal Improvements - Citywide | | | | | | | | |
| | Total Uses | 512 | 153 | 153 | 153 | 153 | 153 | 1,277 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 34 | 35 | 35 | 35 | 35 | 35 | 209 | 16.4% |
| | Street Maintenance | 478 | 118 | 118 | 118 | 118 | 118 | 1,068 | |
| | Total Sources | 512 | 153 | 153 | 153 | 153 | 153 | 1,277 | |
| C16102146 | Traffic Calming & Bike Boulevards | | | | | | | | |
| | Total Uses | 246 | 200 | 200 | 200 | 200 | 200 | 1,246 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 115 | 66 | 66 | 66 | 66 | 29 | 408 | 32.7% |
| | Street Maintenance | 90 | 134 | 134 | 134 | 134 | 212 | 838 | |
| | Total Sources | 205 | 200 | 200 | 200 | 200 | 241 | 1,246 | |
| C16102251 | D Street Improvements | | | | | | | | |
| | Total Uses | 177 | 500 | 1,348 | 2,762 | - | - | 4,787 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 11 | 102 | 264 | 172 | - | - | 549 | 11.5% |
| | Street Maintenance | 92 | 103 | - | - | - | - | 195 | |
| | Undetermined ¹ | - | 369 | 1,084 | 2,590 | - | - | 4,043 | |
| | Total Sources | 103 | 574 | 1,348 | 2,762 | - | - | 4,787 | |
| C16402252 | Pedestrian Bridge Renovations | | | | | | | | |
| | Total Uses | 22 | 248 | 1,730 | - | - | - | 2,000 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 21 | 80 | 555 | - | - | - | 656 | 32.8% |
| | Street Maintenance | - | 190 | 1,154 | - | - | - | 1,344 | |
| | Total Sources | 21 | 270 | 1,709 | - | - | - | 2,000 | |

Table 7: Traffic Mitigation Fee (\$000s) (continued)

| Project No. | Description | Estimate Life to Date thru FY 23 | Adopted Budget FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total | DIF Fee Funding Share |
|---|---|--|-------------------------------|----------|----------|----------|----------|----------|-----------------------------|
| E16502134 | Active Transportation Plan & Wayfinding | | | | | | | | |
| | Total Uses | 223 | 10 | - | - | - | - | 233 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 60 | 16 | - | - | - | - | 76 | 32.6% |
| | Street Maintenance | 123 | 34 | - | - | - | - | 157 | |
| | Total Sources | 183 | 50 | - | - | - | - | 233 | |
| C16102248 | Pavement Restoration & Reconstruction Citywide | | | | | | | | |
| | Total Uses | 1,923 | 6,719 | 5,197 | 3,198 | 3,198 | 3,198 | 23,433 | |
| | Sources | | | | | | | | |
| | Traffic DIF | - | - | 1,200 | 561 | 561 | 213 | 2,535 | 10.8% |
| | Road Maint & Rehab Acct (RMRA) | - | - | - | 1,878 | 2,000 | 420 | 4,298 | |
| | Bond- Measure U Sales Tax | 2,000 | 7,000 | 7,600 | - | - | - | 16,600 | |
| | Total Sources | 2,000 | 7,000 | 8,800 | 2,439 | 2,561 | 633 | 23,433 | |
| New | Bicycle/Pedestrian Wayfinding and Bicycle Parking | | | | | | | | |
| | Total Uses | - | 120 | 62 | - | - | - | 182 | |
| | Sources | | | | | | | | |
| | Traffic DIF | - | 30 | 30 | - | - | - | 60 | 33.0% |
| | Street Maintenance / Highway Users | - | - | 26 | 62 | - | - | 88 | |
| | BAAQMD TFCA | 34 | - | - | - | - | - | 34 | |
| | Total Sources | 34 | 30 | 56 | 62 | - | - | 182 | |
| C14502114 | Lynch Creek Trail / Crosstown Connector | | | | | | | | |
| | Total Uses | 539 | 577 | 311 | 311 | - | - | 1,738 | |
| | Sources | | | | | | | | |
| | Donations/Developer Contrib. | 30 | - | - | - | - | - | 30 | |
| | TFCA | 173 | - | - | - | - | - | 173 | |
| | SCTA TDA 3 | 213 | - | - | - | - | - | 213 | |
| | Traffic DIF | 143 | 427 | - | - | - | - | 570 | 32.8% |
| | Undetermined ^{1,2} | - | 236 | 311 | 205 | - | - | 752 | |
| | Total Sources | 559 | 663 | 311 | 205 | - | - | 1,738 | |
| C65502211 | Bus Stop Improvements | | | | | | | | |
| | Total Uses | 66 | 80 | 80 | 80 | 80 | 80 | 466 | |
| | Sources | | | | | | | | |
| | Traffic DIF | 14 | 18 | 18 | 18 | 18 | 18 | 104 | 22.3% |
| | TDA Transit Capital | 52 | 62 | 62 | 62 | 62 | 62 | 362 | |
| | Total Sources | 66 | 80 | 80 | 80 | 80 | 80 | 466 | |
| Traffic Development Impact Fee Account | | | | | | | | | |
| | Beginning Fund Balance | NA | 34,667 | 36,723 | 32,310 | 11,178 | 14,153 | 34,667 | |
| | Estimated Fee Revenue ³ | 1,946 | 3,675 | 3,675 | 3,675 | 3,675 | 3,675 | 20,321 | |
| | Expenditures ⁴ | (1,946) | (1,619) | (8,088) | (24,807) | (700) | (309) | (37,469) | |
| | Estimated Ending Fund Balance | NA | 36,723 | 32,310 | 11,178 | 14,153 | 17,519 | 17,519 | |

¹ "Undetermined funding" as a source is used when a project has adequate funding to proceed and full funding is anticipated, but the complete funding plan is under development (see *Methodology* section in the *Introduction* for more explanation). Project funding will be updated as specific sources are identified.

² The City is currently seeking grant revenue to fully fund this project. If grants cannot be secured to fund this project, the City may use the traffic development impact fee fund.

³ CIP does not estimate fee revenue beyond FY 2023-2024 so future annual revenue assumed to equal revenue for FY 2023-2024. "Life To Date" expenditures and revenue exclude \$200,000 for a Petaluma Community Baseball Field project not included in this table because no future funding is allocated.

⁴ Expenditures do not include fee program administration costs.