**RESOLUTION 2026-24**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, MAKING A FINDING OF EXEMPTION UNDER CEQA, APPROVING THE DEVELOPMENT IMPACT FEE (DIF) STUDY DATED JANUARY 2026, AND ADOPTING NEW AND AMENDED DEVELOPMENT IMPACT FEES**

**WHEREAS**, On September 24, 2019, the City Council adopted Ordinance 1551 establishing Chapter 15.68 "Development Impact Fees" of the Banning Municipal Code. Chapter 15.68 provides that Development Impact Fees shall be paid in an amount established by resolution of the City Council; and

**WHEREAS**, Matrix Consulting Group has prepared the Development Impact Fee (DIF) Study dated January 2026; and

**WHEREAS**, the Development Impact Fee (DIF) Study ("Study") identifies capital infrastructure, equipment, and other physical needs necessary to accommodate build out of the community under the City's General Plan; and

**WHEREAS**, the Study describes the benefit and impact areas on which development impact fees are to be imposed and collected, describing the reasonable relationship between the development impact fees and the various types of new development, analyzing the need for new public facilities and improvements which will be necessitated by new development, setting forth a methodology for determining the relationship between new development, the needed public facilities, and the estimated cost of those improvements, and otherwise satisfying the requirements of the law, and Government Code Sections 66000 et seq. (the "Mitigation Fee Act"), with regard to the imposition and collection of development impact fees; and

**WHEREAS**, the Study evaluates project development growth in the City through the year 2040 for electric, fire, general facilities, parks, police, traffic, wastewater, and water based on the City's General Plan, adopted specific plans, and other development approvals, and provides the basis for calculating and adopting impact fees in the following categories: Electric, Fire, General Facilities, Parks, Police, Traffic, Wastewater, and Water; and

**WHEREAS**, the analysis of facilities and improvement costs contained in the Study, taken together with the methodology established by the Study, demonstrate the specific costs associated with providing adequate public facilities commensurate with project levels of new development in the City; and

**WHEREAS**, the Study provides the documentation, detail, and other information required by the Mitigation Fee Act as the basis for the adopting and imposition of the development impact fees for electric, fire, general facilities, parks, police, traffic, wastewater, and water, and describes the benefit and impact area on which the development impact fees are to be imposed, lists the specific public improvements to be financed through the imposition and collection of the development impact fees, describes the estimated costs 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; and

**WHEREAS**, pursuant to the Mitigation Fee Act, the City Council finds that there is a reasonable relationship between the need for park land and parks improvements and residential development that does not involve the subdivision of land for which a corresponding fee is charged because future residential development will increase the City's population and will require additional park space and improvements to adequately serve the athletic and recreational needs of these new residents; and

**WHEREAS**, pursuant to the Mitigation Fee Act, the City Council finds that 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 improvement 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; and

**WHEREAS**, pursuant to the Mitigation Fee Act, the City Council finds that the proposed fees for traffic impact fee does not duplicate fees collected under the Western Riverside County Traffic Uniform Mitigation Fee (TUMF) Ordinance because the items listed in the Study only include costs for transportation improvements at intersections, and other costs, that are not included in TUMF, but would require improvements due to background growth and new development in the City; and

**WHEREAS**, 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, and also that there is a reasonable relationship between the fees and the use and the type of development for which the fee is imposed; and

**WHEREAS**, the City has compiled with the notice and hearing requirements of state law and the Mitigation Fee Act prior to adopting the 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 new meeting on new or increased fees; and

**WHEREAS**, the City Council held a duly noticed public hearing at the February 10, 2026 Regular City Council meeting, at which time further testimony was presented and the public hearing was closed; and

**WHEREAS**, the City Council finds that the record of these proceedings, including the 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 February 10, 2026, contains substantial evidence to support the imposition and collection of the development impact fees established herein; and

**WHEREAS**, the City Council has reviewed and considered the development impact fees established therein 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.

**NOW, THEREFORE,** the City Council of the City of Banning hereby finds, resolves, and determines as follows:

**SECTION 1: ADOPTION AND INCORPORATION OF RECITALS**

The findings and recitals set forth above the true and correct and are incorporated herein.

**SECTION 2: ADOPTION OF THE STUDY**

The City Council hereby approved the Development Impact Fee (DIF) Study prepared by Matrix Consulting Group dated January 2026, and the findings contained therein. The City Council further adopts the methodology set forth in the Study for calculating and collecting the development impact fees adopted herein. A copy of the Study shall be on file with the City Clerk and available during regular City business hours for public inspection.

**SECTION 3: ADOPTION OF DEVELOPMENT IMPACT FEES**

The City Council hereby approve and adopts the development impact fees for electric, fire, general facilities, parks, police, traffic, wastewater, and water in accordance with the schedule set forth in Exhibit A attached hereto and incorporated herein by reference.

**SECTION 4: METHODOLOGY FOR CALCULATION, ADJUSTMENT, AND COLLECTION OF DEVELOPMENT IMPACT FEES**

The development impact fees established in Exhibit A are hereby adopted, and shall be calculated, adjusted, and collected in accordance with City ordinances and the Study. The amount of the development impact fees may be adjusted annually for inflation of July 1st of each calendar year by the percentage change in the Construction Cost Index as published in the Engineering News-Record (or successor publication).

**SECTION 5: IMPOSITION OF DEVELOPMENT IMPACT FEES**

The development impact fees established herein shall be due and payable in accordance with Government Code Section 66007, upon the issuance of the Certificate of Occupancy.

**SECTION 6: EFFECTIVE DATE OF NEW DEVELOPMENT IMPACT FEES**

The development impact fees for fire, general facilities, parks, police, traffic, wastewater, and water established by Section 4 of this Resolution shall be effective on the thirtieth (30th) day following the adoption of this Resolution.

The development impact fee for electric established by Section 4 of this Resolution shall be effective on the later of the thirtieth (30th) day following the adoption of this resolution or the thirtieth (30th) following the adoption of Ordinance 1616, whichever is later.

**SECTION 7: EXCEPTIONS**

The development impact fees established herein shall not include fees established and collected pursuant to Chapter 15.72 (“Western Riverside County Multiple Species Habitat Conservation Plan”) and Chapter 15.76 (“Western Riverside County Transportation Uniform Mitigation Fee Program”) of the Municipal Code.

**SECTION 8: APPEAL OF FEE IMPOSITION**

Any applicant who is subject to payment of the development impact fees established herein may file an appeal in accordance with Chapter 15.68 of the Municipal Code, as that chapter may be amended from time to time.

## SECTION 9: REPEAL OR PRIOR DEVELOPMENT IMPACT FEES ADOPTED BY RESOLUTION 2019-112 AND CONFLICTING RESOLUTIONS

Any and all provisions of Resolution No. 2019-112 and any other prior resolutions of the City Council establishing or modifying development impact fees in the categories established in the Study and set forth in Exhibit A, which duplicate or conflict with the provisions of the Resolution and Exhibit A, are hereby repealed and replaced with the fees set forth in Exhibit A and the terms and conditions established by this Resolution upon the effective date of the new development impact fees as provided in Section 6 of this Resolution.

## SECTION 10: ENVIRONMENTAL EXEMPTION

The adoption of the Study and 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 the adoption of the Study and the development impact fees in this Resolution is not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4), as the action relates to the creation of government funding mechanisms or other governmental fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

The City Council finds the adoption of the Study and the development impact fees in this Resolution is statutorily exempt from CEQA under section 15273(a)(4) to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of obtaining funds for capital project, necessary to maintain service within existing service areas. The capital projects described in the Development Impact Fee (DIF) Study will maintain the level of service currently provided by the City's existing electric, fire, general facilities, parks, traffic, wastewater, and water facilities by ensuring that the impacts of new development will not negatively impact existing service levels within existing service areas.

## SECTION 11: SEVERABILITY

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Resolution or any part hereof is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portion of this Resolution or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase be declared invalid or unconstitutional.

## SECTION 12: CERTIFICATION

The City Clerk shall certify to the adoption of this resolution and shall cause a certified copy of this resolution to be filed in the book of original resolutions.

**PASSED, APPROVED AND ADOPTED** this 10th day of February 2026.

Richard Royce, Mayor
City of Banning

**ATTEST:**

Sandra Calderon, Deputy City Clerk
City of Banning

**APPROVED AS TO FORM:**

John Pinkney, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLC

**CERTIFICATION:**

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-24, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 10th day of February 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

**Exhibit A**
Schedule of Development Impact Fees
Effective 30 Days After Adoption

Adopted on February 10, 2026, and Effective on March 12, 2026
Fire, General Facilities, Parks, Police, Traffic, Wastewater, and Water Development Impact Fees

Adopted on February 10, 2026 and Effective on March 26, 2026
Electric Development Impact Fee

# City of Banning, Ca

2026 Development Impact Fee Schedule

| Land Use | Police Facilities | Fire Protection Facilities | Parkland and Parks | General City Facilities | Wastewater Facilities | Traffic Impact Fees | Electric Impact Fee | Water Facilities | |
|---|---|---|---|---|---|---|---|---|---|
| *Residential Uses (Fees assessed on a PER SQUARE FOOT basis)* | | | | | | | | | |
| Single Family | $ 0.90 | $ 1.26 | $ 3.80 | $ 1.23 | $ 6.39 | $ 1.23 | $ 0.99 | 3/4" | $ 11,251 |
| Multi-Family | $ 1.57 | $ 2.19 | $ 6.59 | $ 2.13 | $ 4.33 | $ 1.03 | $ 0.93 | 1" | $ 18,751 |
| | | | | | | | | 1-1/2" | $ 37,503 |
| | | | | | | | | 2" | $ 60,004 |
| *Non-Residential Uses (Fees assessed on a PER SQUARE FOOT basis)* | | | | | | | | 3" | $ 112,508 |
| Commercial | $ 0.48 | $ 0.67 | | $ 0.47 | $ 4.49 | $ 10.37 | $ 2.36 | 4" | $ 187,513 |
| Office | $ 0.63 | $ 0.88 | | $ 0.62 | $ 1.57 | $ 3.39 | $ 2.21 | 6" | $ 375,025 |
| Industrial | $ 0.23 | $ 0.33 | | $ 0.23 | $ 1.82 | $ 1.65 | $ 1.27 | 8" | $ 1,050,071 |

*Resolution 2026-24, Effective March 12, 2026 (Police, Fire Protection, Parkland and Parks, General Facilities, Wastewater, Traffic, Water)*
*Resolution 2026-24, Effective March 26, 2026 (Electric)*

**Exhibit B**
Development Impact Fee (DIF) Study dated January 2026 by Matrix Consulting Group

# DEVELOPMENT IMPACT FEE (DIF) STUDY

JANUARY 2026

**BANNING, CA**

MATRIX
CONSULTING GROUP

# TABLE OF CONTENTS

# INTRODUCTION AND EXECUTIVE SUMMARY

The ***draft*** report, which follows, presents the results of the Development Impact Fee Study conducted by Matrix Consulting Group for the City of Banning.

## PROJECT BACKGROUND AND SCOPE OF WORK

The City of Banning retained Matrix Consulting Group to update existing impact fees to ensure compliance with the state's nexus requirements and to explore the development of new impact fees. Within the state of California, impact fees are governed by the Mitigation Fee Act (AB1600) (Gov. Code §66000 et seq.) and AB602, which require demonstrating a reasonable relationship between the development activity and the proposed benefit. The City's last comprehensive impact fee update was in 2019; as such, the City is reevaluating the nexus for these impact fees to ensure they remain appropriate and reflect completed and new projects. The results of this study will allow the City to ensure that future development has a nexus with its proportionate impact on City infrastructure and to update the fee amounts to better reflect those impacts.

## GENERAL PROJECT APPROACH AND METHODOLOGY

The California Housing and Community Development Department outlines three typical methodologies for calculating impact fees: the existing inventory method, the planned facility method, and the system plan method (a hybrid of the existing and planned methods). For this analysis, the project team used the more widely accepted and recognized 'system plan method' to calculate the fees.

The 'system plan method' utilizes the concept of a 'service level standard'. This standard is based on the recognition of the jurisdiction's existing service-level standards for its service users (i.e., residents, employees, students, etc.). As new development and growth in the community occur, there is potential for the service level standard to decline if appropriate measures are not taken to maintain it. Therefore, the 'service level standard' calculates the impact of each individual on the City's infrastructure and applies it to future individuals and growth. If the service population increases, there would be a corresponding impact on infrastructure, thereby creating a nexus for the collection of impact fees. However, if there is no increased population or use of those services, impact fees would not be justifiable or applicable.

For the purposes of calculating impact fees, the project team reviewed a variety of data elements from the state, regional organizations, county, and City staff. The following points highlight the data reviewed through the course of this analysis:

- **Ordinances and Codes:** The project team reviewed the City's ordinances and municipal code to ensure that there was the legal authority to assess and increase current impact fees.

- **General Plan, Facilities Assessment, Department Master Plans, and CIP Plans:** Data was reviewed from a variety of City-specific documents regarding the potential growth in the community, the goals for the City and the departments, as well as future capital projects.
- **Growth and Projection Data:** Population, household, dwelling unit, and employment information for current and future years was obtained from the U.S. Census Bureau, the California Department of Finance, the Southern California Association of Governments (SCAG), American Water Works Association (AWWA) and internal City General Plan projection documents.
- **Service Level Standards:** Information on police facilities, fire equipment, transportation projects, storm drain projects, and park needs was collected, reviewed, and applied to calculate future impacts.
- **Revenues and Expenses:** Revenue collected from impact fees was reviewed to ensure compliance with reporting practices and to calculate an administrative overhead percentage. Expense information was reviewed for infrastructure costs and overhead to support impact fees.

These components were used to develop and update the City's impact fees.

## SUMMARY OF RESULTS

During this analysis, the project team evaluated impact fees based on projected population impacts for 2025-2040. Based on the results, the maximum justifiable impact fees were calculated for the following infrastructure: Electric, Fire, General Facilities, Parks, Police, Traffic, Wastewater, and Water.

As outlined in the Mitigation Fee Act, proportional costs associated with future infrastructure impacts, along with administrative overhead, were used to calculate the full cost of the impact fees presented. It is important to note that AB602 states that residential (single-family and multi-family) should be calculated based upon proportional square footage, rather than per dwelling unit. To comply with this regulation, all residential fees were converted to a per-square-foot calculation. The following subsections show the results of the updated impact fees calculated for the City.

### ELECTRIC IMPACT FEE

The City recently completed a Cost of Service and Rate Study for its electric operations (September 2025, NewGen Strategies and Solutions, LLC). One mechanism to maintain the service standard outlined in the NewGen study is for the City to explore the feasibility of implementing an impact fee for its electrical utility infrastructure. Through this analysis, the project team calculated the full cost to be as follows:

**Table 1: Proposed Electric Impact Fee**

| Category | Full Cost |
|---|---|
| **Residential: Per Sq. Ft.** | |
| Single Family | $0.99 |
| Multi-Family | $0.93 |
| **Non-Residential: Per Sq. Ft.** | |
| Commercial | $2.36 |

| Category | Full Cost |
|---|---|
| Office | $2.21 |
| Industrial | $1.27 |

The full cost fee calculated through this study represents the maximum fee that the City can charge, inclusive of an allowable administrative fee outlined in the Mitigation Fee Act.

## FIRE IMPACT FEE

The City of Banning administers a Fire impact fee to ensure that new development contributes its proportional share of costs to offset the demand placed on fire facilities, vehicles, and equipment required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

**Table 2: Current vs. Full Cost – Fire Impact Fee**

| Category | Current Fee | Full Cost | Difference | Current Cost Recovery % |
|---|---|---|---|---|
| **Residential: Per Sq. Ft.[1]** | | | | |
| Single Family | $0.39 | $1.26 | ($0.87) | 31% |
| Multi-Family | $0.61 | $2.19 | ($1.58) | 28% |
| **Non-Residential: Per Sq. Ft.** | | | | |
| Commercial | $0.49 | $0.67 | ($0.18) | 73% |
| Office | $0.63 | $0.88 | ($0.25) | 72% |
| Industrial | $0.24 | $0.33 | ($0.09) | 73% |

All fire impact fees show an under-recovery, ranging from a low of $0.09 per square foot for industrial projects to a high of $1.58 per square foot for multi-family residential development. The full cost fee calculated in this study represents the maximum fee the City can charge and includes the administrative fee allowable under the Mitigation Fee Act.

## GENERAL FACILITIES IMPACT FEE

The City of Banning administers a General Facilities impact fee to ensure that new development contributes its proportional share of costs to offset the demand placed on public facilities (i.e., City Hall, corporation yard, etc.), city vehicles, and equipment required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

[1] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

**Table 3: Current vs. Full Cost – General Facilities Fee**

| Category | Current Fee | Full Cost | Difference | Current Cost Recovery % |
|---|---|---|---|---|
| **Residential: Per Sq. Ft.[2]** | | | | |
| **Single Family** | $0.27 | $1.23 | ($0.95) | 22% |
| **Multi-Family** | $0.43 | $2.13 | ($1.70) | 20% |
| **Non-Residential: Per Sq. Ft.** | | | | |
| **Commercial** | $0.49 | $0.47 | $0.02 | 103% |
| **Office** | $0.64 | $0.62 | $0.02 | 103% |
| **Industrial** | $0.24 | $0.23 | $0.01 | 104% |

Residential fees under-recover, while non-residential fees slightly over-recover on a square footage basis. Like other impact fees, the full cost fee calculated through this study represents the maximum fee that the City can charge, inclusive of all allowable administrative costs outlined in the Mitigation Fee Act.

## PARKS IMPACT FEE

The City of Banning administers a Parks impact fee to ensure that new development contributes its proportional share of costs to offset the acquisition of new land and the demand placed on park infrastructure required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

**Table 4: Current vs. Full Cost – Parks Impact Fee**

| Category | Current Fee | Full Cost | Difference | Current Cost Recovery % |
|---|---|---|---|---|
| **Residential: Per Sq. Ft.[3]** | | | | |
| **Single Family** | $2.02 | $3.80 | ($1.78) | 53% |
| **Multi-Family** | $3.14 | $6.59 | ($3.45) | 48% |

The City under-recovers for both of its residential park-specific impact fees. The full cost fee calculated through this study represents the maximum fee that the City can charge and is inclusive of the administrative fee allowable under the Mitigation Fee Act.

## POLICE IMPACT FEE

The City of Banning administers a Police impact fee to ensure that new development contributes its proportional share of costs to offset the demand placed on police facilities, vehicles, and equipment

[2] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

[3] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

**Table 5: Current vs. Full Cost – Police Impact Fee**

| Category | Current Fee | Full Cost | Difference | Current Cost Recovery % |
|---|---|---|---|---|
| **Residential: Per Sq. Ft.[4]** | | | | |
| **Single Family** | $0.63 | $0.90 | ($0.27) | 70% |
| **Multi-Family** | $0.98 | $1.57 | ($0.59) | 63% |
| **Non-Residential: Per Sq. Ft.** | | | | |
| **Commercial** | $0.35 | $0.48 | ($0.13) | 72% |
| **Office** | $0.46 | $0.63 | ($0.17) | 73% |
| **Industrial** | $0.17 | $0.23 | ($0.06) | 72% |

All police impact fees show an under-recovery, ranging from a low of $0.06 per square foot for industrial projects to a high of $0.59 per square foot for multi-family residential development. As with other impact fees, the full cost fee calculated through this study represents the maximum justifiable fee that the City can charge and is inclusive of the administrative fee allowable under the Mitigation Fee Act.

## TRAFFIC IMPACT FEE

The City of Banning administers a Traffic impact fee to ensure that new development contributes its proportional share of costs to offset the restoration and expansion of the City's transportation infrastructure required to support growth. The city's prior traffic impact fee analysis had a different impact fee for each type of potential land use that could exist in the City. For streamlining purposes as well as consistency with the other impact fees, the categories were condensed. As such, the impact fees cannot be compared, and the following table only shows the full cost of the traffic impact fee.

**Table 6: Current vs. Full Cost – Traffic Impact Fee**

| Category | Full Cost |
|---|---|
| **Residential: Per Sq. Ft.** | |
| **Single Family** | $1.23 |
| **Multi-Family** | $1.03 |
| **Non-Residential: Per Sq. Ft.** | |
| **Commercial** | $10.37 |
| **Office** | $3.39 |
| **Industrial** | $1.65 |

[4] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

In an effort to streamline the administration of the City's traffic-specific impact fees, it was proposed to reclassify the land-use categories. The full cost includes administrative costs and represents the maximum amount the City can charge to recover for transportation-related impacts.

## WASTEWATER IMPACT FEE

The City of Banning administers a Wastewater impact fee to ensure that new development contributes its proportional share of costs to offset the restoration and expansion of the City's wastewater infrastructure (including gravity mains, force mains, lift stations, wastewater treatment plant, etc.) required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

**Table 7: Current vs. Full Cost – Wastewater Impact Fee**

| Category | Current Fee | Full Cost | Difference | Current Cost Recovery % |
|---|---|---|---|---|
| **Residential: Per Sq. Ft.[5]** | | | | |
| **Single Family** | $2.66 | $6.39 | ($3.73) | 43% |
| **Multi-Family** | $5.06 | $4.33 | $0.73 | 117% |
| **Non-Residential: Per Sq. Ft.** | | | | |
| **Commercial** | Varies | $4.49 | N/A | N/A |
| **Office** | Varies | $1.57 | N/A | N/A |
| **Industrial** | Varies | $1.71 | N/A | N/A |

The single-family wastewater impact fee under-recovers, while the multi-family rate over-recovers. This rightsizing is primarily due to converting the fee from per-dwelling-unit to per-square-foot, in alignment with recent legislation. Currently, the City charges its non-residential rates based on the various development types. Going forward, it was proposed to reclassify non-residential fees into three categories to provide consistent land-use-based rates. The full cost fee calculated in this study represents the maximum fee the City can charge and includes the administrative fee allowable under the Mitigation Fee Act.

## WATER IMPACT FEE

The City of Banning administers a Water impact fee to ensure that new development contributes its proportional share of costs to offset the restoration and expansion of the City's water infrastructure (including pipelines, wells, valves, pump stations, etc.) required to support growth. The following table compares the City's current impact fee to the full cost calculated through this analysis, the difference, and the current level of cost recovery.

[5] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

**Table 8: Current vs. Full Cost – Water Impact Fee**

| Meter Size | Current Fee | Full Cost | Difference | Current Cost Recovery % |
|---|---|---|---|---|
| **3/4"** | $5,847 | $11,251 | ($5,404) | 52% |
| **1"** | $9,744 | $18,751 | ($9,007) | 52% |
| **1-1/2"** | $19,488 | $37,503 | ($18,015) | 52% |
| **2"** | $31,181 | $60,004 | ($28,823) | 52% |
| **3"** | $58,464 | $112,508 | ($54,044) | 52% |
| **4"** | $97,441 | $187,513 | ($90,072) | 52% |
| **6"** | N/A | $375,025 | N/A | N/A |
| **8"** | N/A | $1,050,071 | N/A | N/A |

The City under-recover for water impact fees. The full cost fee calculated in this study represents the maximum fee the City can charge and includes the administrative fee allowable under the Mitigation Fee Act.

## SUMMARY

Through this analysis, all of the City's impact fees have been reviewed and, in general, show under-recoveries. The only fees that the City will need to reduce are related to General Public Facilities non-residential properties, and Wastewater multi-family development. Overall, this report details the calculations for each impact fee and validates the nexus between the full cost identified and the proportionate impact of new development.

The updated and proposed impact fees calculated through this study represent the maximum justifiable costs associated with the proportionate share and impact of new development within Banning. It is up to City staff, management, and Council to use the information in this report to determine whether new development should bear the full cost or whether the City should subsidize it.

The City does not currently increase its impact fees annually. Due to changes in construction/infrastructure costs, it is best practice to increase these fees annually. The most appropriate factor for annual increases is the Construction Cost Index (CCI). This is considered a best practice and ensures that increases in construction costs are included in the impact fees, and a proportionate share is passed onto new development.

The annual increase is not meant to be an infinite increase in fees. Per the Mitigation Fee Act and Assembly Bill 602 the nexus for the impact fees should be reevaluated every eight years to ensure that there is still an appropriate correlation between the current fee being charged and proposed development within the City.

# LEGAL FRAMEWORK

Impact Fees are a mechanism for new development to pay for their proportionate share of impact upon City owned facilities and infrastructure. The following subsections discuss the State's requirements for impact fees and the City's legal authority for assessing these fees.

## STATE LEGAL AUTHORITY – AB1600

Development Impact Fees in California are governed by the Mitigation Fee Act[6], which includes AB1600 and AB602. At a high level, AB1600 specifies that there needs to be a reasonable relationship, or "nexus," between the collection of fees and the new residential and non-residential development within a City's service area. It states that revenue can only be used to expand current facilities or purchase new facilities, infrastructure, and equipment. It also states that the revenue generated cannot be used to fund staffing, maintenance, or other operational costs.

To establish a nexus between new development and the need for new facilities or infrastructure, the legislation requires that certain criteria be met. The following points highlight each of the required criteria:

- **Purpose of Fee:** Outline specific types of facilities, infrastructure, equipment, and projects for which the impact fee will be utilized.
- **Impact Relationship:** In order to establish an impact relationship there needs to be a clear and reasonable relationship between the need for the public facility or infrastructure and the type of development project upon which the fee is imposed.
- **Proportionality:** The proportionality requirement states that the impact fee established must be directly related to the proportionate impact of the type of development project.
- **Benefit Relationship:** The benefit relationship requires that the use of the impact fee revenue and the type of development project upon which it is imposed is reasonable.
- **Use of Fee Revenue:** The revenue collected from the impact fees can only be used to fund the identified facility expansions, infrastructure improvements, or to purchase new equipment.

For each of the impact fees evaluated through this study, the individual chapter will discuss how the fee is able to meet the nexus criteria identified, as well as its compliance with the "Sheets v. El Dorado County" findings of "roughly proportionate" to the impacts of the project.

[6] CA Govt Code § 66001

## STATE LEGAL AUTHORITY – AB602

In January of 2022, Assembly Bill 602 (AB602) went into effect. This Bill is applicable to all impact fees adopted / implemented January 1, 2022, or later. The bill has three main criteria:

- Prior to the adoption of new impact fees, a nexus study needs be adopted.
- The nexus study needs to identify existing service levels, the new service level, and an explanation of why the new service level is appropriate.
- A fee levied on housing development must be proportionate to the square footage of proposed units unless findings are established on why square footage is not the appropriate metric. This ensures larger residential projects pay a higher portion of fees than smaller residential (i.e. ADU) projects.
- If the nexus study supports the increase of existing fees, the assumptions of the nexus study supporting the original fee must be reviewed and the amount of fees collected under the original fee.
- Large jurisdictions must adopt a capital improvement plan with the nexus study.

Along with these criteria, some other key provisions of the bill include:

- Impact fees must be posted online – along with the nexus analysis.
- All impact fees must be collected by the time of final inspection or certificate of occupancy issuance, whichever occurs later[7].
- Impact fees nexus studies must be updated every eight years.

Under directive from AB602, the State's Department of Housing and Community Development created templates for a nexus study and residential feasibility analysis. These resources establish a litmus test for cities to gauge their compliance.

This report will serve as the City's nexus analysis for its existing impact fees and will ensure that all criteria per AB602 are met and clearly outlined.

## CITY LEGAL AUTHORITY FOR IMPACT FEES

The City of Banning has the legal authority to impose impact fees as outlined in the municipal code (Chapter 15.68). The municipal code outlines the components that make up each impact fee, the types of projects exempt from paying the fee, how and when the fee is collected, and how impact fee funds are to be used. The City's most recent impact fee resolutions were adopted in 2019 (Ord. No. 1551, § 8, 9-24-19). This resolution provided a list of all current impact fees based upon a prior 2019 Nexus Analysis study, with updated fee amounts. To implement the Electric Impact Fee, the City would require an update to its ordinance and resolution.

[7] Section 65940.1.(3)

# PROJECTED GROWTH AND DEVELOPMENT

The projected increase in the jurisdiction's population (both residential and non-residential) is the primary criterion for determining the projected impact of new development on a jurisdiction. These population projections serve as the basis for impact fee calculations. To calculate the projected growth and development, as well as density requirements, the project team reviewed the following sources of data:

- **State of California Department of Finance:** Data from the Department of Finance were used for 2025 estimates of the total residential population within the City.
- **Southern California Association of Governments (SCAG):** This data was utilized to inform growth projections for 2040.
- **Employment Development Department Report:** The most recent report information was utilized to inform employment projections.
- **General Plan, Facilities Plans, Regional Plans, and City Projections:** General Plan and facilities master plan information was used to estimate future dwelling units, square-footage growth, employment, and facility needs.
- **US Census Bureau:** The Census Bureau's American Community Survey (ACS) information was used to calculate residential densities.

Information from these sources was used to calculate the projected population increase and the resulting population densities. The following subsections discuss the population projections calculated and the population densities used to calculate the impact fees.

## POPULATION PROJECTIONS

The basis for impact fees is predicated on sufficient population growth that results in a meaningful impact on City Infrastructure. The following table shows by category, the 2025 estimates, the 2040 estimates, and the overall projected increase:

**Table 9: Population Projections**

| Category | 2025 Estimates | 2040 Estimates[8] | Total Projected Increase |
|---|---|---|---|
| **Residential** | 31,949[9] | 37,600 | 5,651 |
| **Non-Residential** | 11,400[10] | 14,200 | 2,800 |

Overall, the residential population is projected to grow by roughly 5,700 residents over the next 15 years, while the non-residential population is expected to grow by 2,800 employees.

[8] The 2040 estimates come SCAG Jurisdictional Forecast.
[9] The residential estimate comes from the California Department of Finance Table E-5 2025
[10] The non-residential estimate comes from 2023 Average Annual EDD Labor Report

The numbers noted in the table served as the basis for all proportionate impact calculations throughout this study, with non-residential information used for calculations associated with non-residential projected growth.

## POPULATION DENSITIES

In addition to the population projection information, the other data set consistently used in the calculations is the density for residential and non-residential categories. The following subsections discuss the population density assumptions used to calculate all impact fees in this report.

### RESIDENTIAL POPULATION DENSITY

Currently, Banning categorizes residential population into two categories: single-family and multi-family, both of which are administered based on the number of dwelling units. Due to changes in the regulations, residential density per unit cannot be used as the basis for impact fee calculation.

Therefore, the project team used existing information to generate density based on square footage per resident (similar to non-residential densities).

The project team used US Census data to calculate the residential density factors. The total number of people in per unit type (single-family or multi-family) was divided by the total number of units, resulting in an average persons per unit. The following graphic shows the calculation for single-family[11] and multi-family[12]:

**Table 10: Single Family Per Unit Calculation**

$$\frac{25{,}563 \text{ \# of ppl in units}}{9{,}155 \text{ \# of units}} = \textbf{2.79 people per unit}$$

**Table 11: Multi-Family Per Unit Calculation**

$$\frac{2{,}375 \text{ \# of ppl in units}}{931 \text{ \# of units}} = \textbf{2.55 people per unit}$$

To convert people per unit to a square footage per resident calculation, the calculated value was divided by the average square footage of a residential unit, resulting in an average square footage per person. The calculated value was then multiplied by 1,000, providing the average number of people per 1,000 square feet. The following graphic shows this calculation for single-family and multi-family:

**Table 12: Single Family Avg. Sq. Ft. Per Person Calculation**

$$\frac{2.79 \text{ people per unit}}{1{,}900^{13} \text{ average sq. ft. per unit}} \text{ X } 1{,}000 \text{ sq. ft.} = \textbf{1.47 ppl per 1,000 sq. ft.}$$

[11] The single-family data comes from the US Census data table B25033.
[12] The multi-family data comes from the US Census data table B25032.
[13] Based on discussions with City staff it was determined that 1,900 sq. ft. is fairly representative of the size of the typical single-family dwelling in Banning.

**Table 13: Multi-Family Avg. Sq. Ft. Per Person Calculation**

$$\frac{\text{2.55 people per unit}}{\text{1,000}^{14}\text{ avg. sq. ft. per unit}} \text{ X 1,000 sq. ft. = } \mathbf{2.55\ ppl\ per\ 1{,}000\ sq.\ ft.}$$

The people per 1,000 square feet, or household density factor for single-family, is 1.47, and for multi-family, it is 2.55. The density factor is then divided by the cost-per-capita calculation to derive the base impact fee.

## NON-RESIDENTIAL POPULATION DENSITY

Similar to the residential density calculation, a non-residential development calculation was performed for the City. The City uses three main non-residential categories: Commercial, Office, and Industrial. The project team used City staff values for the non-residential density. The City utilized the same density factors as utilized in the 2019 nexus analysis. The following table shows the density associated with each non-residential category type:

**Table 14: Non-Residential Population Densities**

| Category | Density (employees per 1,000 sq. ft.) |
|---|---|
| **Commercial** | 2.39 |
| **Office** | 3.12 |
| **Industrial** | 1.16 |

The density (square footage per employee) is multiplied by the cost per capita calculation to derive the base impact fee.

The following chapters use the assumptions in this section to estimate the proportional impact of new development on the City's existing and proposed infrastructure.

[14] Based on discussions with City staff it was determined that 1,000 sq. ft. is fairly representative of the size of the typical multi-family dwelling in Banning.

# ADMINISTRATIVE FEE

In accordance with regulations outlined in the Mitigation Fee Act, a citywide administrative fee was calculated for use in this analysis.

The project team took the four-year average[15] of actual revenue for each impact fee fund and divided the revenue by the citywide overhead cost calculated in the City's most recent cost allocation plan[16]. The results were then averaged to produce a city-specific administrative fee. The following table shows the calculation:

**Table 15: Administrative Fee Calculation**

| Funds | 4 Yr. Avg. of Actual Revenue | CAP OH | Administrative %[17] |
|---|---|---|---|
| **410 Fire** | $1,169,479 | $186 | 0.00% |
| **430 General Facilities** | $454,039 | $25,065 | 5.00% |
| **451 Parks** | $165,285 | $14,044 | 8.00% |
| **400 Police** | $331,553 | $185 | 0.00% |
| **420 Traffic** | $2,201,371 | $699 | 0.00% |
| **681 Wastewater** | $8,578,218 | $3,256 | 0.00% |
| **661 Water** | $3,197,641 | $131,436 | 4.00% |
| | **Average Administrative %** | | **2.00%** |

Based on the average administrative expenses incurred across the funds, the calculated citywide administrative fee is 2%. This accounts for the support provided by City staff in the monitoring and reporting of impact fee funds and is added to the individual calculated impact fees, resulting in a maximum justifiable impact fee.

[15] The following fiscal years were averaged: FY21-22, FY22-23, FY23-24, and FY24-25.
[16] Based on FY24 information.
[17] The administrative percentage shows rounded values, which is why it shows 0.00% for certain funds.

# ELECTRIC IMPACT FEE

The City recently completed a cost-of-service and rate study for its electric operations (September 2025, NewGen Strategies and Solutions, LLC). One method to support the service standards outlined in the NewGen study is to evaluate the feasibility of establishing an impact fee for electrical utility infrastructure. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of fire impact fees.

## GROWTH ASSUMPTIONS

The purpose of an electric impact fee is to recover the proportionate costs associated with the increased demand placed on the electrical infrastructure by new development, which in turn necessitates the enhancement, expansion, or replacement of existing infrastructure. Electric impacts are measured in average annual kilowatt-hours per square foot (kWh/sq. ft.). For purposes of this analysis, the project team used the California Energy Commission findings for residential[18] and non-residential[19] land use types.

Once the average annual kilowatt-hours per square foot for each land use category are established, the single-family rate of 4.00 kWh/sq. ft. is used as the baseline equivalent dwelling unit (EDU), assigned a value of 1.00[20]. All other land use types are then expressed as a proportion of this baseline by dividing their respective rates by the single-family residential benchmark. This proportional conversion ensures that each land use type contributes its fair share of capital costs based on relative electrical demand. The following table shows these conversions.

**Table 16: EDU Factor Calculation**

| Category | Avg. Annual kWh / 1,000 Sq. Ft. | SFR - Baseline | EDU Factor |
|---|---|---|---|
| **Residential** | | | |
| Single Family | 4,000 | 4,000 | 1.00 |
| Multi-Family | 3,745 | 4,000 | 0.94 |
| **Non-Residential** | | | |
| Commercial | 9,500 | 4,000 | 2.38 |
| Office | 8,900 | 4,000 | 2.23 |
| Industrial | 5,100 | 4,000 | 1.28 |

[18] 2019 California Residential Appliance Saturation Study (RASS)
[19] 2022 California Commercial End-Use Survey (CEUS): Final Report
[20] SFR is used as the EDU baseline strictly for normalization purposes; it does not imply a greater impact, only a consistent reference unit for flow comparison.

The above EDU factors are then multiplied by the difference in dwelling units per land use type from 2025 to 2040. These calculations are shown in the table below:

**Table 17: Projected Total Number of EDUs Calculation**

| Category | 2025 KSF [21] | 2040 KSF [22] | Difference | EDU Factor | Weighted 2025 DU / KSF | Weighted 2040 DU / KSF | Weighted Difference |
|---|---|---|---|---|---|---|---|
| **Residential** | | | | | | | |
| **Single Family** | 19,426 | 28,073 | 8,647 | 1.00 | 19,426 | 28,073 | 8,647 |
| **Multi-Family** | 2,381 | 16,728 | 14,347 | 0.94 | 2,229 | 15,661 | 13,432 |
| **Total** | **21,807** | **44,801** | **22,994** | | **21,655** | **43,734** | **22,079** |
| **Non-Residential** | | | | | | | |
| **Commercial** | 1,204 | 2,993 | 1,789 | 2.38 | 2,859 | 7,108 | 4,249 |
| **Office** | 2,234 | 1,895 | (339) | 2.23 | 4,970 | 4,216 | (753) |
| **Industrial** | 1,340 | 977 | (363) | 1.28 | 1,708 | 1,246 | (462) |
| **Total** | **4,777** | **5,865** | **1,088** | | **9,537** | **12,570** | **3,033** |
| | | | **Total Number of KSF** | | **31,192** | **56,304** | **25,112** |

The total projected growth of thousand square feet from 2025 to 2040 is roughly 25,122. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per EDU, which serves as the basis for calculating the electric impact fee.

## COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in EDUs, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Electric impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 18: Total Projected Infrastructure Cost – Electric**

| | |
|---|---|
| Total Electric CIP Cost[23] | $24,475,000 |
| **Total Projected Net Infrastructure Cost** | **$24,475,000** |

No fund balance is removed as this is a new fee. Over the next 15 years, the City will require approximately $24.5 million to meet the needs of the City's existing and future population. The total projected net infrastructure cost is then divided by the weighted growth in EDU, resulting in a cost per EDU. The calculation is shown below:

[21] Based on Department of Finance and EDD Current projections.
[22] Based on Banning's General Plan.
[23] A detailed accounting of the CIP costs is included in Appendix A of this report.

**Table 19: Electric Cost Per EDU Calculation**

$$\frac{\$24,475,000 \text{ Total Projected Net Infrastructure Cost}}{25,112 \text{ Weighted Growth in EDU}} = \$975 \text{ Cost / EDU}$$

The $975 per EDU cost illustrates the amount the City should invest in electrical infrastructure per dwelling unit.

## IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per EDU is $1,219. This is the cost regardless of residential or non-residential development. This value is then multiplied by the EDU factor, resulting in the Electric impact fee. The following table shows this calculation:

**Table 20: Electric Impact Fee Calculation**

| Category | Cost Per EDU | EDU Factor | Impact Fee |
|---|---|---|---|
| **Residential: Per KSF** | | | |
| Single Family | $975 | 1.00 | $975 |
| Multi-Family | $975 | 0.94 | $912 |
| **Non-Residential: Per KSF** | | | |
| Commercial | $975 | 2.38 | $2,315 |
| Office | $975 | 2.23 | $2,169 |
| Industrial | $975 | 1.28 | $1,243 |

The cost per unit for residential single-family development is $975, multi-family is $912, and non-residential development varies from a low of $1,243 per 1,000 square feet for industrial properties to a high of $2,315 per 1,000 square feet for commercial development. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

**Table 21: Electric Impact Fee Calculation – Including Administrative Fee**

| Category | Impact Fee | Admin % | Impact Fee + Admin Fee Per KSF | Impact Fee + Admin Fee per Sq. Ft. |
|---|---|---|---|---|
| **Residential** | | | | |
| Single Family | $975 | 2% | $994 | **$0.99** |
| Multi-Family | $912 | 2% | $931 | **$0.93** |
| **Non-Residential** | | | | |
| Commercial | $2,315 | 2% | $2,361 | **$2.36** |
| Office | $2,169 | 2% | $2,212 | **$2.21** |
| Industrial | $1,243 | 2% | $1,267 | **$1.27** |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development.

## NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Electric Impact fee meets the criteria.

**Table 22: Impact Fee Nexus Criteria – Electric**

| Criteria | Meet |
|---|---|
| **Purpose Of Fee** | The purpose of this fee would be to upgrade existing electric infrastructure necessary to maintain services levels and enhance or replace electric-specific equipment. |
| **Use of Fee Revenue** | Revenue associated with this impact fee would be housed in a specific electric impact fee fund to help ensure that funds are appropriately accounted for and used to meet the electric infrastructure needs of the City's growth. |
| **Benefit Relationship** | The use of the impact fee revenue would be to expand, upgrade, or replace existing electric infrastructure and equipment to accommodate increased usage proportional to grow. New residents and employees receive benefits associated with a reliable electrical system. |
| **Impact Relationship** | New development contributes additional pull on the electrical grid. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional wear would be borne by new residents or employees. |
| **Proportionality** | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure. |
| **Capital Improvement Plan** | A capital improvement plan has been adopted to update the City's electric infrastructure and is presented as an appendix. |
| **Level of Service** | The proposed impact fees are based on the existing level of service as they are based on the current standard of the electric infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment. |
| **Original Nexus Analysis** | There was no prior nexus analysis so this would serve as the basis of the nexus analysis. |

As the table demonstrates, the City meets all five criteria necessary to charge an electric development impact fee, as well as the three additional criteria associated with AB602. Additionally, the electric impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate electric infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's electric infrastructure.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions. Of the surveyed jurisdictions, none assess an electric-specific impact fee.

# FIRE IMPACT FEE

The City currently administers a fire impact fee to recover the proportionate costs of fire infrastructure required to serve new development. The Fire Department provides services to both residential and non-residential populations, and future growth will increase demand for fire-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current fire impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of fire impact fees.

## GROWTH ASSUMPTIONS

The Fire Department serves both residential and non-residential populations (employees). Future development would require expanded Fire stations and purchasing additional vehicles and equipment. Since the Fire Department's primary goal is to provide fire prevention and suppression services within the City, its services benefit both existing and future development. To determine the proportional share of existing and future development, the project team calculated the City's future service population. In addition, since an employee working within the city does not have the same tendency to use fire services as a resident, their impact was weighted less. The weighting for employees was based on the acreage within the City zoned for non-residential use. Based on zoning, non-residential acreage accounts for 33% of the City of Banning; therefore, the non-residential population was weighted at 33%. The following table shows the current population for each category, the proportionate weight factor, and the weighted population:

**Table 23: Weighted Population Calculation**

| Category | 2025 Population | Weight Factor | Weighted 2025 Population |
|---|---|---|---|
| **Residential** | 31,949 | 100% | 31,949 |
| **Non-Residential** | 11,400 | 33% | 3,754 |
| **Total** | **43,349** | | **35,703** |

The total weighted 2025 population is roughly 36,000. This value is then divided by the total cost to be apportioned, as outlined in the following section, resulting in a weighted cost per capita.

## COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential and non-residential populations, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Fire impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these

facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 24: Total Projected Infrastructure Cost - Fire**

| | |
|---|---|
| Total Fire Facility Cost[24] | $27,244,568 |
| Total Fire Equipment & Vehicle Cost[25] | $4,548,421 |
| **Total Projected Infrastructure Cost** | **$31,792,989** |
| Current Fund Balance[26] | ($1,789,387) |
| **Total Projected Net Infrastructure Cost** | **$30,003,602** |

Over the next 15 years, the Fire Department will require approximately $30 million to meet the needs of the City's existing and future population.

## IMPACT FEE CALCULATIONS

As the previous section calculated, the total infrastructure needs for the Fire Department are approximately $30 million. This cost is then divided by the total weighted service population as shown in Table 23, resulting in the cost per capita. The figure below shows this calculation.

**Table 25: Cost Per Capita Calculation**

$$\frac{\$30,003,602 \text{ Total Projected Net Infrastructure Cost}}{35,703 \text{ Weighted 2025 Population}} = \textbf{\$840 Cost per Capita}$$

The $839 per capita cost illustrates the amount the City should invest in fire infrastructure per person. Again, since the non-residential population does not have the same need for fire services, the 33% weighting (based on City zoning) is applied to cost per capita for residents versus non-residential users.

**Table 26: Weighted Cost Per Capita**

| Category | Cost / Capita | Weight Factor | Weighted Cost Per Capita |
|---|---|---|---|
| **Residential** | $840 | 100% | **$840** |
| **Non-Residential** | $840 | 33% | **$277** |

While the residential cost per capita remains at $840, the non-residential cost per capita reduces to $277.

The weighted cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the Fire impact fee by category. The following table shows this calculation.

[24] A detailed accounting of the facility costs is included in Appendix B of this report.
[25] A detailed accounting of the equipment costs is included in Appendix B of this report.
[26] Represents the fund balance at the end of FY24-25.

**Table 27: Fire Impact Fee Calculation**

| Category | Cost Per Capita | Density | Impact Fee |
|---|---|---|---|
| **Residential: Per 1,000 Sq. Ft.** | | | |
| Single Family | $840 | 1.47 | $1,235 |
| Multi-Family | $840 | 2.55 | $2,144 |
| **Non-Residential: Per 1,000 Sq. Ft.** | | | |
| Commercial | $277 | 2.39 | $661 |
| Office | $277 | 3.12 | $863 |
| Industrial | $277 | 1.16 | $321 |

The cost per 1,000 square feet for residential single-family development is $1,233, multi-family is $2,140, and non-residential development varies from a low of $320 per 1,000 square feet for industrial properties to a high of $862 per 1,000 square feet for offices. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

**Table 28: Fire Impact Fee Calculation – Including Administrative Fee**

| Category | Impact Fee | Admin % | Impact Fee + Admin Fee Per 1,000 Sq. Ft. | Impact Fee + Admin Fee per Sq. Ft. |
|---|---|---|---|---|
| **Residential** | | | | |
| Single Family | $1,235 | 2% | $1,260 | $1.26 |
| Multi-Family | $2,144 | 2% | $2,187 | $2.19 |
| **Non-Residential** | | | | |
| Commercial | $661 | 2% | $675 | $0.67 |
| Office | $863 | 2% | $881 | $0.88 |
| Industrial | $321 | 2% | $327 | $0.33 |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Fire impact fee to the full cost impact fees, and the associated per unit difference:

**Table 29: Current vs. Full Cost – Fire Impact Fee**

| Category | Current Impact Fee[27] | Full Cost Impact Fee | Difference |
|---|---|---|---|
| **Residential: Per Sq. Ft.** | | | |
| Single Family | $0.39 | $1.26 | ($0.87) |
| Multi-Family | $0.61 | $2.19 | ($1.58) |

[27] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

| Category | Current Impact Fee[27] | Full Cost Impact Fee | Difference |
|---|---|---|---|
| **Non-Residential: Per Sq. Ft.** | | | |
| Commercial | $0.49 | $0.67 | ($0.18) |
| Office | $0.63 | $0.88 | ($0.25) |
| Industrial | $0.24 | $0.33 | ($0.09) |

All impact fees show an under-recovery, ranging from a low of $0.09 per square foot for industrial to a high of $1.57 per square foot for multi-family developments.

## NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Fire Impact fee meets the criteria.

**Table 30: Impact Fee Nexus Criteria – Fire**

| Criteria | Meet |
|---|---|
| Purpose Of Fee | The purpose of this fee is to upgrade existing Fire stations, cover costs of new stations necessary to maintain services levels, and enhance or replace fire-specific vehicles and equipment. |
| Use of Fee Revenue | Revenue associated with this impact fee is housed in a specific fire impact fee fund to help ensure that funds are appropriately accounted for and used to meet the fire infrastructure needs of the City's growth. |
| Benefit Relationship | The use of the impact fee revenue would be to rehabilitate existing fire stations and equipment to accommodate to allow for the most efficient response for service. New residents and employees receive benefits associated with more efficient response times and enhanced equipment. |
| Impact Relationship | The addition of new residents and employees would have an impact on the ability of the fire services to respond adequately and in an efficient manner. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for responses would be borne by new residents or employees. |
| Proportionality | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure. |
| Capital Improvement Plan | A capital improvement plan has been adopted to update the City's fire facilities and is presented as an appendix. |
| Level of Service | The proposed impact fees are based on the existing level of service as they are based on the current standard of the fire infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment. |

| Criteria | Meet |
|---|---|
| Original Nexus Analysis | The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development. |

As the table demonstrates, the City meets all five criteria necessary to continue charging the fire development impact fee, as well as the three additional criteria associated with AB602. Additionally, the fire impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate fire infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's fire facilities, as it does not exceed the City's cost of providing fire services to new development.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Fire Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

**Table 31: Comparative Survey – Fire Impact Fee**

| | Residential | | Non-Residential (Per Sq. Ft.) | | |
|---|---|---|---|---|---|
| Jurisdiction | Single Family | Multi-Family | Commercial | Office | Industrial |
| **Banning - Current** | **$0.39 per sq. ft** | **$0.61 per sq. ft** | **$0.49** | **$0.63** | **$0.24** |
| **Banning - Full Cost** | **$1.26 per sq. ft.** | **$2.18 per sq. ft.** | **$0.67** | **$0.88** | **$0.33** |
| **Beaumont** | $0.35 per sq. ft. | $0.35 per sq. ft. | $0.36 | $0.48 | $0.17 |
| **Colton** | $870 per unit | $662 per unit | $0.21 | $0.36 | $0.08 |
| **Desert Springs** | $441 Detached Dwelling $453 Attached Dwelling | $441 Detached Dwelling $453 Attached Dwelling | $0.12 | $0.12 | $0.09 |
| **Palm Desert** | $709 Low Density | $306 Medium Density $182 High Density | $0.22 | $0.21 | $0.21 |
| **Redlands** | $0.45 per sq. ft. | $0.45 per sq. ft. | $0.17 | $2.08 | $2.46 |
| **Yucaipa** | $0.63 per sq. ft. | $0.63 per sq. ft. | $0.52 | $0.52 | $0.39 |

Of the surveyed jurisdictions, Palm Springs and Riverside do not assess a Fire-specific impact fee. Palm Springs does have a Canyon area-specific fire protection impact fee, assessed at $460 per acre for

single-family residential development and $1,875 per acre for commercial or multi-family development. However, since it is not a city-wide impact fee, it was not included in the comparison.

The City's current residential Fire impact fees are on the lower end when compared to surrounding jurisdictions that also charge per square foot; only Beaumont is lower. Both the single-family and multi-family residential calculated full costs are higher than all other jurisdictions.

With the exception of Redlands' office and industrial fees and Yucaipa's commercial and industrial fees, Banning's current and calculated full cost non-residential fees are higher than those of the surveyed jurisdictions.

# GENERAL FACILITIES IMPACT FEE

The City currently administers a general facilities impact fee to recover the proportionate costs City Hall and other governmental infrastructure that is not covered through other impact fees (i.e. Police, Fire, Parks, Traffic, etc.). To ensure service levels are maintained as the City continues to grow, the current general facilities impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of general facilities impact fees.

## GROWTH ASSUMPTIONS

City facilities are accessed by both residential and non-residential populations (employees). Future development would require expanded public facilities and the purchase of additional vehicles and equipment. Since these facilities house City staff who provide public services, they benefit both existing and future development. To determine the proportional share of existing and future development, the project team calculated the City's future service population. In addition, since an employee working within the city does not have the same tendency to use general facilities as a resident, their impact was weighted less. Non-residential access was based on a standard 40-hour work week, reflecting the typical period during which non-residents are present in the City. Based on hours per week, the non-residential population was weighted at 24%. The following table shows the current population for each category, the proportionate weight factor, and the weighted population:

**Table 32: Weighted Population Calculation**

| Category | 2025 Population | Weight Factor | Weighted 2025 Population |
|---|---|---|---|
| **Residential** | 31,949 | 100% | 31,949 |
| **Non-Residential** | 11,400 | 24% | 2,714 |
| **Total** | **43,349** | | **34,663** |

The total weighted 2025 population is roughly 35,000. This value is then divided by the total cost to be apportioned, as outlined in the following section, resulting in a weighted cost per capita.

## COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential and non-residential populations, an impact nexus exists for the department's infrastructure needs. The planning horizon for the General Facilities impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to

new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 33: Total Projected Infrastructure Cost - General Facilities**

| | |
|---|---|
| Total General Facilities Cost[28] | $28,727,200 |
| Total General Facilities Equipment & Vehicle Cost[29] | $320,900 |
| **Total Projected Infrastructure Cost** | **$29,048,100** |
| Current Fund Balance[30] | ($706546) |
| **Total Projected Net Infrastructure Cost** | **$28,341,551** |

Over the next 15 years, the General Facilities will require approximately $28 million to meet the needs of the City's existing and future population.

## IMPACT FEE CALCULATIONS

As calculated in the previous section, the total infrastructure needs for General Facilities are approximately $28 million. This cost is then divided by the total weighted service population as shown in Table 32, resulting in the cost per capita. The figure below shows this calculation.

**Table 34: Cost Per Capita Calculation**

$$\frac{\$28,341,551 \text{ Total Projected Net Infrastructure Cost}}{34,663 \text{ Weighted 2025 Population}} = \textbf{\$818 Cost per Capita}$$

The $818 per capita cost illustrates the amount the City should invest in infrastructure per person. Again, since the non-residential population does not require the same access, the 24% weighting (based on a 40-hour work week) is applied to the cost per capita for residents versus non-residential users.

**Table 35: Weighted Cost Per Capita**

| Category | Cost / Capita | Weight Factor | Weighted Cost Per Capita |
|---|---|---|---|
| **Residential** | $818 | 100% | **$818** |
| **Non-Residential** | $818 | 24% | **$195** |

While the residential cost per capita remains at $818, the non-residential cost per capita reduces to $195.

The weighted cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the General Facilities impact fee by category. The following table shows this calculation.

[28] A detailed accounting of the facility costs is included in Appendix C of this report.
[29] A detailed accounting of the equipment costs is included in Appendix C of this report.
[30] Represents the fund balance at the end of FY24-25.

### Table 36: General Facilities Impact Fee Calculation

| Category | Cost Per Capita | Density | Impact Fee |
|---|---|---|---|
| **Residential: Per 1,000 Sq. Ft.** | | | |
| Single Family | $818 | 1.47 | **$1,202** |
| Multi-Family | $818 | 2.55 | **$2,086** |
| **Non-Residential: Per 1,000 Sq. Ft.** | | | |
| Commercial | $195 | 2.39 | **$465** |
| Office | $195 | 3.12 | **$607** |
| Industrial | $195 | 1.16 | **$226** |

The cost per 1,000 square feet for residential single-family development is $1,202, multi-family is $2,086, and non-residential development varies from a low of $226 per 1,000 square feet for industrial properties to a high of $607 per 1,000 square feet for offices. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

### Table 37: General Facilities Impact Fee Calculation – Including Administrative Fee

| Category | Impact Fee | Admin % | Impact Fee + Admin Fee Per 1,000 Sq. Ft. | Impact Fee + Admin Fee per Sq. Ft. |
|---|---|---|---|---|
| **Residential** | | | | |
| Single Family | $1,202 | 2% | $1,226 | **$1.23** |
| Multi-Family | $2,086 | 2% | $2,127 | **$2.13** |
| **Non-Residential** | | | | |
| Commercial | $465 | 2% | $475 | **$0.47** |
| Office | $607 | 2% | $620 | **$0.62** |
| Industrial | $226 | 2% | $230 | **$0.23** |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current General Facilities impact fee to the full cost impact fees, and the associated per unit difference:

**Table 38: Current vs. Full Cost – General Facilities Impact Fee**

| Category | Current Impact Fee | Full Cost Impact Fee | Difference |
|---|---|---|---|
| **Residential: Per Sq. Ft.** | | | |
| Single Family | $0.27[31] | $1.23 | ($0.95) |
| Multi-Family | $0.43[32] | $2.13 | ($1.70) |
| **Non-Residential: Per Sq. Ft.** | | | |
| Commercial | $0.49 | $0.47 | $0.02 |
| Office | $0.64 | $0.62 | $0.02 |
| Industrial | $0.24 | $0.23 | $0.01 |

All residential impact fees show an under-recovery, ranging from a low of $0.95 per square foot for single-family to a high of $1.70 per square foot for multi-family developments. Non-residential impact fees show minimal overages of $0.01 to $0.02 per square foot.

## NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed General Facilities Impact fee meets the criteria.

**Table 39: Impact Fee Nexus Criteria – General Facilities**

| Criteria | Meet |
|---|---|
| Purpose Of Fee | The purpose of the fee is to upgrade existing City Hall, Public Works Facilities, and other miscellaneous City equipment and facilities overseen by the Public Works Department. |
| Use of Fee Revenue | Revenue associated with this impact fee is housed in a specific general facilities impact fee fund to help ensure that funds are appropriately accounted for and used to meet the general facilities infrastructure needs of the City's growth. |
| Benefit Relationship | The use of the impact fee revenue would be to rehabilitate existing facilities and equipment to maintain level of service and serve new development. New residents and employees receive benefits from improved access to infrastructure. |
| Impact Relationship | The addition of new residents and employees would have an impact on the ability of the City to meet all the needs. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for appropriate handling of the new growth would be borne by new residents or employees. |

[31] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

[32] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

| Criteria | Meet |
|---|---|
| Proportionality | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure. |
| Capital Improvement Plan | As part of this impact fee analysis, a capital improvement plan has been adopted to update the City's general public facilities and is presented as an appendix. |
| Level of Service | The proposed impact fees are based on the existing level of service as they are based on the current standard of infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities. |
| Original Nexus Analysis | The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development. |

As the table demonstrates, the City meets all five criteria necessary to continue charging the general facilities development impact fee, as well as the three additional criteria associated with AB602. Additionally, the general facilities impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's general facilities as it does not exceed the City's cost of providing services to new development.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a General Facilities Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

**Table 40: Comparative Survey – General Facilities Impact Fee**

| | Residential | | Non-Residential (Per Sq. Ft.) | | |
|---|---|---|---|---|---|
| Jurisdiction | Single Family | Multi-Family | Commercial | Office | Industrial |
| Banning - Current | $0.27 per sq. ft | $0.43 per sq. ft | $0.49 | $0.64 | $0.24 |
| Banning - Full Cost | $1.23 per sq. ft. | $2.13 per sq. ft. | $0.47 | $0.62 | $0.23 |
| Beaumont | $0.25 per sq. ft. | $0.25 per sq. ft. | $0.15 | $0.18 | $0.06 |

| Jurisdiction | Residential | | Non-Residential (Per Sq. Ft.) | | |
|---|---|---|---|---|---|
| | Single Family | Multi-Family | Commercial | Office | Industrial |
| Colton | $180 per unit | $137 per unit | $0.04 | $0.08 | $0.02 |
| Desert Springs | $529 Detached Dwelling<br>$543 Attached Dwelling | $529 Detached Dwelling<br>$543 Attached Dwelling | $0.14 | $0.14 | $0.11 |
| Redlands | $0.71 per sq. ft. | $0.71 per sq. ft. | $0.26 | $3.30 | $3.90 |
| Yucaipa | $1.23 per sq. ft. | $1.22 per sq. ft. | $0.26 | $0.26 | $0.74 |

Of the surveyed jurisdictions, Palm Desert, Palm Springs, and Riverside do not assess a General Facilities-specific impact fee. The City's current residential General Facilities impact fees are lower than those of surrounding jurisdictions that also charge per-square-foot fees. Yucaipa's single-family rate is aligned with the City's calculated full cost, but significantly lower than the City's multi-family rate.

With the exception of Redlands' office and industrial fees and Yucaipa's industrial fees, Banning's current and calculated full cost non-residential fees are higher than those of the surveyed jurisdictions.

# PARKS IMPACT FEE

The City currently imposes a parks impact fee, which helps acquire new land and supports enhancements to existing park facilities. Park services primarily benefit the residential population, and future growth will increase demand for park-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current park impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of parks impact fees.

## GROWTH ASSUMPTIONS

Park services primarily serve Banning's residents; as such non-residential people where not factored into the Parks impact fee calculations. Future development would require expanded park facilities, enhanced equipment, and the acquisition of new parkland.

The City's current standard is 2.19 acres per 1,000 residents, based on the existing parks available in the City's Park Master Plan and the current residential population. In order for the City to maintain this existing level of service and standard as the residential population increases, the City will need to acquire additional park acreage. The following table shows the proportionate number of acres needed to account for new residential growth:

**Table 41: Proposed New Acres Needed based on Acreage Standard**

| Category | Amount |
|---|---|
| Current Acreage Standard – per resident | 0.00226 |
| Projected Residential Growth | 5,651 |
| **Total # of Acres Required to Maintain Standard** | **12.37** |

Based upon the standard of 0.00226 acres per resident and growth of 5,651 residents, the City will need to acquire an additional 12.37 acres to retain this standard.

## COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential population, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Parks impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 42: Total Projected Infrastructure Cost - Parks**

| | |
|---|---|
| Total Parks Facilities Cost[33] | $17,414,800 |
| Total Parks CIP Cost[34] | $2,658,200 |
| Total Parks Equipment & Vehicle Cost[35] | $385,925 |
| **Total Projected Infrastructure Cost** | **$20,458,925** |
| Current Fund Balance[36] | ($29,288) |
| **Total Projected Net Infrastructure Cost** | **$20,429,637** |

Over the next 15 years, the Parks will require approximately $20 million to meet the needs of the City's existing and future population.

In addition to the $20 million in infrastructure costs, the other cost component to be considered is the parkland cost per resident. The parkland cost per resident is calculated by multiplying the cost to develop a single acre[37] by the number of acres needed to maintain the parkland standard. The following figure shows this calculation.

**Table 43: Cost Parkland Cost Per Resident Calculation**

12.37 # of Acres Needed To Maintain Standard X $864,537 Cost to Develop One Ace **= $1,893 Cost per Resident**

The $1,893 per resident covers the cost of acquiring and developing parkland to maintain the City's parkland standard.

Lastly, as outlined in the prior section, a citywide administrative fee of 2% was calculated to cover City staff support for monitoring and reporting impact fee funds.

## IMPACT FEE CALCULATIONS

As calculated in the previous section, the total infrastructure needs for Parks are approximately $20 million. This cost is then divided by the total service population calculated in the Projected Growth and Development chapter. The figure below shows this calculation.

**Table 44: Cost Per Capita Calculation**

$$\frac{\$20,429,637 \text{ Total Projected Net Infrastructure Cost}}{31,949 \text{ 2025 Population}} = \textbf{\$639 Cost per Capita}$$

The $639 per capita cost is added to the parkland cost per resident ($1,893), equaling a **total residential cost per capita rate of $2,533**. This value illustrates the amount the City should invest in Parks infrastructure per person.

[33] A detailed accounting of the capital improvement costs is included in Appendix D of this report.
[34] A detailed accounting of the facility costs is included in Appendix D of this report.
[35] A detailed accounting of the equipment costs is included in Appendix D of this report.
[36] Represents the fund balance at the end of FY24-25.
[37] To remain consistent with prior assumptions land acquisitions cost was taken from the prior DIF study and a CCI inflation factor was added.

The total cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the Parks impact fee by category. The following table shows this calculation.

**Table 45: Parks Impact Fee Calculation**

| Category | Cost Per Capita | Density | Impact Fee |
|---|---|---|---|
| **Residential: Per 1,000 Sq. Ft.** | | | |
| **Single Family** | $2,533 | 1.47 | **$3,722** |
| **Multi-Family** | $2,533 | 2.55 | **$6,461** |

The cost per 1,000 square feet for residential single-family development is $3,722, and for multi-family is $6,461. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

**Table 46: Parks Impact Fee Calculation – Including Administrative Fee**

| Category | Impact Fee | Admin % | Impact Fee + Admin Fee Per 1,000 Sq. Ft. | Impact Fee + Admin Fee per Sq. Ft. |
|---|---|---|---|---|
| **Residential** | | | | |
| **Single Family** | $3,722 | 2% | $3,796 | **$3.80** |
| **Multi-Family** | $6,461 | 2% | $6,590 | **$6.59** |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Parks impact fee to the full cost impact fees, and the associated per unit difference:

**Table 47: Current vs. Full Cost – Parks Impact Fee**

| Category | Current Impact Fee[38] | Full Cost Impact Fee | Difference |
|---|---|---|---|
| **Residential: Per Sq. Ft.** | | | |
| **Single Family** | $2.02 | $3.80 | ($1.78) |
| **Multi-Family** | $3.14 | $6.59 | ($3.45) |

All impact fees show an under-recovery, ranging from a low of $1.78 per square foot for single-family to a high of $3.45 per square foot for multi-family developments.

[38] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

## NEXUS CRITERIA

As discussed in the legal framework section, in order for an impact fee to be implemented, it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Parks Impact fee meets the criteria.

**Table 48: Impact Fee Nexus Criteria – Parks**

| Criteria | Meet |
|---|---|
| **Purpose Of Fee** | The purpose of this fee would be to fund the acquisition of new parkland, the development of new parks and recreation facilities and improving existing parks equipment. |
| **Use of Fee Revenue** | Revenue associated with this impact fee is housed in a specific park impact fee fund to help ensure that funds are appropriately accounted for and used to meet the ark infrastructure needs of the City's growth. |
| **Benefit Relationship** | The use of the impact fee revenue would be to develop new facilities or expand or improve existing facilities, which would be directly proportional to the increased wear and tear and use of parks and recreation facilities as there is new residential growth in the City. The increase in residential population is related proportionally to the square footage of development as larger properties result in more population. |
| **Impact Relationship** | Based upon the current and proposed parks and recreation facility needs in the City, the addition of new residents would require the need for new and expanded facilities. |
| **Proportionality** | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas. The fees are calculated on a per square foot basis for residential properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure. |
| **Capital Improvement Plan** | A capital improvement plan has been adopted to update the City's park facilities and is presented as an appendix. |
| **Level of Service** | The proposed impact fees are based on the existing level of service as they are based on the current standard of the parks facilities servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities. |
| **Original Nexus Analysis** | The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development. |

As the table demonstrates, the City meets all five criteria necessary to continue charging the parks development impact fee, as well as the three additional criteria associated with AB602. Additionally, the park impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate park infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's park infrastructure, as it does not exceed the City's cost of providing services to new development.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Parks Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

**Table 49: Comparative Survey – Parks Impact Fee**

| | Residential | |
|---|---|---|
| **Jurisdiction** | **Single Family** | **Multi-Family** |
| **Banning - Current** | **$2.02 per sq. ft** | **$3.80 per sq. ft** |
| **Banning - Full Cost** | **$3.14 per sq. ft.** | **$6.59 per sq. ft.** |
| **Beaumont** | $0.78 per sq. ft. | $0.78 per sq. ft. |
| **Colton** | $5,714 per unit | $4,351 per unit |
| **Desert Springs** | $1,675 Detached Dwelling<br>$1,722 Attached Dwelling | $1,675 Detached Dwelling<br>$1,722 Attached Dwelling |
| **Redlands** | $1.18 per sq. ft. | $1.18 per sq. ft. |
| **Riverside** | $4,646 SFR Detached<br>$4,065 SFR Attached - Duplex<br>$2,615 Residential Condo | $3,653 MFR - Triplex or Quadplex<br>$3,045 MFR ADU/Apt/Senior Apt |
| **Yucaipa** | $1.67 per sq. ft. | $1.67 per sq. ft. |

Of the surveyed jurisdictions, Palm Desert and Palm Springs do not assess a Parks-specific impact fee.

The City's current and calculated full cost Parks impact fees for single-family development are higher than those of surrounding jurisdictions that also charge per-square-foot fees. The City's Multi-family rates are significantly higher than surrounding jurisdictions. It is important to tone that it is common to see these types of fees subsidized and occasionally jurisdictions may exclude the parkland acquisition component when assessing these fees.

# POLICE IMPACT FEE

The City currently administers a police impact fee to recover the proportionate costs of fire infrastructure required to serve new development. The Police Department provides services to both residential and non-residential populations, and future growth will increase demand for fire-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current police impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of police impact fees.

## GROWTH ASSUMPTIONS

The Police Department serves both residential and non-residential populations (employees). Future development would require expanded Police stations and the purchase of additional vehicles and equipment. Since the primary goal of the Police Department is to provide law enforcement and safety services within the City, its services benefit both existing and future development. To determine the proportional share of existing and future development, the project team calculated the City's future service population. In addition, since an employee working within the city does not have the same tendency to use fire services as a resident, their impact was weighted less. The weighting for employees was based on the acreage within the City zoned for non-residential use. Based on zoning, non-residential acreage accounts for 33% of the City of Banning; therefore, the non-residential population was weighted at 33%. The following table shows the current population for each category, the proportionate weight factor, and the weighted population:

**Table 50: Weighted Population Calculation**

| Category | 2025 Population | Weight Factor | Weighted 2025 Population |
|---|---|---|---|
| **Residential** | 31,949 | 100% | 31,949 |
| **Non-Residential** | 11,400 | 33% | 3,754 |
| **Total** | **43,349** | | **35,703** |

The total weighted 2025 population is roughly 36,000. This value is then divided by the total cost to be apportioned, as outlined in the following section, resulting in a weighted cost per capita.

## COST COMPONENTS AND ASSUMPTIONS

Based on projected increases in residential and non-residential populations, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Police impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth.

The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 51: Total Projected Infrastructure Cost - Police**

| | |
|---|---|
| Total Police Facility Cost[39] | $18,614,423 |
| Total Police Equipment & Vehicle Cost[40] | $3,756,500 |
| **Total Projected Infrastructure Cost** | **$22,370,923** |
| Current Fund Balance[41] | ($860,409) |
| **Total Projected Net Infrastructure Cost** | **$21,510,514** |

Over the next 15 years, the Police Department will require approximately $21.5 million to meet the needs of the City's existing and future population.

## IMPACT FEE CALCULATIONS

As the previous section calculated, the total infrastructure needs for the Police Department are approximately $21.5 million. This cost is then divided by the total weighted service population as shown in Table 50, resulting in the cost per capita. The figure below shows this calculation.

**Table 52: Cost Per Capita Calculation**

$$\frac{\$21,510,514 \text{ Total Projected Net Infrastructure Cost}}{35,703 \text{ Weighted 2025 Population}} = \textbf{\$602 Cost per Capita}$$

The $602 per capita cost illustrates the amount the City should invest in police infrastructure per person. Again, since the non-residential population does not have the same need for police services, the 33% weighting (based on City zoning) is applied to cost per capita for residents versus non-residential users.

**Table 53: Weighted Cost Per Capita**

| Category | Cost / Capita | Weight Factor | Weighted Cost Per Capita |
|---|---|---|---|
| **Residential** | $602 | 100% | **$602** |
| **Non-Residential** | $602 | 33% | **$198** |

While the residential cost per capita remains at $602, the non-residential cost per capita reduces to $198.

The weighted cost per capita is then multiplied by the density factors outlined in the Projected Growth and Development chapter, resulting in the Police impact fee by category. The following table shows this calculation.

[39] A detailed accounting of the facility costs is included in Appendix E of this report.
[40] A detailed accounting of the equipment costs is included in Appendix E of this report.
[41] Represents the fund balance at the end of FY24-25.

### Table 54: Police Impact Fee Calculation

| Category | Cost Per Capita | Density | Impact Fee |
|---|---|---|---|
| **Residential: Per 1,000 Sq. Ft.** | | | |
| Single Family | $602 | 1.47 | **$885** |
| Multi-Family | $602 | 2.55 | **$1,537** |
| **Non-Residential: Per 1,000 Sq. Ft.** | | | |
| Commercial | $198 | 2.39 | **$474** |
| Office | $198 | 3.12 | **$619** |
| Industrial | $198 | 1.16 | **$230** |

The cost per 1,000 square feet for residential single-family development is $885, multi-family is $1,537, and non-residential development varies from a low of $230 per 1,000 square feet for industrial properties to a high of $619 per 1,000 square feet for offices. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

### Table 55: Police Impact Fee Calculation – Including Administrative Fee

| Category | Impact Fee | Admin % | Impact Fee + Admin Fee Per 1,000 Sq. Ft. | Impact Fee + Admin Fee per Sq. Ft. |
|---|---|---|---|---|
| **Residential** | | | | |
| Single Family | $885 | 2% | $903 | **$0.90** |
| Multi-Family | $1,537 | 2% | $1,568 | **$1.57** |
| **Non-Residential** | | | | |
| Commercial | $474 | 2% | $484 | **$0.48** |
| Office | $619 | 2% | $631 | **$0.63** |
| Industrial | $230 | 2% | $235 | **$0.23** |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Police impact fee to the full cost impact fees and the associated per-unit difference:

### Table 56: Current vs. Full Cost – Police Impact Fee

| Category | Current Impact Fee | Full Cost Impact Fee | Difference |
|---|---|---|---|
| **Residential: Per Sq. Ft.** [42] | | | |
| Single Family | $0.63 | $0.90 | ($0.27) |
| Multi-Family | $0.98 | $1.57 | ($0.59) |

[42] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

| Category | Current Impact Fee | Full Cost Impact Fee | Difference |
|---|---|---|---|
| **Non-Residential: Per Sq. Ft.** | | | |
| **Commercial** | $0.35 | $0.48 | ($0.13) |
| **Office** | $0.46 | $0.63 | ($0.17) |
| **Industrial** | $0.17 | $0.23 | ($0.06) |

All impact fees show an under-recovery, ranging from a low of $0.06 per square foot for industrial to a high of $0.59 per square foot for multi-family developments.

## NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Police Impact fee meets the criteria.

**Table 57: Impact Fee Nexus Criteria – Police**

| Criteria | Meet |
|---|---|
| **Purpose Of Fee** | The purpose of this fee is to upgrade existing Police stations, cover costs of new stations necessary to maintain services levels, and enhance or replace police-specific vehicles and equipment. |
| **Use of Fee Revenue** | Revenue associated with this impact fee is housed in a specific police impact fee fund to help ensure that funds are appropriately accounted for and used to meet the police infrastructure needs of the City's growth. |
| **Benefit Relationship** | The use of the impact fee revenue would be to rehabilitate existing police stations and equipment to accommodate to allow for the most efficient response for service. New residents and employees receive benefits associated with more efficient response times and enhanced equipment. |
| **Impact Relationship** | The addition of new residents and employees would have an impact on the ability of the police services to respond adequately and in an efficient manner. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for responses would be borne by new residents or employees. |
| **Proportionality** | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure. |
| **Capital Improvement Plan** | A capital improvement plan has been adopted to update the City's police facilities and is presented as an appendix. |
| **Level of Service** | The proposed impact fees are based on the existing level of service as they are based on the current standard of the fire infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment. |

| Criteria | Meet |
|---|---|
| Original Nexus Analysis | The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development. |

As the table demonstrates, the City meets all five criteria necessary to continue charging the police development impact fee, as well as the three additional criteria associated with AB602. Additionally, the police impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate police infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's police facilities, as it does not exceed the City's cost of providing fire services to new development.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Police Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

**Table 58: Comparative Survey – Police Impact Fee**

| | Residential | | Commercial (Per Sq. Ft.) | | |
|---|---|---|---|---|---|
| Jurisdiction | Single Family | Multi-Family | Commercial | Office | Industrial |
| **Banning - Current** | **$0.63 per sq. ft** | **$0.98 per sq. ft** | **$0.35** | **$0.46** | **$0.17** |
| **Banning - Full Cost** | **$0.90 per sq. ft.** | **$1.57 per sq. ft.** | **$0.48** | **$0.63** | **$0.23** |
| **Beaumont** | $0.53 per sq. ft. | $0.53 per sq. ft. | $0.27 | $0.36 | $0.12 |
| **Colton** | $1,134 per unit | $863 per unit | $0.28 | $0.4 | $0.10 |
| **Desert Springs** | $427 Detached Dwelling $439 Attached Dwelling | $427 Detached Dwelling $439 Attached Dwelling | $0.11 | $0.11 | $0.09 |
| **Redlands** | $0.52 per sq. ft. | $0.52 per sq. ft. | $0.19 | $2.40 | $2.84 |

Of the surveyed jurisdictions, Palm Desert, Palm Springs, Riverside, and Yucaipa do not assess a police-specific impact fee. The City's current and calculated full-cost residential fees are higher than those of all other jurisdictions that assess fees based on square footage.

With the exception of Redlands' office and industrial fees, Banning's current and calculated full cost commercial fees are higher than those of the surveyed jurisdictions.

# TRAFFIC IMPACT FEE

The City currently administers a traffic impact fee to recover the proportionate costs of traffic infrastructure required to serve new development. To ensure service levels are maintained as the City continues to grow, the current traffic impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of traffic impact fees.

## GROWTH ASSUMPTIONS

The purpose of a Traffic impact fee is to recover the proportionate costs of transportation improvements required to serve new development, including roadway capacity, signalization, intersection upgrades, and various pathways. Transportation demand projections are based on standardized trip generation rates, which measure the number of trips produced by residents, employees, and visitors accessing homes, jobs, services, and commercial destinations. These rates differ by land-use type and reflect each use's relative impact on the transportation network. Applying differentiated trip factors ensures that development contributes its proportional share toward the transportation improvements needed to support growth. Trip generation assumptions used in this analysis are based on the Institute of Transportation Engineers (ITE) Trip Generation Manual, 11th Edition, an industry-standard source. The trip rates are then multiplied by the change in dwelling units per land-use type from 2025 to 2040. These calculations are shown in the table below:

**Table 59: Projected Total Number of Trips Calculation**

| Category | 2025 DU / KSF [43] | 2040 DU / KSF [44] | Difference | Trip Rate | Weighted 2025 DU / KSF | Weighted 2040 DU / KSF | Weighted Difference |
|---|---|---|---|---|---|---|---|
| **Residential** | | | | | | | |
| **Single Family** | 10,224 | 14,775 | 4,551 | 0.99 | 10,122 | 14,627 | 4,505 |
| **Multi-Family** | 2,381 | 16,728 | 14,347 | 0.44 | 1,042 | 7,319 | 6,277 |
| **Total** | **12,605** | **31,503** | **18,898** | | **12,163** | **21,946** | **10,782** |
| **Non-Residential** | | | | | | | |
| **Commercial** | 1,204 | 2,993 | 1,789 | 4.40 | 5,297 | 13,169 | 7,872 |
| **Office** | 2,234 | 1,895 | (339) | 1.44 | 3,216 | 2,729 | (487) |
| **Industrial** | 1,340 | 977 | (363) | 0.70 | 938 | 684 | (254) |
| **Total** | **4,777** | **5,865** | **1,088** | **6.54** | **9,451** | **16,582** | **7,131** |
| | | | **Total Number of Trips** | | **20,615** | **38,528** | **17,913** |

[43] Based on Banning's General Plan.
[44] Based on Banning's General Plan.

The total projected number of trips increasing from 2025 to 2040 is roughly 18,000. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per trip, which serves as the basis for calculating the wastewater impact fee.

## COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in trips, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Traffic impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 60: Total Projected Infrastructure Cost - Traffic**

| | |
|---|---|
| Total Traffic CIP Cost[45] | $91,719,613 |
| **Total Projected Infrastructure Cost** | **$91,719,613** |
| Current Fund Balance[46] | ($2,723,594) |
| **Total Projected Net Infrastructure Cost** | **$88,996,019** |

Over the next 15 years, the City will require approximately $89 million to meet the needs of the City's existing and future population.

The total projected net infrastructure cost is then divided by the weighted total number of trips, resulting in a cost per trip. The calculation is shown below:

**Table 61: Traffic Cost Per Trip Calculation**

$$\frac{\$91,719,613 \text{ Total Projected Net Infrastructure Cost}}{38,528 \text{ \# of 2040 Total Trips}} = \textbf{\$2,310 Cost / Trip}$$

The $2,310 per-trip cost illustrates the amount the City should invest in transportation infrastructure per dwelling unit or KSF.

## IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per trip is $2,310. This is the cost regardless of residential or non-residential development. This value is then multiplied by the trip rate, resulting in the Traffic impact fee. The following table shows this calculation:

[45] A detailed accounting of the capital improvement costs is included in Appendix F of this report.
[46] Represents the fund balance at the end of FY24-25.

**Table 62: Traffic Impact Fee Calculation**

| Category | Cost Per EDU | EDU Factor | Impact Fee |
|---|---|---|---|
| **Residential: Per DWU** | | | |
| Single Family | $2,310 | 0.99 | **$2,287** |
| Multi-Family | $2,310 | 0.44 | **$1,011** |
| **Non-Residential: Per KSF** | | | |
| Commercial | $2,310 | 4.40 | **$10,164** |
| Office | $2,310 | 1.44 | **$3,326** |
| Industrial | $2,310 | 0.70 | **$1,617** |

The cost per dwelling unit for residential single-family development is $12,287, multi-family is $1,011, and non-residential development varies from a low of $1,617 per 1,000 square feet for industrial properties to a high of $10,164 per 1,000 square feet for commercial development. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

**Table 63: Traffic Impact Fee Calculation – Including Administrative Fee**

| Category | Impact Fee | Admin % | Impact Fee + Admin Fee Per DWU or KSF | Impact Fee + Admin Fee per Sq. Ft. |
|---|---|---|---|---|
| **Residential** | | | | |
| Single Family | $2,287 | 2% | $2,333 | **$1.23**[47] |
| Multi-Family | $1,011 | 2% | $1,031 | **$1.03**[48] |
| **Non-Residential** | | | | |
| Commercial | $10,164 | 2% | $10,367 | **$10.37** |
| Office | $3,326 | 2% | $3,393 | **$3.39** |
| Industrial | $1,617 | 2% | $1,649 | **$1.65** |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The City's current traffic impact fees were calculated for every possible type of land use that could exist at a super granular level. To be consistent with other impact fees, the City is proposing to streamline the traffic impact fee to be based on the more general land use type. Therefore, the values in the table above reflect the maximum justifiable traffic impact fee.

## NEXUS CRITERIA

As discussed in the legal framework section, in order for an impact fee to be implemented, it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Traffic Impact fee meets the criteria.

[47] The average square footage of a SFR unit (1,900 sq. ft.) in Banning was used to convert from DU to square footage.
[48] The average square footage of a MFR unit (1,000 sq. ft.) in Banning was used to convert from DU to square footage.

**Table 64: Impact Fee Nexus Criteria – Traffic**

| Criteria | Meet |
|---|---|
| **Purpose Of Fee** | The purpose of the fee is to upgrade existing transportation measures or fund the construction of new transportation measures based upon the projected increase in development within the City. |
| **Use of Fee Revenue** | Revenue associated with this impact fee is housed in a specific traffic impact fee fund to help ensure that funds are appropriately accounted for and used to meet the traffic infrastructure needs of the City's growth. |
| **Benefit Relationship** | The use of the impact fee revenue would be to enhance, upgrade, or expand existing and future transportation infrastructure. New residents and employees receive benefit from these transportation project improvements. The residential and commercial service population increase is directly applicable to square footage per development. |
| **Impact Relationship** | The addition of new residents and employees would have an impact on the ability of the city's existing transportation system to the increase in need. Therefore, the cost associated with adding additional or improving existing transportation infrastructure would be proportionately borne by new residents or employees. |
| **Proportionality** | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure. |
| **Capital Improvement Plan** | A capital improvement plan has been adopted to update the City's fire facilities and is presented as an appendix. |
| **Level of Service** | The proposed impact fees are based on the existing level of service as they are based on the trips servicing both existing and future population. Future population / growth is calculated based on their proportional need for the infrastructure. |
| **Original Nexus Analysis** | The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development. |

As the table demonstrates, the City meets all five criteria necessary to continue charging the traffic development impact fee, as well as the three additional criteria associated with AB602. Additionally, the traffic impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate traffic infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's transportation systems, as it does not exceed the City's cost of providing transportation services to new development.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Traffic Impact Fee. The following table compares the City's current fee and full cost to other jurisdictions in the region:

### Table 65: Comparative Survey – Traffic

| Jurisdiction | Residential | | Commercial (per sq. ft.) | | |
|---|---|---|---|---|---|
| | Single Family | Multi-Family | Commercial | Office | Industrial |
| **Banning - Current** | **Varies** | **Varies** | **Varies** | **Varies** | **Varies** |
| **Banning - Full Cost** | **$1.23 per sq. ft.** | **$1.03 per sq. ft.** | **$10.37** | **$3.39** | **$1.65** |
| **Beaumont** | $1.66 per sq. ft. | $1.66 per sq. ft. | $10.70 | $6.02 | $2.82 - $0.54[49] |
| **Colton** | $1,623 per DWU | $1,236 per DWU | $0.40 | $0.68 | $0.15 |
| **Redlands** | $1.40 per sq. ft. | $1.40 per sq. ft. | $7.15 | $4.31 | $2.73 |
| **Riverside** | $525 per DWU | $420 per DWU | N/A | N/A | N/A |
| **Yucaipa** | $4.88 per sq. ft. | $4.88 per sq. ft. | $4.12 | $4.12 | $4.71 |

Of the surveyed jurisdictions, Desert Springs and Palm Springs do not assess a traffic-specific impact fee. Coachella Valley Association of Governments (CVAG) administers Palm Desert's traffic impact fee. Since it is a regional fee rather than a Palm Desert-specific fee, it was excluded from this comparison.

The City's calculated full-cost residential fees are lower than those of all other jurisdictions that assess fees based on square footage.

Beaumont's non-residential fees are higher than Banning's calculated full cost. With the exception of commercial rates, Redlands and Yucaipa's fees generally align with Banning's, while Colton's rates are the lowest of the surveyed jurisdictions.

[49] Colton's industrial fees range based on the type of industrial development.

# WASTEWATER IMPACT FEE

The City currently administers a wastewater impact fee to recover the proportionate costs of wastewater infrastructure required to serve new development. These wastewater systems serve both residential and non-residential populations, and future growth will increase demand for wastewater-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current wastewater impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of wastewater impact fees.

## GROWTH ASSUMPTIONS

The purpose of a wastewater impact fee is to recover the proportionate costs associated with the increased demand placed on the wastewater system by new development, which in turn necessitates the enhancement, expansion, or replacement of existing infrastructure. Wastewater impacts are measured through flow generation in gallons per day per acre (GPD/A). Flow estimates are then converted using standardized density factors to determine average daily flow per 1,000 square feet (KSF). This conversion establishes a consistent baseline for comparing flow impacts across land uses and allocating costs proportionally to new development. The following table shows this calculation.

**Table 66: Average Flow Generation per KSF by Land Use Type**

| Category | Flow Generation (GPD / A) | Density[50] | Average Flow Generation / DU or KSF |
|---|---|---|---|
| **Residential** | | | |
| Single Family | 1,020 | 5.00 | 204.00 |
| Multi-Family | 800 | 11.00 | 72.73 |
| **Non-Residential** | | | |
| Commercial | 1,150 | 15.25 | 75.41 |
| Office | 1,150 | 43.56 | 26.40 |
| Industrial | 750 | 26.14 | 28.69 |

Once average flow generation per DU or KSF is established for each land use category, the single-family residential flow rate of 204 gallons per day per dwelling unit is used as the baseline equivalent dwelling unit (EDU), assigned a value of 1.00[51]. All other land use types are then expressed as a proportion of this baseline by dividing their respective flow generation rates by the single-family residential benchmark.

[50] Densities align with values represented in the General Plan and other City documents.
[51] SFR is used as the EDU baseline strictly for normalization purposes; it does not imply a greater impact, only a consistent reference unit for flow comparison.

This proportional conversion ensures that each land use type contributes its fair share of capital costs based on relative wastewater demand. The following table shows these conversions.

**Table 67: EDU Factor Calculation**

| Category | Average Flow Generation / DU or KSF | SFR - Baseline | EDU Factor |
|---|---|---|---|
| **Residential** | | | |
| Single Family | 204.00 | 204.00 | 1.00 |
| Multi-Family | 72.73 | 204.00 | 0.36 |
| **Non-Residential** | | | |
| Commercial | 75.41 | 204.00 | 0.37 |
| Office | 26.40 | 204.00 | 0.13 |
| Industrial | 28.69 | 204.00 | 0.14 |

The above EDU factors are then multiplied by the difference in dwelling units per land use type from 2025 to 2040. These calculations are shown in the table below:

**Table 68: Projected Total Number of EDUs Calculation**

| Category | 2025 DU / KSF [52] | 2040 DU / KSF [53] | Difference | EDU Factor | Weighted 2025 DU / KSF | Weighted 2040 DU / KSF | Weighted Difference |
|---|---|---|---|---|---|---|---|
| **Residential** | | | | | | | |
| Single Family | 10,224 | 14,775 | 4,551 | 1.00 | 10,224 | 14,775 | 4,551 |
| Multi-Family | 2,381 | 16,728 | 14,347 | 0.36 | 849 | 5,964 | 5,115 |
| **Total** | **12,605** | **31,503** | **18,898** | | **11,073** | **20,739** | **9,666** |
| **Non-Residential** | | | | | | | |
| Commercial | 1,204 | 2,993 | 1,789 | 0.37 | 445 | 1,106 | 661 |
| Office | 2,234 | 1,895 | (339) | 0.13 | 289 | 245 | (44) |
| Industrial | 1,340 | 977 | (363) | 0.14 | 188 | 137 | (51) |
| **Total** | **4,777** | **5,865** | **1,088** | | **923** | **1,489** | **567** |
| | | | **Total Number of EDUs** | | **11,995** | **22,228** | **10,232** |

The total projected growth of dwelling units from 2025 to 2040 is roughly 10,000. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per EDU, which serves as the basis for calculating the wastewater impact fee.

## COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in EDUs, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Wastewater impact fee is 15 years (2025 to 2040). Over this period,

[52] Based on Banning's General Plan.
[53] Based on Banning's General Plan.

the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 69: Total Projected Infrastructure Cost - Wastewater**

| | |
|---|---|
| Total Wastewater CIP Cost Allocated to New Development[54] | $132,753,401 |
| **Total Projected Infrastructure Cost** | **$132,753,401** |
| Current Fund Balance[55] | ($10,976,585) |
| **Total Projected Net Infrastructure Cost** | **$121,776,817** |

Over the next 15 years, the City will require approximately $122 million to meet the needs of the City's existing and future population.

The total projected net infrastructure cost is then divided by the weighted growth in EDU, resulting in a cost per EDU. The calculation is shown below:

**Table 70: Wastewater Cost Per EDU Calculation**

$$\frac{\$121,776,817 \text{ Total Projected New Development Cost}}{10,232 \text{ Weighted Growth in EDU}} = \textbf{\$11,901 cost / EDU}$$

The $11,901 per EDU cost illustrates the amount the City should invest in wastewater infrastructure per dwelling unit.

## IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per EDU is $12,888. This is the cost regardless of residential or non-residential development. This value is then multiplied by the EDU factor, resulting in the Wastewater impact fee. The following table shows this calculation:

**Table 71: Wastewater Impact Fee Calculation**

| Category | Cost Per EDU | EDU Factor | Impact Fee |
|---|---|---|---|
| **Residential: Per DWU** | | | |
| **Single Family** | $11,901 | 1.00 | **$11,901** |
| **Multi-Family** | $11,901 | 0.36 | **$4,243** |
| **Non-Residential: Per KSF** | | | |
| **Commercial** | $11,901 | 0.37 | **$4,399** |
| **Office** | $11,901 | 0.13 | **$1,540** |

[54] A detailed accounting of the capital improvement costs is included in Appendix G of this report.
[55] Represents the fund balance at the end of FY24-25.

| | | | |
|---|---|---|---|
| **Industrial** | $11,901 | 0.14 | **$1,674** |

The cost per EDU for residential single-family development is $11,901 , multi-family is $4,243, and non-residential development varies from a low of $1,540 per 1,000 square feet for office properties to a high of $4,399 per 1,000 square feet for commercial development. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

**Table 72: Wastewater Impact Fee Calculation – Including Administrative Fee**

| Category | Impact Fee | Admin % | Impact Fee + Admin Fee Per DWU or KSF | Impact Fee + Admin Fee per Sq. Ft. |
|---|---|---|---|---|
| **Residential** | | | | |
| **Single Family** | $11,901 | 2% | $12,139 | **$6.39**[56] |
| **Multi-Family** | $4,243 | 2% | $4,328 | **$4.33**[57] |
| **Non-Residential** | | | | |
| **Commercial** | $4,399 | 2% | $4,487 | **$4.49** |
| **Office** | $1,540 | 2% | $1,571 | **$1.57** |
| **Industrial** | $1,674 | 2% | $1,707 | **$1.71** |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current Wastewater impact fee to the full cost impact fees and the associated per-unit difference:

**Table 73: Current vs. Full Cost – Wastewater Impact Fee**

| Category | Current Impact Fee[58] | Full Cost Impact Fee | Difference |
|---|---|---|---|
| **Residential: Per Sq. Ft.** | | | |
| **Single Family** | $2.66 | $6.39 | ($3.73) |
| **Multi-Family** | $5.06 | $4.33 | $0.73 |
| **Non-Residential: Per Sq. Ft.** | | | |
| **Commercial** | Varies | $4.49 | N/A |
| **Office** | Varies | $1.57 | N/A |
| **Industrial** | Varies | $1.71 | N/A |

The single-family rate shows an under-recovery of $3.73 per square foot, while the multi-family rate shows an overage of $0.73 per square foot. Currently, the City calculates a different impact fee each

[56] The average square footage of a SFR unit (1,900 sq. ft.) in Banning was used to convert from DU to square footage.
[57] The average square footage of a MFR unit (1,000 sq. ft.) in Banning was used to convert from DU to square footage.
[58] Currently, Banning charges their residential impacts fees based on per dwelling unit. Due to changes in regulations (as outlined in the Legal Framework chapter) residential impact fees must now be calculated based on square footage (similar to the commercial impact fees). To ensure a proper comparison the current fee was converted into a square footage fee utilizing the data outlined in the Projected Growth and Development chapter.

time, depending on the non-residential development. To streamline fee administration, it was proposed to reclassify fees into three categories: commercial, office, and industrial.

## NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Wastewater Impact fee meets the criteria.

**Table 74: Impact Fee Nexus Criteria – Wastewater**

| Criteria | Meet |
|---|---|
| **Purpose Of Fee** | The purpose of this fee is to upgrade existing wastewater systems necessary to maintain services levels and enhance or replace wastewater-specific vehicles and equipment. |
| **Use of Fee Revenue** | Revenue associated with this impact fee is housed in a specific wastewater impact fee fund to help ensure that funds are appropriately accounted for and used to meet the wastewater infrastructure needs of the City's growth. |
| **Benefit Relationship** | The use of the impact fee revenue would be to expand, upgrade, or replace existing wastewater systems and equipment to accommodate increased usage proportional to grow. New residents and employees receive benefits associated safe and reliable wastewater systems. |
| **Impact Relationship** | New development contributes additional wastewater flow to the City's collection and treatment system. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional wear would be borne by new residents or employees. |
| **Proportionality** | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for both residential and commercial properties as the concept is that the larger the space, the greater the population that occupies that space and therefore the greater the impact on the City's infrastructure. |
| **Capital Improvement Plan** | A capital improvement plan has been adopted to update the City's wastewater infrastructure and is presented as an appendix. |
| **Level of Service** | The proposed impact fees are based on the existing level of service as they are based on the current standard of the wastewater infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment. |
| **Original Nexus Analysis** | The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development. |

As the table demonstrates, the City meets all five criteria necessary to continue charging the wastewater development impact fee, as well as the three additional criteria associated with AB602. Additionally, the wastewater impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate wastewater infrastructure to serve the new development, and the fee has been calculated to be

roughly proportionate to the development's impact on the City's wastewater systems, as it does not exceed the City's cost of providing wastewater services to new development.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Wastewater impact fee. The following table compares the City's current fee and full cost to other surveyed jurisdictions in the region:

**Table 75: Comparative Survey – Wastewater**

| | Residential | | Non-Residential (Per Sq. Ft.) | | |
|---|---|---|---|---|---|
| **Jurisdiction** | **Single Family** | **Multi-Family** | **Commercial** | **Office** | **Industrial** |
| **Banning - Current** | **$2.66 per sq. ft** | **$5.06 per sq. ft** | **Varies** | **Varies** | **Varies** |
| **Banning - Full Cost** | **$6.39 per sq. ft.** | **$4.33 per sq. ft.** | **$4.79** | **$1.68** | **$1.82** |
| **Beaumont** | $0.54 per sq. ft. | $0.54 per sq. ft. | $0.25 | $0.39 | $0.38 |
| **Palm Springs** | $1,006 per EDU | $1,006 per EDU | $100 per fixture unit | $100 per fixture unit | $100 per fixture unit |
| **Redlands** | $0.27 per sq. ft. | $0.27 per sq. ft. | $0.45 | $0.45 | $0.48 |

Of the surveyed jurisdictions, Desert Springs, Palm Desert, Riverside, and Yucaipa do not assess a wastewater-specific impact fee.

The City of Colton does assess a combined water & wastewater fee based on meter size. Residential fees are $2,968 for a 3/4-inch meter and $4,956 for a 1-inch meter. Non-residential fees range from a low of $2,968 for a 3/4-inch meter to a high of $333,893 for a 12-inch meter.

The City's current and calculated full-cost residential fees are higher than those of all other jurisdictions that assess fees based on square footage. The City's full cost or commercial fees are much higher than those of the other surveyed jurisdictions. It is important to note that this only reflects the adopted impact fees and does not reflect that many jurisdictions have not reviewed or updated their impact fees in many years.

# WATER IMPACT FEE

The City currently administers a water impact fee to recover the proportionate costs of water infrastructure required to serve new development. These water systems serve both residential and non-residential populations, and future growth will increase demand for water-specific infrastructure. To ensure service levels are maintained as the City continues to grow, the current water impact fee cost components and assumptions were updated through this analysis. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of water impact fees.

## GROWTH ASSUMPTIONS

The purpose of a water impact fee is to recover the proportionate costs associated with the increased demand placed on the water system by new development, which in turn necessitates the enhancement, expansion, or replacement of existing infrastructure. Water impacts are measured through flow generation[59] in gallons per day per acre (GPD/A). Flow estimates are then converted using standardized density factors to determine average daily flow per 1,000 square feet (KSF). This conversion establishes a consistent baseline for comparing flow impacts across land uses and allocating costs proportionally to new development. The following table shows this calculation.

**Table 76: Average Flow Generation per KSF by Land Use Type**

| Category | Flow Generation (GPD / A) | Density[60] | Average Flow Generation / DU or KSF |
|---|---|---|---|
| **Residential** | | | |
| Single Family | 2,300 | 5.00 | 460.00 |
| Multi-Family | 1,553 | 11.00 | 141.14 |
| **Non-Residential** | | | |
| Commercial | 5,300 | 15.25 | 347.54 |
| Office | 5,300 | 43.56 | 121.67 |
| Industrial | 1,700 | 26.14 | 65.03 |

Once average flow generation per DU or KSF is established for each land use category, the single-family residential flow rate of 460 gallons per day per KSF is used as the baseline equivalent dwelling unit (EDU), assigned a value of 1.00[61]. All other land use types are then expressed as a proportion of this baseline by dividing their respective flow generation rates by the single-family residential benchmark. This proportional conversion ensures that each land use type contributes its fair share of capital costs based on relative water demand. The following table shows these conversions.

[59] Flow generation is a term that translates to water demands.
[60] Densities align with values represented in the General Plan and other City documents.
[61] SFR is used as the EDU baseline strictly for normalization purposes; it does not imply a greater impact, only a consistent reference unit for flow comparison.

**Table 77: EDU Factor Calculation**

| Category | Average Flow Generation / KSF | SFR - Baseline | EDU Factor |
|---|---|---|---|
| **Residential** | | | |
| Single Family | 460.00 | 460.00 | 1.00 |
| Multi-Family | 141.14 | 460.00 | 0.31 |
| **Non-Residential** | | | |
| Commercial | 347.54 | 460.00 | 0.76 |
| Office | 121.67 | 460.00 | 0.26 |
| Industrial | 65.03 | 460.00 | 0.14 |

The above EDU factors are then multiplied by the difference in dwelling units per land use type from 2025 to 2040. These calculations are shown in the table below:

**Table 78: Projected Total Number of Trips Calculation**

| Category | 2025 DU / KSF [62] | 2040 DU / KSF [63] | Difference | EDU Factor | Weighted 2025 DU / KSF | Weighted 2040 DU / KSF | Weighted Difference |
|---|---|---|---|---|---|---|---|
| **Residential** | | | | | | | |
| Single Family | 10,224 | 14,775 | 4,551 | 1.00 | 10,224 | 14,775 | 4,551 |
| Multi-Family | 2,381 | 16,728 | 14,347 | 0.31 | 731 | 5,132 | 4,402 |
| **Total** | **12,605** | **31,503** | **18,898** | | **10,955** | **19,907** | **8,953** |
| **Non-Residential** | | | | | | | |
| Commercial | 1,204 | 2,993 | 1,789 | 0.76 | 910 | 2,261 | 1,352 |
| Office | 2,234 | 1,895 | (339) | 0.26 | 591 | 501 | (90) |
| Industrial | 1,340 | 977 | (363) | 0.14 | 189 | 138 | (51) |
| **Total** | **4,777** | **5,865** | **1,088** | | **1,690** | **2,901** | **1,211** |
| | | | **Total Number of EDUs** | | **12,644** | **22,808** | **10,164** |

The total projected growth of equivalent growth factors from 2025 to 2040 is roughly 10,000. This value is divided by the total cost to be apportioned (as outlined in the following section), resulting in the cost per EDU, which serves as the basis for calculating the water impact fee.

## COST COMPONENTS AND ASSUMPTIONS

Based on the projected increase in EDUs, an impact nexus exists for the department's infrastructure needs. The planning horizon for the Water impact fee is 15 years (2025 to 2040). Over this period, the department will need to replace and upgrade infrastructure to maintain its existing level of service. The impact fee calculation applies the system plan method to determine the proportional share attributable to new development. Since future development will benefit from these facilities and equipment, an

[62] Based on Banning's General Plan.
[63] Based on Banning's General Plan.

appropriate portion of the upgrade cost should be allocated to new growth. The following table presents the total projected infrastructure costs, net of existing fund balances, by cost category.

**Table 79: Total Projected Infrastructure Cost - Water**

| | |
|---|---|
| Total Wastewater CIP Cost Attributed to New Development[64] | $190,324,683 |
| **Total Projected Infrastructure Cost** | **$190,324,683** |
| Current Fund Balance[65] | ($3,477,270) |
| **Total Projected Net Infrastructure Cost** | **$186,847,413** |

Over the next 15 years, the City will require approximately $187 million to meet the needs of the City's future population.

The total projected infrastructure cost is then divided by the weighted growth in EDU, resulting in a cost per EDU. The calculation is shown below:

**Table 80: Water Cost Per EDU Calculation**

$$\frac{\$186,847,413 \text{ Total Projected Net Infrastructure Cost}}{10,164 \text{ Weighted Growth in EDU}} = \textbf{\$18,384 cost / EDU}$$

The $18,38 per EDU cost illustrates the amount the City should invest in water infrastructure per dwelling unit.

## IMPACT FEE CALCULATIONS

As the previous section calculated, the total cost per EDU is $18,384. Water impact fees are typically administered based on the size of the water meter. This cost per EDU is then multiplied by a standard water meter equivalency factor[66], resulting in the Water impact fee. The following table shows this calculation:

**Table 81: Water Impact Fee Calculation**

| Meter Size | Cost Per EDU | Water Meter Equivalency Factor | Impact Fee |
|---|---|---|---|
| **3/4"** | $18,384 | 0.60 | **$11,030** |
| **1"** | $18,384 | 1.00 | **$18,384** |
| **1-1/2"** | $18,384 | 2.00 | **$36,767** |
| **2"** | $18,384 | 3.20 | **$58,828** |
| **3"** | $18,384 | 6.00 | **$110,302** |
| **4"** | $18,384 | 10.00 | **$183,836** |
| **6"** | $18,384 | 20.00 | **$367,672** |
| **8"** | $18,384 | 56.00 | **$1,029,482** |

[64] A detailed accounting of the capital improvement costs is included in Appendix H of this report.
[65] Represents the fund balance at the end of FY24-25.
[66] American Water Works Association (AWWA) water meter equivalency factors – M1 Principles of Water Rates, Fees, and Charges 7th Edition.

The cost per meter size ranges from a low of $11,096 for a 3/4-inch meter to a high of $1,035,670 for an 8-inch meter. The 2% administrative fee is applied to the impact fee. The following table shows this calculation.

**Table 82: Water Impact Fee Calculation – Including Administrative Fee**

| Meter Size | Impact Fee | Admin % | Impact Fee + Admin Fee |
|---|---|---|---|
| 3/4" | $11,030 | 2% | **$11,251** |
| 1" | $18,384 | 2% | **$18,751** |
| 1-1/2" | $36,767 | 2% | **$37,503** |
| 2" | $58,828 | 2% | **$60,004** |
| 3" | $110,302 | 2% | **$112,508** |
| 4" | $183,836 | 2% | **$187,513** |
| 6" | $367,672 | 2% | **$375,025** |
| 8" | $1,029,482 | 2% | **$1,050,071** |

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The following table compares the City's current water impact fee to the full cost impact fees and the associated per-unit difference:

**Table 83: Current vs. Full Cost – Water Impact Fee**

| Meter Size | Current Impact Fee | Full Cost Impact Fee | Difference |
|---|---|---|---|
| 3/4" | $5,847 | $11,251 | ($5,404) |
| 1" | $9,744 | $18,751 | ($9,007) |
| 1-1/2" | $19,488 | $37,503 | ($18,015) |
| 2" | $31,181 | $60,004 | ($28,823) |
| 3" | $58,464 | $112,508 | ($54,044) |
| 4" | $97,441 | $187,513 | ($90,072) |
| 6" | N/A | $375,025 | N/A |
| 8" | N/A | $1,050,071 | N/A |

Currently, the City does not charge fees for 6-inch or 8-inch meters; therefore, no comparison is available. All remaining water impact fees under-recover from a low of $5,404 to a high of $90,000.

## NEXUS CRITERIA

As discussed in the legal framework section, for an impact fee to be implemented, it must meet all five nexus criteria established by the Mitigation Fee Act. The following table outlines each criterion point and how the proposed Water Impact fee meets the criteria.

**Table 84: Impact Fee Nexus Criteria – Water**

| Criteria | Meet |
|---|---|
| **Purpose Of Fee** | The purpose of this fee is to upgrade existing water systems necessary to maintain services levels and enhance or replace water -specific vehicles and equipment. |
| **Use of Fee Revenue** | Revenue associated with this impact fee is housed in a specific water impact fee fund to help ensure that funds are appropriately accounted for and used to meet the water infrastructure needs of the City's growth. |
| **Benefit Relationship** | The use of the impact fee revenue would be to expand, upgrade, or replace existing water systems and equipment to accommodate increased usage proportional to grow. New residents and employees receive benefits associated with reliable water systems. |
| **Impact Relationship** | New development contributes additional water distribution through the City's water tanks, mains, and facilities. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional impacts to the system would be borne by new residents or employees. |
| **Proportionality** | The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a meter size basis for both residential and commercial properties as the concept is that the larger the meter size, the greater the population that accesses that system and therefore the greater the impact on the City's infrastructure. |
| **Capital Improvement Plan** | A capital improvement plan has been adopted to update the City's water infrastructure and is presented as an appendix. |
| **Level of Service** | The proposed impact fees are based on the existing level of service as they are based on the current standard of the water infrastructure servicing both existing and future population. Future population / growth is calculated based on their proportional need for the facilities, vehicles and equipment. |
| **Original Nexus Analysis** | The original nexus analysis developed by the City was based on information from 2019, and the City has not increased fees since then. Since the original analysis, costs have significantly increased, and as the fund balance reflects, the City has insufficient funding to meet the needs for future development. |

As the table demonstrates, the City meets all five criteria necessary to continue charging the water development impact fee, as well as the three additional criteria associated with AB602. Additionally, the water impact fee has an essential nexus to the City's land use interest of ensuring that there is adequate water infrastructure to serve the new development, and the fee has been calculated to be roughly proportionate to the development's impact on the City's water systems, as it does not exceed the City's cost of providing water services to new development.

## COMPARATIVE SURVEY

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Water impact fee. Of the surveyed jurisdictions, Beaumont, Desert Springs, Palm Desert, Palm Springs, Riverside, and Yucaipa do not assess a water-specific impact fee.

The City of Redland does assess a water impact fee; however, it's based on land use type. Residential fees are $2.37 per square foot, while non-residential fees range from a low of $190 per 1,000 square feet for Warehousing – Standard and High Cube to a high of $3,139 for Institutional and Health Care.

The City of Colton's impact fees are a combined water & wastewater fee based on meter size. Its rates are lower than Banning's current and full-cost calculations.

# APPENDIX A – ELECTRIC INFRASTRUCTURE COST

The following table provides information on capital improvement costs related to Electric. All information was provided and confirmed by the City of Banning's Public Works Department staff.

| Project Name | Total CIP Cost | Allocated to Existing Development | Allocated to New Development |
|---|---|---|---|
| **Capital Maintenance Projects** | | | |
| Underground Conversion Livingston to Hargrave (Backbone/Fiber loop at Ramsey/Livingston/Alola) | $150,000 | $150,000 | $0 |
| Underground Conductor Replacement Barbour St E/O Hathaway | $275,000 | $275,000 | $0 |
| Underground Conductor Replacement at Mockingbird Lane and Hillside Dr | $750,000 | $750,000 | $0 |
| Underground Conductor Replacement at Westward Ave from 4th St to 8th St | $625,000 | $625,000 | $0 |
| Fiber Extension to Stagecoach Substation (UG and OH) | $360,000 | $360,000 | $0 |
| Midway Substation Upgrades (breaker replacement and SCADA-ready upgrades and future full replacement) | $6,125,000 | $6,125,000 | $0 |
| 34.5 kV/12.47 kV (Cir 77)/fiber UG and OH Extension to Sunset Ave | $2,000,000 | $1,200,000 | $800,000 |
| SoCalGas Reimbursement for Feeder Circuits to Cottonwood Ave | $0 | $0 | $0 |
| Underground Conductor Replacement at Vista Serena Ave | $350,000 | $175,000 | $175,000 |
| Fire Mitigation Tier 2/3 High Threat Area (Various) | $450,000 | $450,000 | $0 |
| Mias Canyon Line Hardening | $2,100,000 | $2,100,000 | $0 |
| 34.5 kV/12.47 kV/fiber Underground Circuits Hathaway St from Williams St to Hoffer St | $2,000,000 | $2,000,000 | $0 |
| 34.5 kV/12.47 kV/fiber Underground Circuits Hathaway St from Lincoln St to John St | $150,000 | $150,000 | $0 |
| Install Two (2) Engineered baseplate pole at Sunset and Lincoln | $850,000 | $850,000 | $0 |
| Install Reclosers on 34.5 kV and 12.47 kV system | $250,000 | $250,000 | $0 |
| Robertson's Ready Mix Circuit Reroute | $425,000 | $425,000 | $0 |
| Sun Lakes Blvd Extension - Electric Relocation | $3,500,000 | $3,500,000 | $0 |
| SCE WDAT Upfront Capital Costs | $500,000 | $0 | $500,000 |
| **Electrical Substation Projects** | | | |
| Ivy Substation (15 MVA) (FY 2022) | $5,585,429 | $5,585,429 | $0 |
| Stagecoach Substation (10MVA) (FY 2023) | $4,192,813 | $4,192,813 | $0 |
| San Gorgonio Substation (20 MVA) (FY 2024) | $6,275,426 | $6,275,426 | $0 |
| Smith Creek Substation (40 MVA) (FY TBD) | $14,000,000 | $7,000,000 | $7,000,000 |
| Banning Substation Upgrade (WDAT) (FY 27-28) | $16,000,000 | $0 | $16,000,000 |
| **Total CIP Costs** | **$41,843,168** | **$40,368,168** | **$24,475,000** |

# APPENDIX B – FIRE INFRASTRUCTURE COST

The following tables provide information on facility and equipment costs related to Fire. All information was provided and confirmed by the City of Banning's Fire Department staff.

| Category | Quantity (sq. ft.) | Cost / Sq. Ft. | Total Cost |
|---|---|---|---|
| **Facilities Inventory** | | | |
| Fire Station (89) No.1 - 172 N Murray Street | 6,000 | $620 | $3,722,885 |
| Fire Station No. 20 - 1550 E 6th Street | - | $620 | $0 |
| Fire Station - 5261 W. Wilson | 9,190 | $620 | $5,702,218 |
| Fire Services/ Fire Chief - 3900 W Wilson Street | 4,544 | $620 | $2,819,465 |
| New Fire Station (located south of the freeway) | | | $15,000,000 |
| **Total Facility Cost** | | | **$27,244,568** |

| Category | Count | Purchase Cost | Total Value |
|---|---|---|---|
| **Equipment Inventory** | | | |
| 2005 Smeal Custom Multi Function Engine | 1 | $2,800,000 | $2,800,000 |
| 2005 Smeal Gen 1 Pumper | 1 | $1,700,000 | $1,700,000 |
| 2025 Ford Escape Fire Marshal Vehicle | 1 | $23,405 | $23,405 |
| 2020 Range SC Ford Inspector Vehicle | 1 | $25,017 | $25,017 |
| **Total Equipment Cost** | | | **$4,548,421** |

# APPENDIX C – GENERAL FACILITIES INFRASTRUCTURE COST

The following tables provide information on facility and equipment costs related to General Facilities. All information was provided and confirmed by the City of Banning's Public Works Department staff.

| Category | Quantity (sq. ft.) | Cost / Sq. Ft. | Total Cost |
|---|---|---|---|
| **Facilities Inventory** | | | |
| City Hall - 99 E Ramsey St | 21,500 | $400 | $8,600,000 |
| Animal Shelter - 2242 E Charles St | 5,143 | $400 | $2,057,200 |
| Corporation Yard - 176 E Lincoln St | 6,400 | $400 | $2,560,000 |
| Corporation Yard - Warehouse | 26,200 | $400 | $10,480,000 |
| Corporation Yard - Fleet Garage | 9,242 | $400 | $3,696,800 |
| Chamber of Commerce Bld 58 E. Ramsey | 3,333 | $400 | $1,333,200 |
| **Total Facility Cost** | | | **$28,727,200** |

| Category | Count | Purchase Cost | Total Value |
|---|---|---|---|
| **Equipment Inventory** | | | |
| Ford F-250 w/ equipment rack and tool boxes (2) | 2 | $55,000 | $94,800 |
| F-550 Super Duty Aerial Boom Lift | 1 | | $128,000 |
| John Deere Ride of Mower | 1 | | $15,500 |
| John Deere Flair Mower | 1 | | $12,300 |
| Miller Tow Behind Welder | 1 | | $66,300 |
| 14' Utility Trailer | 1 | | $4,000 |
| **Total Equipment Cost** | | | **$320,900** |

# APPENDIX D – PARKS INFRASTRUCTURE COST

The following tables provide information on capital improvement, facilities, and equipment costs related to Parks. All information was provided and confirmed by the City of Banning's Public Works and Parks Department staff.

| Category | Total Value |
|---|---|
| **Park Improvements** | |
| Roosevelt Williams Park | $556,200 |
| **Budgeted in FY 2026** | |
| Replacement Playground - Repplier Park | $150,000 |
| Replacement Playground - Sylvan Park | $150,000 |
| Enclosed Skidsteer with bucket & Auger | $70,000 |
| Irrigation System replacement& Fencing project - Non-potable Lions Park | $1,012,000 |
| **Budget for FY 2027** | |
| Sylvan Restroom demo and Replacement | $450,000 |
| Lion's Park Playground replacement | $200,000 |
| Ray Pak - Commercial Pool Heaters (Two) | $70,000 |
| **Total Improvement Cost** | **$2,658,200** |

| Category | Quantity (sq. ft.) | Cost / Sq. Ft. | Total Value |
|---|---|---|---|
| **Facilities Inventory** | | | |
| Community Center / Gym - 769 N San Gorgonio Ave | 12,046 | $400 | $4,818,400 |
| Senior Center - 769 N San Gorgonio Ave | 6,029 | $400 | $2,411,600 |
| Aquatics Center - 749 N San Gorgonio Ave | 5,697 | $400 | $2,278,800 |
| Lions Park Concessions Building | 1,350 | $400 | $540,000 |
| Roosevelt Williams Park Recreation Center | 2,215 | $400 | $886,000 |
| Repplier Park Amphitheatre Bldg - 769 N. San Gorgonio | 3,200 | $400 | $1,280,000 |
| Dysart Park Offices | 2,200 | $400 | $880,000 |
| Armory | 10,800 | $400 | $4,320,000 |
| **Total Facility Cost** | | | **$17,414,800** |

| Category | Count | Purchase Cost | Total Value |
|---|---|---|---|
| **Equipment Inventory** | | | |
| Black Widow Arena Groomer | 1 | $12,200 | $12,200 |
| MDF 440 Drinking Fountains - 10 | 10 | $34,550 | $345,500 |
| 200 Gal Tow Behind Commercial Sprayer | 1 | $13,900 | $13,900 |
| Alkota Trailer Mounted Pressure Washer | 1 | $14,325 | $14,325 |
| **Total Equipment Cost** | | | **385,925** |

# APPENDIX E – POLICE INFRASTRUCTURE COST

The following tables provide information on facilities and equipment costs related to Police. All information was provided and confirmed by the City of Banning's Police Department staff.

| Category | Quantity (sq. ft.) | Cost / Sq. Ft. | Total Cost |
|---|---|---|---|
| **Facilities Inventory** | | | |
| 125 E. Ramsey Street - PD Station | 30,000 | $620 | $18,614,423 |
| **Total Facility Cost** | | | **$18,614,423** |

| Category | Count | Purchase Cost | Total Value |
|---|---|---|---|
| **Equipment Inventory** | | | |
| Motorola APX NEXT radios (50) | 50 | | $500,000 |
| Getac BC02 Body Worn Cameras (40) | 40 | | $28,000 |
| Unit 52 2006 Ford E350 Motorhome (Mobile Command Center) | 1 | $200,000 | $300,000 |
| Unit 15 1992 Ford F700 Armored Vehicle | 1 | $10,000 | $250,000 |
| Unit 25 2003 Ford E350 Box Van (Evidence Van) | 1 | $10,000 | $75,000 |
| Unit 26 2004 Ford F250 4x4 | 1 | $60,000 | $67,500 |
| Unit 80 2021 Ford F250 (ACO Truck) | 1 | $60,000 | $67,500 |
| Unit 81 2015 Ford F350 (ACO Truck) | 1 | $30,000 | $67,500 |
| Unit 02 2023 HDK Forester 4 Golf Cart | 1 | $9,000 | $14,000 |
| 1996 E-Z Go Golf Cart (x2) | 2 | $2,500 | $28,000 |
| 2015 Ford Fusion (x2) | 2 | $8,000 | $54,000 |
| 2018 Ford Fusion (x2) | 2 | $15,000 | $54,000 |
| Unit 16 2006 Ford Expedition | 1 | $8,000 | $66,000 |
| Unit 46 2017 Ford Taurus | 1 | $10,000 | $32,000 |
| 2024 Ford Explorer Admin Units (x2) | 2 | | $88,000 |
| Unit 47 2024 Chevrolet Silverado Admin | 1 | $58,595 | $48,500 |
| 2020 (1) & 2023 Chevrolet Tahoe (13) (14 total units) | 14 | | $882,000 |
| Unit 13 2020 Kia Sorento | 1 | $20,000 | $37,000 |
| Unit 21 2024 Chevrolet Blazer | 1 | $52,116 | $40,000 |
| Unit 23 2025 Chevrolet Traverse | 1 | $51,919 | $43,500 |
| 2024 Ford F150 (x3) | 3 | | $202,500 |
| 2017 & 2020 Ford Explorer Police Interceptor(x10) | 10 | | $560,000 |
| Unit 39 2015 Ford Taurus | 1 | $25,000 | $32,000 |
| 2018 Ford Taurus (x3) | 3 | | $96,000 |
| BMW R1200RTP Motorcycles (x3) | 3 | $4,500 | $78,000 |
| Unit 40 2024 Ford Escape | 1 | | $34,000 |
| Mobile Speed Trailer | 1 | | $11,500 |
| **Total Equipment Cost** | | | **$3,756,500** |

# APPENDIX F – TRAFFIC INFRASTRUCTURE COST

The following table provides information on capital improvement costs related to Traffic. All information was provided and confirmed by the City of Banning's Public Works Department staff.

| Project Name | 2025 Total Cost |
|---|---|
| Int: 1 Highland Springs Avenue/16th Street-Cougar Way | $2,490,094 |
| Int: 2 Highland Springs Avenue/F Street | $1,649,243 |
| Int: 6 Highland Springs Avenue/Ramsey Street | $699,012 |
| Int: 9 Highland Springs Avenue/Sun Lakes Boulevard | $809,312 |
| Int: 10 Highland Springs Avenue/Potrero Boulevard | $364,699 |
| Int: 12 Highland Home Road/Beaumont Road-G Street | $3,538,969 |
| Int: 13 Highland Home Road/F Street | $3,101,067 |
| Int: 14 Highland Home Road/D Street | $2,681,517 |
| Int: 16 Highland Home Road/Ramsey Street | $492,344 |
| Int: 17 Highland Home Road/Sun Lakes Boulevard–Westward Avenue | $3,181,943 |
| Int: 18 Sunset Avenue/Wilson Street | $2,944,786 |
| Int: 19 Sunset Avenue/Ramsey Street | $1,380,051 |
| Int: 20 Sunset Avenue/I-10 Westbound Ramps | $232,561 |
| Int: 21 Sunset Avenue/I-10 Eastbound Ramps | $788,042 |
| Int: 24 Sunrise Avenue/Wilson Street | $685,430 |
| Int: 25 16th St/Wilson Street | $884,790 |
| Int: 26 8th St/Wilson Street | $890,596 |
| Int: 27 8th St/Ramsey Street | $336,151 |
| Int: 28 8th St/I-10 Westbound Ramps | $867,984 |
| Int: 29 8th St/I-10 Eastbound Ramps | $1,809,944 |
| Int: 30 8th Street/Lincoln Street | $3,582,893 |
| Int: 31 4th St/Wilson Street | $364,699 |
| Int: 32 San Gorgonio Avenue/Wilson Street | $1,012,843 |
| Int: 33 Hargrave Street/Ramsey Street | $2,362,201 |
| Int: 34 Hargrave Street/I-10 Westbound Ramps | $1,056,125 |
| Int: 35 Hargrave Street/I-10 Eastbound Ramps | $1,163,566 |
| Int: 36 Hargrave Street/Lincoln Street | $3,112,154 |
| I-10/Highland Springs Avenue Interchange | $49,236,594 |
| **Total Improvement Cost** | **$91,719,613** |

# APPENDIX G – WASTEWATER INFRASTRUCTURE COST

The following table provides information on capital improvement costs related to Wastewater. All information was provided and confirmed by the City of Banning's Public Works Department staff.

| Project Name | Total CIP Cost[67] | Allocated to Existing Development[68] | Allocated to New Development[69] |
|---|---|---|---|
| **Gravity Mains** | | | |
| WWGM-1 Gravity Main along Williams Street | $434,722 | $434,722 | $0 |
| WWGM-2 Northern Segment of Gravity Main along Hathaway Street | $459,521 | $459,521 | $0 |
| WWGM-3A Casing Under I-10 | $665,212 | $665,212 | $0 |
| WWGM-3B Gravity Main along Hathaway Street | $1,522,984 | $1,522,984 | $0 |
| WWGM-4 Gravity Main along Ramsey Street | $459,521 | $459,521 | $0 |
| WWGM-5 Gravity Main along Charles Street | $688,552 | $688,552 | $0 |
| WWGM-6 Gravity Main along Livingston Street | $459,521 | $459,521 | $0 |
| WWGM-7 Gravity Main along Fourth Street | $229,031 | $229,031 | $0 |
| WWGM-8 Gravity Main along Charles Street | $688,552 | $495,991 | $192,561 |
| WWGM-9 Gravity Main along Porter Street | $465,356 | $186,726 | $278,630 |
| WWGM-10 Gravity Main along Porter Street | $3,838,095 | $1,150,991 | $2,687,104 |
| WWGM-11 Gravity Main, Porter Street to WWTP | $2,248,006 | $697,305 | $1,550,701 |
| WWGM-12 Gravity Main south of Charles Street to WWTP | $344,276 | $131,292 | $212,984 |
| WWGM-13 Gravity Main along Wilson Street | $211,526 | $175,056 | $36,470 |
| **New Service Related Improvements** | | | |
| **Gravity Mains** | | | |
| WWGM-15 Butterfield-Loma Linda Offsite Trunk | $1,269,154 | $0 | $1,269,154 |
| WWGM-16 Westward Lift Station Bypass | $1,088,263 | $468,274 | $619,989 |
| WWGM-17 RSG Main Trunk | $9,593,050 | $0 | $9,593,050 |
| WWGM-18 Gravity Main along Wilson Street | $846,102 | $0 | $846,102 |
| WWGM-19 Gravity Main for RMG | $634,577 | $0 | $634,577 |
| WWGM-20 Gravity Main along Lincoln Street | $42,305 | $0 | $42,305 |
| WWGM-21 Gravity Main along Cottonwood Road | $1,692,205 | $0 | $1,692,205 |
| WWGM-22 Gravity Main along Fountain Street | $2,326,782 | $0 | $2,326,782 |
| WWGM-23 Gravity Main along Longhorn Road | $8,462,483 | $0 | $8,462,483 |
| WWGM-24 Gravity Main along Bobcat Road | $3,215,189 | $0 | $3,215,189 |
| WWGM-25 Gravity Main along Sunset Avenue | $11,256,079 | $0 | $11,256,079 |
| WWGM-26 Gravity Main along Westward Avenue | $1,269,154 | $0 | $1,269,154 |
| WWGM-27 Gravity Main along Mias Canyon Road and Bluff Street | $5,289,599 | $0 | $5,289,599 |

[67] Represents the estimated CIP costs at 2025 prices.
[68] Represents the costs already identified to existing development, so that it is not factored into future development allocations.
[69] Represents the costs of projects assigned / associated with new development.

| Project Name | Total CIP Cost[67] | Allocated to Existing Development[68] | Allocated to New Development[69] |
|---|---|---|---|
| WWGM-28 Gravity Main along Florida Street | $634,577 | $0 | $634,577 |
| WWGM-29 Gravity Main along Almond and Blanchard Street | $634,577 | $0 | $634,577 |
| WWGM-30 Casing for Gravity Main Crossing I-10 | $1,245,813 | $0 | $1,245,813 |
| WWGM-31 Gravity Main along Lincoln Street | $1,269,154 | $0 | $1,269,154 |
| WWGM-32 Gravity Main along Ramsey Street | $634,577 | $0 | $634,577 |
| **Force Mains** | | | |
| WWFM-2 Force Main along Westward Avenue | $1,692,205 | $0 | $1,692,205 |
| WWFM-3 Force Main along Porter Street | $1,903,730 | $0 | $1,903,730 |
| WWFM-4 Force Main along Roadrunner Trail | $423,051 | $0 | $423,051 |
| WWFM-5 Force Main Creek Crossing | $423,051 | $0 | $423,051 |
| **Lift Stations** | | | |
| WWLS-2 Distribution Center Lift Station | $3,787,038 | $0 | $3,787,038 |
| WWLS-3 Business Park Lift Station | $2,131,303 | $0 | $2,131,303 |
| WWLS-4 Porter Street Lift Station | $1,569,666 | $0 | $1,569,666 |
| WWLS-5 Roadrunner Trail Lift Station | $1,787,027 | $0 | $1,787,027 |
| WWLS-6 Bluff Street Lift Station | $1,859,966 | $0 | $1,859,966 |
| **Rehabilitation and Replacement Projects** | | | |
| **Gravity Mains** | | | |
| WWRR-1 Annual Sewer Replacement | $4,784,855 | $4,784,855 | $0 |
| **Lift Stations** | | | |
| WWRR-2 Caltrans Lift Station Site Improvements | $215,902 | $58,352 | $157,550 |
| WWRR-3 Westward Lift Station Site Improvements | $125,457 | $125,457 | $0 |
| **Treatment Plant Related Improvements** | | | |
| WWTP-1 Digestor Cleaning | $218,820 | $218,820 | $0 |
| WWTP-2 Heat Exchanger Repairs | $87,528 | $87,528 | $0 |
| WWTP-3 Boiler Gas Control Valves | $116,704 | $116,704 | $0 |
| WWTP-4 Digestor Gas Pipeline | $43,764 | $43,764 | $0 |
| WWTP-5 WWTP Upgrade | $75,000,000 | $13,875,000 | $61,125,000 |
| **Total Costs** | **$170,288,578** | **$27,535,177** | **$132,753,401** |

# APPENDIX H – WATER INFRASTRUCTURE

The following table provides information on capital improvement costs related to Water. All information was provided and confirmed by the City of Banning's Public Works Department staff.

| Project Name | Total CIP Cost[70] | Allocated to Existing Development[71] | Allocated to New Development[72] |
|---|---|---|---|
| **Potable Water Facilities** | | | |
| **Pipelines** | | | |
| PWP-1 New Transmission Main for Proposed Lower Main Well C-9 | $603,942 | $0 | $603,942 |
| PWP-2 New Transmission Main for Upper Main Reservoir 1 (RSG) | $7,466,124 | $5,897,917 | $1,568,207 |
| PWP-4 New Transmission Main for Proposed Development in Main Zone (RSG | $12,090,511 | $0 | $12,090,511 |
| PWP-6 New Transmission Main from Mountain Booster PS to Existing Mounta | $2,115,256 | $0 | $2,115,256 |
| PWP-7 New Transmission Main for Proposed Development in Mountain North | $2,720,657 | $0 | $2,720,657 |
| PWP-8 New Transmission Main for Proposed Upper Main Well C-10 | $603,942 | $0 | $603,942 |
| PWP-9 New Transmission Main for Mountain North Reservoir 1 & PS (Butterfie | $5,893,541 | $2,828,608 | $3,064,933 |
| PWP-10 New Transmission Main for Upper Main Reservoir 2 | $574,766 | $0 | $574,766 |
| PWP-11 New Transmission Main for Proposed Development in Upper Butterfield (Zone1) | $603,942 | $0 | $603,942 |
| PWP-12 New Transmission Main for Proposed Upper Butterfield Reservoir (Butte (Zone 1) | $2,720,657 | $0 | $2,720,657 |
| PWP-13 Water Canyon Pipe Phase 2 (City's Existing CIP) | $4,741,091 | $4,741,091 | $0 |
| PWP-14 New Transmission Main for Proposed Upper Main Well C-10 | $1,209,343 | $0 | $1,209,343 |
| PWP-15 New Transmission Main for Proposed Foothill West Well C-8 | $603,942 | $0 | $603,942 |
| PWP-16 New Transmission Main for Proposed Upper Main Well C-12 | $603,942 | $0 | $603,942 |
| PWP-17 New Transmission Main for Foothill West Reservior 2 | $4,533,942 | $0 | $4,533,942 |
| PWP-18 New Transmission Main for Upper Main Reservoir 3 | $6,045,256 | $0 | $6,045,256 |
| PWP-20 New Transmission Main for (Lorna) Loma Linda Reservoir 1 & PS | $4,533,942 | $0 | $4,533,942 |
| **Booster Pump Stations** | | | |
| PWPU-1.a Upgrade Existing Mountain Booster Pump Station | $3,282,294 | $3,282,294 | $0 |

[70] Represents the estimated CIP costs at 2025 prices.
[71] Represents the costs already identified to existing development, so that it is not factored into future development allocations.
[72] Represents the costs of projects assigned / associated with new development.

| Project Name | Total CIP Cost[70] | Allocated to Existing Development[71] | Allocated to New Development[72] |
|---|---|---|---|
| PWPU-1.b Demolish Existing Mountain Booster Pump Station | $242,160 | $242,160 | $0 |
| PWPU-2 New Foothill West Pump Station | $4,500,000 | $0 | $4,500,000 |
| PWPU-3 New Mountain 2 Booster Pump Station | $2,340,000 | $1,123,200 | $1,216,800 |
| PWPU-5 Add VFD to Well C-5 | $0 | $0 | $0 |
| PWPU-6 New Upper Butterfield Zone Pump Station (Zone 1) | $4,000,000 | $0 | $4,000,000 |
| PWPU-7 New Loma Linda Pump Station | $4,500,000 | $0 | $4,500,000 |
| **Storage** | | | |
| PWS-1 Proposed Upper Main Reservoir 1 | $19,343,651 | $15,280,901 | $4,062,750 |
| PWS-3 Proposed Mountain North Reservoir 1 | $8,160,512 | $3,916,870 | $4,243,641 |
| PWS-4 Proposed Upper Main Reservoir 2 | $19,343,651 | $0 | $19,343,651 |
| PWS-5 Proposed Upper Butterfield Reservoir (Zone 1) | $5,439,855 | $0 | $5,439,855 |
| PWS-6 Proposed Foothill West Reservoir 2 | $8,160,512 | $0 | $8,160,512 |
| PWS-7 Proposed Upper Main Reservoir 3 | $38,083,360 | $0 | $38,083,360 |
| PWS-9 Proposed Loma (Lorna) Linda Reservoir 1 | $5,439,855 | $0 | $5,439,855 |
| **Wells** | | | |
| PWW-1 Proposed Main Zone Well C-9 | $4,992,004 | $0 | $4,992,004 |
| PWW-2 Convert Well M-7 to Supply the Upper Main Pressure Zone | $278,630 | $0 | $278,630 |
| PWW-3 Convert Well M-'12 to Supply the Upper Main Pressure Zone | $278,630 | $0 | $278,630 |
| PWW-4 Proposed Upper Main Well C-10 | $6,202,806 | $0 | $6,202,806 |
| PWW-5 Proposed Upper Main Well C-11 | $6,201,347 | $0 | $6,201,347 |
| PWW-7 Proposed Upper Main Well C-12 | $6,201,347 | $0 | $6,201,347 |
| **Valves** | | | |
| PWV-2 New Pressure Reducing Valve for Rancho San Gorgonio | $497,450 | $0 | $497,450 |
| PWV-3 Foothill West to Upper Main Zone Pressure Reducing Station | $993,441 | $0 | $993,441 |
| PWV-4 C2 PRVs'I& 2 | $993,441 | $0 | $993,441 |
| PWRZ-1 New Pressure Reducing Valves for Re-Zoning | $4,994,922 | $4,994,922 | $0 |
| **Wateryard** | | | |
| Wateryard | $5,403,822 | $2,437,796 | $2,966,026 |
| **Recycled Water Facilities** | | | |
| **Pipelines** | | | |
| RWP-3 Banning High School Lateral | $750,000 | $0 | $750,000 |
| RWP-4 Rancho San Gorgonio Lateral | $301,971 | $0 | $301,971 |
| RWP-5 Neighborhood Park Lateral | $211,526 | $0 | $211,526 |
| RWP-6 Dysart Park Lateral | $1,480,679 | $0 | $1,480,679 |
| RWP-7 Five Bridges Development Lateral | $290,301 | $0 | $290,301 |
| RWP-9 Five Bridges Basin Pipeline | $2,393,886 | $1,076,592 | $1,317,294 |
| RWP-10 WWTP Basin Pipeline | $797,962 | $358,864 | $439,098 |
| **Valves** | | | |

| Project Name | Total CIP Cost[70] | Allocated to Existing Development[71] | Allocated to New Development[72] |
|---|---|---|---|
| RWV-1 BCVWD Co-Owned Wells and Interconnect Buildings (2) | $8,000,000 | $0 | $8,000,000 |
| **Other** | | | |
| RWO-1 Five Bridges Site Improvements | $4,659,398 | $4,659,398 | $0 |
| RWO-2 WWTP Basin Site Improvements | $599,566 | $599,566 | $0 |
| RWO-3 Hydrogeological Study | $218,820 | $218,820 | $0 |
| RWO-4 Monitoring Wells and Lysimeters | $4,353,051 | $4,353,051 | $0 |
| RWO-5 404 Permitting | $291,759 | $291,759 | $0 |
| RWO-6 Recycled Water Master Plan Update | $194,020 | $194,020 | $0 |
| Title 22 Improvements | $4,741,091 | $0 | $4,741,091 |
| **Total Costs** | **$246,822,511** | **$56,497,829** | **$190,324,683** |