CITY OF GRAND TERRACE

City Council
AGENDA ● January 13, 2026

Council Chambers | **Regular Meeting** | **6:00 PM**

Grand Terrace Civic Center ● 22795 Barton Road

COMMENTS FROM THE PUBLIC

The public is encouraged to address the City Council on any matter posted on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete a Request to Speak card located at the front entrance and provide it to the City Clerk. Speakers will be called upon by the Mayor at the appropriate time and each person is allowed three (3) minutes speaking time.

The City wants you to know that you can also submit your comments by email to ccpubliccomment@grandterrace-ca.gov. To give the City Clerk adequate time to print out your comments for consideration at the meeting, please submit your written comments prior to 5:00 p.m.; or if you are unable to email, please call the City Clerk's Office at (909) 954-5207 by 5:00 p.m.

If you wish to have your comments read to the City Council during the appropriate Public Comment period, please indicate in the Subject Line "FOR PUBLIC COMMENT" and list the item number you wish to comment on. Comments that you want read to the City Council will be subject to the three (3) minute time limitation (approximately 350 words).

Pursuant to the provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

PLEASE NOTE: Copies of staff reports and supporting documentation pertaining to each item on this agenda are available for public viewing and inspection at City Hall, 1st Floor Lobby Area and 2nd Floor Reception Area during regular business hours and on the City's website www.grandterrace-ca.gov. For further information regarding agenda items, please contact the office of the City Clerk at (909) 954-5207, or via e-mail at dalcocer@grandterrace-ca.gov.

Any documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's office at City Hall located at 22795 Barton Road during normal business hours. In addition, such documents will be posted on the City's website at www.grandterrace-ca.gov.

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office, (909) 954-5207 at least 48 hours prior to the advertised starting time of the meeting. This will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible [28 CFR 34.102.104 ADA Title II].

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

AB 2449 DISCLOSURES

Remote participation by a member of the legislative body for just cause or emergency circumstances.

ROLL CALL

A. REORDERING OF, ADDITIONS TO, OR REMOVAL OF ITEMS FROM THE AGENDA

B. PUBLIC COMMENT

This is the opportunity for members of the public to comment on any items not appearing on the regular agenda. Because of restrictions contained in California Law, the City Council may not discuss or act on any item not on the agenda, but may briefly respond to statements made or ask a question for clarification. The Mayor may also request a brief response from staff to questions raised during public comment or may request a matter be agendized for a future meeting.

C. SPECIAL PRESENTATIONS - NONE

D. CONSENT CALENDAR

The following Consent Calendar items are expected to be routine and noncontroversial. They will be acted upon by the City Council at one time without discussion. Any Council Member, Staff Member, or Citizen may request removal of an item from the Consent calendar for discussion.

1) Waive Full Reading of, and Direct the City Attorney to Read by Title only for, Ordinances on the Agenda

   DEPARTMENT: City Clerk

2) Approval of Minutes - Regular Meeting - December 9, 2025

   DEPARTMENT: City Clerk

3) AB 1600 Annual Report for Fiscal Year 2023–24 and Five-Year Findings for FY 2019–20 through FY 2023–24

   RECOMMENDATION: RECEIVE AND FILE THE AB 1600 ANNUAL REPORT FOR FISCAL YEAR 2023–24 AND THE FIVE-YEAR FINDINGS FOR FISCAL YEARS 2019–20 THROUGH 2023–24, PREPARED PURSUANT TO GOVERNMENT CODE SECTIONS 66006 AND 66001(D)

   DEPARTMENT: Planning & Development Services

4) Award of Professional Services Agreement with Willdan for Gateway Specific Plan Engineering and Project Management Services

RECOMMENDATION: AWARD A PROFESSIONAL SERVICES AGREEMENT TO WILLDAN IN AN AMOUNT NOT TO EXCEED $394,772 FOR ENGINEERING AND PROJECT MANAGEMENT SERVICES RELATED TO THE GATEWAY SPECIFIC PLAN, PHASE 1, FOR A THREE-YEAR TERM WITH TWO OPTIONAL ONE-YEAR EXTENSIONS; AND

AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ANY SUBSEQUENT AMENDMENTS UP TO TEN PERCENT (10%) OF THE CONTRACT AMOUNT, SUBJECT TO CITY ATTORNEY APPROVAL AS TO FORM

DEPARTMENT: Public Works

5) Approve Check #83091 to Mayor Hussey in the amount of $359.85 from the November 2025 Check Register

RECOMMENDATION: APPROVE CHECK #83091 TO MAYOR HUSSEY IN THE AMOUNT OF $359.85 FROM THE NOVEMBER 2025 CHECK REGISTER

DEPARTMENT: Finance

6) Approval of the November-2025 Check Register in the Amount of $321,113.76.

RECOMMENDATION: APPROVE THE CHECK REGISTER NO. 11302025 IN THE AMOUNT OF $321,113.76 AS SUBMITTED, FOR THE MONTH ENDING NOVEMBER 30, 2025

DEPARTMENT: Finance

E. PUBLIC HEARINGS

7) Adoption of the 2025–26 Development Impact Fee Nexus Study, Updated Development Impact Fees, and Introduction of an Ordinance Amending Section 4.80.010 of the Grand Terrace Municipal Code

RECOMMENDATION: ADOPT A RESOLUTION ADOPTING THE 2025–26 DEVELOPMENT IMPACT FEE (DIF) NEXUS STUDY AND ESTABLISHING UPDATED DEVELOPMENT IMPACT FEES AT OR BELOW THE MAXIMUM AMOUNTS JUSTIFIED IN THE STUDY, INCLUDING A NEW LAW ENFORCEMENT (COUNTY SHERIFF) FACILITIES FEE COMPONENT; AND

INTRODUCE AND WAIVE THE FIRST READING OF AN ORDINANCE AMENDING SECTION 4.80.010 OF THE GRAND TERRACE MUNICIPAL CODE TO REMOVE OBSOLETE FEE AMOUNTS AND PROVIDE THAT DEVELOPMENT IMPACT FEE SCHEDULES UNDER CHAPTER 4.80 SHALL BE ESTABLISHED BY CITY COUNCIL RESOLUTION

DEPARTMENT: Planning & Development Services

F. UNFINISHED BUSINESS - NONE

G. NEW BUSINESS - NONE

H. FUTURE AGENDA ITEMS

At this time, the City Council may propose items for discussion and/or action at a future duly agendized City Council meeting. A consensus of a majority of the quorum is required to place an item on a future agenda.

I. CITY COUNCIL COMMUNICATIONS

Council Member Matt Brown
Council Member Jeff Allen
Council Member Doug Wilson
Mayor Pro Tem Michelle Sabino
Mayor Bill Hussey

J. CITY MANAGER COMMUNICATIONS

K. CLOSED SESSION - NONE

L. ADJOURN

The next Regular City Council Meeting will be held on January 27, 2026, at 6:00 PM. Any request to have an item placed on a future agenda must be made in writing and submitted to the City Clerk's office.

CITY OF GRAND TERRACE
City Council
MINUTES ● December 9, 2025

Council Chambers	Regular Meeting	6:00 PM

Grand Terrace Civic Center ● 22795 Barton Road

Call to Order

Mayor Bill Hussey convened the Regular Meeting of the City Council for Tuesday, December 9, 2025 at 6:00 PM.

Invocation

The Invocation was given by Pastor Linda Biswas from Azure Hills Seventh Day Adventist Church.

Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Pro Tem Michelle Sabino.

AB 2449 Disclosures

None.

Roll Call

Present:	Mayor Bill Hussey Mayor Pro Tem Michelle Sabino Council Member Doug Wilson Council Member Jeff Allen Council Member Matt Brown
Absent:	

A. REORDERING OF, ADDITIONS TO, OR REMOVAL OF ITEMS FROM THE AGENDA

None.

B. PUBLIC COMMENT

Johan Gallo, Grand Terrace Resident, thanked the City Council for always being supportive, as well as the Sheriff and Fire Department for all of their assistance during the toy drive cruise.

Molly Widdicombe, Girls on the Run Inland Empire, wanted to thank the Council for their generosity and continuous support, Molly also provided an update and what they are currently working on.

C. SPECIAL PRESENTATIONS - NONE

D. CONSENT CALENDAR

NO PUBLIC COMMENT

COUNCIL MEMBER MATT BROWN PULLED ITEMS NOS. 5 AND 6 FOR DISCUSSION.
MAYOR HUSSEY RECUSED HIMSELF ON ITEM NO. 4
COUNCIL MEMBER JEFF ALLEN MOTIONED TO APPROVE ITEM NOS. 1–4 AND 7 ON THE CONSENT CALENDAR, FOLLOWED BY A SECOND BY MAYOR PRO TEM SABINO.

RESULT:	**APPROVED - UNANIMOUS**
MOVER:	Council Member Allen
SECONDER:	Mayor Pro Tem Sabino
AYES:	Mayor Hussey, Mayor Pro Tem Sabino, Council Member Wilson, Council Member Allen, Council Member Brown
NAYS:	None

1) Waive Full Reading of, and Direct the City Attorney to Read by Title only for, Ordinances on the Agenda

2) Approval of Minutes - Special Meeting - November 12, 2025

3) Approval of the October-2025 Check Register in the Amount of $826,011.57.

4) Approve Check #83007 to Mayor Hussey in the amount of $359.85 from October 2025 Check Register

5) Budget Adjustment for a Public Works Director

MAYOR HUSSEY DIRECTED STAFF TO BRING THIS ITEM BACK AT A FUTURE MEETING FOR FURTHER DISCUSSION.

6) Retitling of Department Director Positions

COUNCIL MEMBER WILSON MOTIONED WITH A SECOND FROM MAYOR HUSSEY TO BRING THIS ITEM BACK AT A FUTURE MEETING.

RESULT:	**APPROVED 3 TO 1**
MOVER:	Council Member Wilson
SECONDER:	Mayor Hussey
AYES:	Mayor Hussey, Council Member Wilson, Council Member Allen
ABSTAIN:	Mayor Pro Tem Michelle Sabino
NAYS:	Council Member Brown

7) Acceptance of the Capital Improvement Project (CIP 2025-26)

E. PUBLIC HEARINGS - NONE

F. UNFINISHED BUSINESS - NONE

G. NEW BUSINESS - NONE

H. FUTURE AGENDA ITEMS

None.

I. CITY COUNCIL COMMUNICATIONS

Council Member Matt Brown reported on the following:

- Nothing to Report

Council Member Jeff Allen reported on the following:

- Attended the UCR 10-year Anniversary School of Public Policy seminar on December 5, 2025
- Attended Senator Rosilicie Ochoa-Bogh's Christmas open house on December 1, 2025

Council Member Doug Wilson reported on the following:

- Nothing to Report

Mayor Pro Tem Michelle Sabino reported on the following:

- Nothing to Report

Mayor Bill Hussey reported on the following:

- Announced that on Thursday, December 11, 2025, Santa Claus will be at Grand Terrace High School
- Attended the Light up Grand Terrace event and reported that it was a great evening. He also thanked cars & coffee and the Fire Department
- Attended the League of Cities Leadership Committee on December 3, 2025, in Palm Desert, he also reported that he is now the League of Cities Division President of the Inland Empire

J. CITY MANAGER COMMUNICATIONS

Konrad Bolowich, City Manager, announced the following:

- Thanked staff, Rene Walker, Grand Terrace resident and the community for their participation and assistance with Light up Grand Terrace
- The Senior Center will have a Christmas Lunch on Friday, December 12, 2025
- The Senior Center will be closed during the holidays beginning December 19, 2025 at noon and will reopen on January 5, 2026
- City Hall will be closed during the holidays beginning December 22, 2025, and will reopen on January 5, 2026 during regular business hours
- Announced that there will be (4) Acting City Managers during the time that Konrad is out on vacation
- Encouraged residents to vaccinate and license their dogs
- Vehicle citations will continue during the holidays

SHERIFF DEPARTMENT COMMUNICATIONS

Lieutenant Fries reported on the following:

- Provided an incident detail report which will also be located on the city website

FIRE DEPARTMENT COMMUNICATIONS

Assistant Fire Chief Jager reported on the following:

- Nothing to Report

K. CLOSED SESSION - NONE

RECESS TO CLOSED SESSION

Mayor Hussey recessed the Regular Meeting of the City Council to closed session at 7:45 p.m.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Gov. Code Section 54956.9
Case Name: *Community Housing Group LLC et al. v. The City of Grand Terrace et al.*
Case Number: CIVSB2527185

RECONVENE TO OPEN SESSION

Mayor Hussey reconvened the Regular Meeting of the City Council from closed session at 8:05 p.m.

REPORT OUT OF CLOSED SESSION

Adrian Guerra, City Attorney, announced that there was one (1) closed session item. An update was provided by the City Attorney, discussion was had and direction was provided to the City Attorney. However, there was no reportable action.

L. ADJOURN

Mayor Hussey adjourned the Regular Meeting of the City Council at 8:06 p.m. The next Regular City Council Meeting will be held on Tuesday, January 13, 2026, at 6:00 p.m.

Bill Hussey, Mayor	Daysi Alcocer, City Clerk

AGENDA REPORT

MEETING DATE: January 13, 2026

TITLE: AB 1600 Annual Report for Fiscal Year 2023–24 and Five-Year Findings for FY 2019–20 through FY 2023–24

PRESENTED BY: Gregory Brown, Vice President

RECOMMENDATION: **RECEIVE AND FILE THE AB 1600 ANNUAL REPORT FOR FISCAL YEAR 2023–24 AND THE FIVE-YEAR FINDINGS FOR FISCAL YEARS 2019–20 THROUGH 2023–24, PREPARED PURSUANT TO GOVERNMENT CODE SECTIONS 66006 AND 66001(D)**

2030 VISION STATEMENT:

This item supports the City's vision of maintaining long-term fiscal responsibility and transparency by providing clear annual accounting of development impact fee revenue, expenditures, project progress, and long-term capital planning consistent with State law.

BACKGROUND:

The Mitigation Fee Act (Government Code Sections 66000–66025) establishes annual reporting requirements for each development impact fee (DIF) fund maintained by the City. Under Government Code Section 66006(b), the City must prepare an Annual Report summarizing, for each DIF fund:

- Beginning and ending fund balances
- Fee revenues received
- Interest earned
- Identified expenditures
- A description of each capital project funded
- The portion of each improvement funded with DIF revenue

In addition, Government Code Section 66001(d) requires the City to make Five-Year Findings when unspent or uncommitted DIF balances have been held for more than five years. These findings must:

1. Re-state the purpose of the fee;
2. Demonstrate the continued need for the unexpended funds;
3. Identify the nexus between the fee and the improvements to be constructed; and
4. Provide the approximate timeline for expenditure.

The City prepared the combined AB 1600 Annual Report and Five-Year Findings for all DIF funds for FY 2019–20 through FY 2023–24. This document satisfies both annual reporting requirements under Section 66006 and the longer-term findings required by Section 66001(d).

DISCUSSION:

The AB 1600 Annual & Five-Year Report provides a comprehensive summary of the City's DIF activity over the five-year period, including:

- Annual beginning/ending balances
- Revenues and expenditures

- Interest earnings
- Project descriptions and funding allocations
- Five-year findings (purpose, nexus, need, and timing) for any fund retaining unspent balances for more than five years

The report was made available to the public in compliance with Government Code Section 66006(b)(2), which requires publication at least 15 days in advance of the public meeting. The City Council's action tonight will satisfy the statutory requirement to review the report at a noticed public meeting.

This action is informational only. No fee updates are being proposed or adopted as part of this item. Adoption of the Development Impact Fee Nexus Study and updated fee schedule is addressed in a separate agenda report.

ATTACHMENTS:
Attachment A – AB 1600 Annual Report (FY 2023–24) and Five-Year Findings (FY 2019–20 through FY 2023–24)

ENVIRONMENTAL IMPACT:
Reviewing and receiving the AB 1600 Annual & Five-Year Report is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), as it involves administrative financial reporting with no commitment to any specific project.

FISCAL IMPACT:
There is no fiscal impact associated with this action. The report documents past financial activity and does not authorize new expenditures.

Development Impact Fee Annual Report City of Grand Terrace

Fiscal Years 2019–20 through 2023–24

Prepared by:
Revenue & Cost Specialists, LLC
1519 E Chapman Ave, Ste C
Fullerton, CA 92831
www.revenuecost.com

Introduction and Legal Authority

This Five-Year Development Impact Fee (DIF) Report has been prepared pursuant to the California Mitigation Fee Act (Government Code §§66000–66008 and §66001(d)). The Act requires local agencies that impose development impact fees to produce an annual accounting of fee revenues, expenditures, interest earnings, and beginning and ending fund balances, and to prepare specific findings every five years for any fee funds that remain unspent.

This report covers the five-year period from FY 2019–20 through FY 2023–24. All financial data presented in this report is sourced exclusively from the City of Grand Terrace's Annual Comprehensive Financial Reports (ACFRs), including the budget-and-actual schedules and combining statements for the City's non-major Development Impact Fee special revenue funds. No projections, reconstructed balances, or budget estimates are used. Where ACFR beginning balances differ from prior-year ending balances, this report follows the ACFR values exactly, as required by Government Code §66006.

The purpose of this document is to:

1. Disclose fee collections, expenditures, interest earnings, and fund balances for each DIF program.
2. Demonstrate that the City continues to retain DIF revenues only for the purposes for which they were collected.
3. Document the City's continued need for the improvements funded by each DIF.
4. Identify remaining and anticipated funding sources needed to complete the planned improvements.
5. Establish that the improvements continue to be reasonably related to the impacts of new development.

This report addresses the following Development Impact Fee programs adopted by the City of Grand Terrace:

- Street Improvement Impact Fee
- Storm Drain Improvement Impact Fee
- Park Development Impact Fee
- Facilities Development Impact Fee (General City Facilities only)

The report also includes the required five-year findings under Government Code §66001(d) for each fee program.

Street Improvement Development Impact Fee – Fund 11

Purpose of the Fee

The Street Improvement Development Impact Fee (Fund 11) is imposed to fund capital improvements necessary to accommodate traffic and circulation impacts generated by new development within the City. As development occurs, additional vehicle, bicycle, and pedestrian trips place increased demand on the City's street network. The fee helps ensure that new development pays its fair share toward the expanded roadway and intersection capacity needed to maintain safe and efficient circulation.

Use of the Fee

Eligible uses of Street Improvement DIF revenues include:

- Engineering design, environmental review, and permitting for capacity-related street, intersection, and traffic control improvements;
- Right-of-way acquisition;
- Construction of new roadway segments, turn lanes, intersection reconfiguration, traffic signalization, and multimodal circulation enhancements;
- Capital improvements that increase system capacity or mitigate growth-related impacts.

The fee **may not** be used for operations, routine maintenance, or like-for-like replacement of existing infrastructure that does not increase capacity or serve new development.

Five-Year Financial Activity (FY 2019–20 to FY 2023–24, ACFR-Based)

The following summarizes the five-year financial activity of the Street Improvement DIF based solely on the City's ACFRs. Beginning balances, revenues, expenditures, and ending balances are taken exactly as reported, including restatements.

A five-year summary of Street Improvement DIF activity is shown in the following table.

Street Improvement Five-Year Financial Activity

Fiscal Year	Beginning Balance	DIF Revenues	Interest / Other	Total Revenues	Expenditures	Ending Balance
2019-20	$611,577	$80,567	$11,705	$92,272	$40,457	$663,392
2020-21	$663,392	$4,476	-$927	$3,549	$0	$666,941
2021-22	$666,941	$0	-$5,991	-$5,991	$0	$660,950
2022-23	$660,950	$60,228	$13,566	$73,794	$0	$734,744
2023-24	$734,744	$38,591	$32,055	$70,646	$0	$805,390

Summary of Financial Activity

Across the five-year period, the Street Improvement DIF remained active and stable, with revenues generated primarily from development activity (charges for services) and interest earnings. ACFR schedules show:

- FY 2019–20: Healthy fee revenue and interest earnings; minor expenditures on eligible street capital items.
- FY 2020–21 and 2021–22: Minimal fee activity; balances held for programming.
- FY 2022–23: Significant DIF revenue (over $60,000), reflecting increased development activity; no expenditures.
- FY 2023–24: Strong revenue ($70,646), aligned with ACFR screenshots provided; no expenditures.

All funds remain restricted for future street capacity improvements. No ineligible uses occurred.

Expenditures During the Five-Year Period

During FY 2019–20, the City expended $40,457 from the Street Improvement DIF as a transfer to the Capital Improvement – Streets fund to support Barton Road improvements, as documented in the City's ACFR budgetary comparison schedules. No additional Street Improvement DIF expenditures were recorded from FY 2020–21 through FY 2023–24. All remaining funds are being accumulated for future circulation capacity projects consistent with the purpose of the fee.

Ten-Year Capital Planning and Timing of Expenditures

Street Improvement DIF revenues are accumulated and programmed into the City's long-term circulation and capital improvement planning process. Improvements funded through this DIF are typically large-scale capital projects with multi-year planning, design, and construction cycles. As such, the City employs a 10-year programming horizon to ensure that sufficient funds can be accumulated to construct meaningful circulation improvements.

The timing of expenditures will depend on:

- Completion of engineering studies and project design;
- Availability of right-of-way;
- Coordination with adjacent jurisdictions and regional agencies;
- Availability of complementary funding sources;
- Actual development pace and resulting fee inflow.

Based on current ACFR balances, the City anticipates deploying Street DIF revenues on eligible projects within the upcoming capital planning cycle, consistent with the ten-year programming window.

Storm Drain Development Impact Fee – Fund 12

Purpose of the Fee

The Storm Drain Development Impact Fee (Fund 12) is imposed to fund capital improvements to the City's storm drainage system that are required to accommodate runoff generated by new development. As additional impervious surfaces are constructed, peak flows and system loading increase. The fee ensures that new development contributes its fair share toward the capacity improvements needed to protect public health, safety, and property from flooding and drainage system failures.

Use of the Fee

Storm Drain DIF revenues are restricted to storm drainage capital improvements and related capital costs. Eligible uses include:

- Planning, engineering, and design for storm drain capacity projects;
- Land or easement acquisition for drainage facilities;
- Construction of new or upsized storm drain pipes, channels, inlets, culverts, and related appurtenances;
- Capital improvements that increase system capacity or mitigate growth-related drainage impacts.

The fee may not be used for routine maintenance, operations, or like-for-like replacement of existing facilities that do not increase system capacity or serve development-related needs.

Five-Year Financial Activity (FY 2019–20 to FY 2023–24, ACFR-Based)

The following table summarizes the five-year financial activity of the Storm Drain DIF based solely on the City's ACFRs for FY 2019–20 through FY 2023–24. All beginning balances, revenues, and ending balances are taken directly from the ACFR budgetary comparison schedules and non-major fund combining statements.

Storm Drain Five-Year Financial Activity

Fiscal Year	Beginning Balance	DIF Revenues	Interest / Other	Total Revenues	Expenditures	Ending Balance
2019-20	$251,735	$0	$4,231	$4,231	$0	$255,966
2020-21	$255,966	$0	$935	$935	$0	$256,901
2021-22	$298,972	$0	-$86	-$86	$0	$298,886
2022-23	$298,886	$0	$6,228	$6,228	$0	$305,114
2023-24	$305,114	$0	$9,896	$9,896	$0	$315,010

Summary of Financial Activity

- The fund began FY 2019–20 with a balance of $251,735 and grew to $315,010 by FY 2023–24.
- All increases over the period are from interest earnings; no DIF revenues (charges for services) are reported in the ACFR during this five-year window.
- No expenditures or transfers out are reported in the ACFR for this fund in any of the five years.
- The FY 2021–22 beginning balance ($298,972) differs from the FY 2020–21 ending balance ($256,901), indicating an accounting restatement by the City; this report follows the ACFR values as required.

Expenditures During the Five-Year Period

According to the ACFR schedules for the Storm Drain fund, no expenditures were made from this fund between FY 2019–20 and FY 2023–24. There were no capital outlays, transfers out, or other uses of Storm Drain Improvement DIF revenues recorded during the five-year period.

As a result, all Storm Drain DIF revenues and interest earnings remain on deposit and available for future storm drainage capacity projects. No ineligible uses were identified in the ACFR.

Ten-Year Capital Planning and Timing of Expenditures

Although no Storm Drain DIF expenditures occurred during the five-year period covered by this report, the need for growth-related drainage improvements remains. Storm drainage projects tend to be large, corridor- or basin-scale improvements that require significant planning, design, and construction lead time, as well as coordination with other infrastructure and development activity.

Consistent with the City's broader capital planning approach, the Storm Drain DIF is programmed over an approximate ten-year horizon. During this period, the City will:

- Continue to accumulate Storm Drain DIF revenues and interest;
- Identify and prioritize storm drain capacity projects through its capital planning and engineering efforts;
- Deploy accumulated funds on specific capital projects once they are fully scoped and ready for construction;
- Coordinate Storm Drain DIF uses with other funding sources, as available.

The retention of funds over this period is therefore necessary to ensure that sufficient resources are available to deliver meaningful, system-level capacity improvements when projects are ready to proceed.

Park Development Impact Fee – Fund 13

Purpose of the Fee

The Park Development Impact Fee (Fund 13) is imposed on new development to fund capital improvements required to maintain adequate parkland and recreational facilities as the City grows. As new residents and employees are added, demand increases for park acreage, active and passive recreation amenities, restrooms, playgrounds, athletic fields, and related public improvements. The fee ensures that new development contributes its fair share toward the cost of expanding and improving the City's park system to maintain service levels for the community.

Use of the Fee

Revenues collected through the Park Development DIF are restricted to capital improvements that expand or enhance park and recreation facilities. Eligible uses include:

- Acquisition of parkland or easements;
- Development or expansion of active and passive recreational areas;
- Construction of capital amenities such as fields, courts, playgrounds, trails, restrooms, shade structures, lighting, and parking;
- Capital improvements that increase the capacity of the City's park and recreation system to serve new development.

Park DIF revenues **may not** be used for general operations, ongoing maintenance, or repair of existing facilities unless such work is part of an eligible capacity-increasing capital project.

Five-Year Financial Activity (FY 2019–20 to FY 2023–24, ACFR-Based)

The Park Development DIF financial activity for FY 2019–20 through FY 2023–24 is summarized below using only the City's ACFR budgetary comparison schedules and non-major governmental fund combining statements. All values reflect audited actuals.

A five-year summary of Park Development Impact Fee activity is shown in the following table.

Park Development Impact Fee Fund Five-Year Financial Activity

Fiscal Year	Beginning Balance	DIF Revenues	Interest / Other	Total Revenues	Expenditures	Ending Balance
2019–20	$136,105	$0	$2,256	$2,256	$100,000	$38,361
2020–21	$38,361	$0	$304	$304	$0	$38,665
2021–22	$38,195	$0	–$941	–$941	$0	$37,254
2022–23	$37,254	$272	$1,842	$2,114	$0	$39,368
2023–24	$39,368	$0	$4,330	$4,330	$0	$43,698

Summary of Financial Activity

Park Development DIF activity over the five-year period reflects:

- One capital expenditure in FY 2019–20 ($100,000), as documented in the ACFR;
- Interest earnings in all years except FY 2021–22 (which shows a small negative interest adjustment of –$941, as reported in the ACFR);
- The FY 2021–22 beginning balance of $38,195 differs from the FY 2020–21 ending balance of $38,665, indicating an accounting adjustment; this report follows the balances reported in the City's Annual Comprehensive Financial Report (ACFR).
- Minimal DIF revenue (charges for services) during the period, with the only recorded DIF revenue being $272 in FY 2022–23;
- No expenditures from FY 2020–21 through FY 2023–24.
- The fund balance increased modestly through interest earnings and ended FY 2023–24 with $43,698.

Expenditures During the Five-Year Period

The ACFR shows a single expenditure during FY 2019–20, consisting of a $100,000 capital outlay for park improvements. The ACFR classifies this expenditure as capital outlay within the Park Development DIF fund, consistent with the restricted purpose of park development capital improvements.

No additional Park Development DIF expenditures were recorded from FY 2020–21 through FY 2023–24. All unspent revenues remain restricted for future parkland or recreational facility enhancements that support growth and maintain the City's level of service.

Ten-Year Capital Planning and Timing of Expenditures

Park development projects often require multi-year planning, environmental review, design, community engagement, and construction. In addition, meaningful improvements frequently require the accumulation of sufficient resources to fund full facilities or large-scale enhancements.

Accordingly, the City manages the Park Development DIF on an approximate ten-year capital planning horizon, during which it:

- Identifies future park and recreation needs tied to development;
- Accumulates DIF revenues and interest earnings;
- Sequences projects when sufficient funds are available and projects are ready to move forward;
- Coordinates DIF uses with grants, General Fund contributions, or other sources, as appropriate.

The retention of funds over this period is necessary to assemble adequate resources for park development projects that maintain the City's service standards as growth occurs.

Facilities Development Impact Fee – Fund 19

Purpose of the Fee

The Facilities Development Impact Fee (Fund 19) is imposed on new development to fund capital improvements necessary to expand or upgrade general City facilities as population and employment increase. Growth places additional demands on administrative, regulatory, and public-facing facilities that support City operations. The fee ensures that new development contributes its fair share toward expanding or improving City facilities required to maintain service levels.

Facilities supported by this fee generally include City Hall, administrative offices, public works facilities, and other general government buildings that provide essential municipal services.

Use of the Fee

Facilities Development DIF revenues are restricted to capital improvements that expand the capacity of general City facilities or enhance their ability to serve new development. Eligible uses include:

- Construction or expansion of general government buildings;
- Renovations, upgrades, or capital improvements that increase functional capacity;
- Land or easement acquisition for new or expanded facilities;
- Capital furnishings, equipment, and systems required for facility operation that support increased service demand caused by development.

The fee may **not** be used for routine maintenance, staff salaries, or like-for-like replacement of existing facilities unless the work is part of a capacity-increasing capital improvement.

Five-Year Financial Activity (FY 2019–20 to FY 2023–24, ACFR-Based)

The following summarizes the Facilities Development DIF activity for FY 2019–20 through FY 2023–24 using only audited ACFR data. Each year's beginning balance, revenues, expenditures, and ending balance are taken directly from the City's ACFR budgetary comparison schedules or non-major fund combining statements.

Facilities Development Impact Fee Fund Five-Year Financial Activity

Fiscal Year	Beginning Balance	DIF Revenues	Interest / Other	Total Revenues	Expenditures	Ending Balance
2019-20	$356,797	$30,866	$5,808	$36,674	$93,100	$300,371
2020-21	$300,371	$60,425	$1,139	$61,564	$60,425	$301,510
2021-22	$301,510	$0	-$3,556	-$3,556	$766	$297,954
2022-23	$297,954	$0	$1,113	$1,113	$3,999	$295,068
2023-24	$295,068	$0	$5,000	$5,000	$5,000	$295,068

Summary of Financial Activity

Facilities Development DIF activity shows a pattern of recurring, ACFR-documented capital expenditures, unlike the other DIF funds:

- FY 2019–20: $93,100 (capital outlay)
- FY 2020–21: $60,425
- FY 2021–22: $766
- FY 2022–23: $3,999
- FY 2023–24: $5,000

These transactions represent the only DIF program with continuous capital activity throughout the five-year period. Revenues consisted primarily of DIF collections in 2019–20 and 2020–21 and ongoing interest adjustments thereafter.

Ending fund balance at FY 2023–24: $295,068.

Expenditures During the Five-Year Period

The ACFR schedules report Facilities Development DIF expenditures in all five years. Because these amounts were recorded within the Facilities Development DIF special revenue fund—which is legally restricted to general City facility capital improvements—this report treats these amounts as eligible capital uses, consistent with Government Code §66006 and the purpose of the Facilities Development DIF.

The ACFR does not list project-level detail for each expenditure. However, no ineligible uses (such as operations, maintenance, or General Fund transfers) were disclosed, and all expenditures are classified as capital or capital-related within this restricted fund.

Ten-Year Capital Planning and Timing of Expenditures

General City facility projects often require multi-year planning, design, permitting, and funding coordination. Because facilities improvements vary in cost and scope, the City programs Facilities Development DIF revenues over an approximate ten-year capital horizon, allowing funds to accumulate sufficiently to deliver meaningful improvements. This horizon also aligns with typical building renovation and expansion cycles.

During the next ten years, the City will continue to:

- Identify facility needs driven by population and employment growth;
- Prioritize improvements that increase capacity or functionality;
- Combine DIF revenues with other sources when appropriate;
- Deploy funds when project scoping and design are complete.

The retention of DIF balances during this period is necessary to fund significant capital upgrades to general City facilities as growth occurs.

Conclusion

This Five-Year Development Impact Fee Report demonstrates that the City of Grand Terrace has complied with the Mitigation Fee Act requirements governing the collection, accounting, and expenditure of development impact fees for the Street Improvement, Storm Drain Improvement, Park Development, and Facilities Development programs. For each development impact fee fund, the City has documented beginning and ending balances, fee revenues, interest earnings, and expenditures based on its audited financial statements.

Where fee revenues remain unexpended for five years or more, this report provides the findings required by Government Code §66001(d), including the continued purpose of each fee, the relationship between the fee and the funded improvements, and the anticipated timing and sources of funding needed to construct those improvements. The City will continue to monitor development impact fee balances, update its capital planning, and report development impact fee activity annually in accordance with State law.

AGENDA REPORT

MEETING DATE: January 13, 2026

TITLE: Award of Professional Services Agreement with Willdan for Gateway Specific Plan Engineering and Project Management Services

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION:

AWARD A PROFESSIONAL SERVICES AGREEMENT TO WILLDAN IN AN AMOUNT NOT TO EXCEED $394,772 FOR ENGINEERING AND PROJECT MANAGEMENT SERVICES RELATED TO THE GATEWAY SPECIFIC PLAN, PHASE 1, FOR A THREE-YEAR TERM WITH TWO OPTIONAL ONE-YEAR EXTENSIONS; AND

AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ANY SUBSEQUENT AMENDMENTS UP TO TEN PERCENT (10%) OF THE CONTRACT AMOUNT, SUBJECT TO CITY ATTORNEY APPROVAL AS TO FORM

2030 VISION STATEMENT:

Goal 1: Fiscal Viability — Ensures appropriate fiscal stewardship through the use of an existing reimbursement agreement to recover eligible project-related costs associated with implementation of the Gateway Specific Plan

BACKGROUND:

The Gateway Specific Plan is a complex, multiphase project that has been under development for more than a decade and involves land use entitlements, infrastructure planning, and coordination with a private developer.

Interwest Consulting Group previously served as the City's consultant under a professional services agreement that began on March 13, 2018, and expired on March 18, 2023. During the term of that agreement, planning and preliminary support work was completed; however, the project did not advance to an implementation-ready phase by the end of the contract term.

Following expiration of the prior agreement, staff evaluated project needs and determined that renewed consultant support was necessary to move the project forward, particularly in the areas of project management, engineering coordination, and entitlement implementation. As staff resumed work on the project, certain analyses, coordination efforts, and supporting documentation were identified as incomplete or not fully developed and will require further evaluation as the project advances.

DISCUSSION:

The Gateway Specific Plan requires specialized technical support that the City does not currently have the in-house capacity to perform. Consultant services are needed to provide project management, engineering coordination, infrastructure planning support, and coordination related to right-of-way and entitlement implementation.

On October 20, 2025, the City issued a Request for Proposals for engineering and project management services related to implementation of the Gateway Specific Plan. The solicitation was advertised and administered through the Public Purchase online bidding platform and closed on December 10, 2025.

Two firms submitted proposals: Willdan and Interwest Consulting Group. Interwest's proposal was submitted after the bid closing deadline and was therefore deemed non-responsive and disqualified. Willdan submitted a responsive proposal that met the City's requirements and demonstrated relevant experience with similar large-scale planning and infrastructure coordination efforts.

The proposed Professional Services Agreement is structured as a three-year term with two one-year extension options. The consultant's scope and fee proposal include services intended to address incomplete documentation, unresolved coordination items, and project elements that were not fully developed during prior efforts. Certain project components remain undefined or subject to future submittals and agency review requirements and will require further evaluation as the project advances.

The existing Reimbursement Agreement with Lewis Land Developers, LLC provides for reimbursement of City-incurred costs associated with entitlement processing and project implementation, including consultant services, engineering review, technical analysis, and related coordination necessary to advance the Gateway Specific Plan. While the Reimbursement Agreement remains in effect through November 2026, staff anticipates returning to City Council closer to its expiration to address any necessary extension or successor agreement to ensure continued project implementation.

Proceeding with consultant services at this time is necessary to maintain project momentum, address outstanding project gaps, and position the City to move forward with entitlement and infrastructure coordination activities without further delay.

ENVIRONMENTAL IMPACT:

Approval of the Professional Services Agreement is not a project under the California Environmental Quality Act and does not result in a direct or indirect physical change to the environment. Therefore, this action is not subject to CEQA review.

FISCAL IMPACT:

Costs associated with this agreement will be advanced by the City. Based on the scope of services and the provisions of the existing Reimbursement Agreement approved by City Council on November 14, 2023, staff anticipates that the majority of eligible project-related implementation costs will be reimbursed by Lewis Land Developers, LLC and charged against the established deposit account 23-515-60-00.

Certain services included in the consultant's scope may require further evaluation to determine reimbursement eligibility. The City recognizes that some costs may ultimately be the City's responsibility, and any costs determined to fall outside the scope of reimbursable project-related expenses shall be charged to 10-175-250-020-000, subject to available appropriations.

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF GRAND TERRACE

and

WILLDAN ENGINEERING

**AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF GRAND TERRACE AND
WILLDAN ENGINEERING**

This AGREEMENT FOR CONTRACT SERVICES (herein "Agreement") is made and entered into this 13th day of January, 2026 by and between the City of Grand Terrace, a California municipal corporation ("City") and Willdan Engineering, a California Corporation ("Consultant"). City and Consultant may be referred to, individually or collectively, as "Party" or "Parties."

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Grand Terrace's Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant's Proposal.

The Scope of Services shall include the Consultant's scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 California Labor Law.

If the Scope of Services includes any "public work" or "maintenance work," as those terms are defined in California Labor Code section 1720 *et seq.* and California Code of Regulations, Title 8, Section 16000 *et seq.*, and if the total compensation is $1,000 or more, Consultant shall pay prevailing wages for such work and comply with the requirements in California Labor Code section 1770 *et seq.* and 1810 *et seq.*, and all other applicable laws, including the following requirements:

(a) Public Work. The Parties acknowledge that some or all of the work to be performed under this Agreement is a "public work" as defined in Labor Code Section 1720 and that this Agreement is therefore subject to the requirements of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works contracts and the rules and regulations established by the Department of Industrial Relations ("DIR") implementing such statutes. The work performed under this Agreement is subject to compliance monitoring and enforcement by the DIR. Consultant shall post job site notices, as prescribed by regulation.

(b) Prevailing Wages. Consultant shall pay prevailing wages to the extent required by Labor Code Section 1771. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages are on file at City Hall and will be made available to any interested party on request. By initiating any work under this Agreement, Consultant acknowledges receipt of a copy of the Department of Industrial Relations (DIR) determination of the prevailing rate of per diem wages, and Consultant shall post a copy of the same at each job site where work is performed under this Agreement.

(c) Penalty for Failure to Pay Prevailing Wages. Consultant shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Consultant shall, as a penalty to the City, forfeit two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Consultant or by any subcontractor.

(d) Payroll Records. Consultant shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Consultant and each subconsultant to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform the City of the location of the records.

(e) Apprentices. Consultant shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6, and 1777.7 and California Code of Regulations Title 8, Section 200 *et seq.* concerning the employment of apprentices on public works projects. Consultant shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Consultant shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Consultant and each of its subconsultants shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

(f) Eight-Hour Work Day. Consultant acknowledges that eight (8) hours labor constitutes a legal day's work. Consultant shall comply with and be bound by Labor Code Section 1810.

(g) Penalties for Excess Hours. Consultant shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Consultant shall, as a penalty to the City, forfeit twenty-five dollars ($25) for each worker employed in the performance of this Agreement by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Consultant in excess of eight (8) hours per day, and forty (40) hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than one and one-half (1½) times the basic rate of pay.

(h) Workers' Compensation. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees if it has employees. In accordance with the provisions of California Labor Code Section 1861, Consultant certifies as follows:

> "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

Consultant's Authorized Initials ______________________

Vanessa Munoz, President

(i) Consultant's Responsibility for Subcontractors. For every subcontractor who will perform work under this Agreement, Consultant shall be responsible for such subcontractor's compliance with Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code, and shall make such compliance a requirement in any contract with any subcontractor for work under this Agreement. Consultant shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a review of the certified payroll records of the subcontractor on a periodic basis or upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Consultant shall diligently take corrective action to halt or rectify any such failure by any subcontractor.

1.5 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.6 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the Contract Officer.

1.7 Care of Work.

The Consultant shall adopt reasonable methods during the life of this Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.8 Further Responsibilities of Parties.

Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither Party shall be responsible for the service of the other.

1.9 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer (as defined below) to the Consultant, incorporating therein any adjustment in (i) the Contract Sum (or a portion of the compensation due to Consultant) for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or $25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other Consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.10 Contract Modifications.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Contract Modifications" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Three Hundred Ninety-Four Thousand Seven Hundred Seventy-Two Dollars and Zero Cents ($394,772.00) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.9.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant shall be deemed to have certify compliance with all provisions of this Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of this Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding three (3) years from the date hereof ("Term"), except as otherwise provided in the Schedule of Performance (as shown on Exhibit "D" attached hereto). The City Manager may, at his/her sole discretion, extend the Term for two additional one-year terms.

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Melanie Grant, Project Manager

(Name), (Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the Term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the Senior Management Analyst or Public Works Director/Engineer, or such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

Without limiting Consultant's indemnification of City, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its sole cost and expense during the Term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

(a) General Liability Insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

(b) Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

(c) Professional Liability (errors & omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

(d) Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Contract Modifications in Exhibit "B".

5.2 General Insurance Requirements.

(a) Proof of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the Term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(b) Duration of Coverage. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, its agents, representatives, employees or subconsultants.

(c) Primary/Noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

(d) City's Rights of Enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(e) Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or that is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

(f) Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(g) Enforcement of Contract Provisions (non-estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

(h) Requirements not Limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(i) Notice of Cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional Insured Status. General liability and automobile policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of Undisclosed Coverage Limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved by the City in writing.

(l) Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the services who is brought onto or involved in the services by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the services will be submitted to City for review.

(n) City's Right to Revise Specifications. The City reserves the right at any time during the Term of this Agreement to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

(o) Deductibles / Self-insured Retentions. Any deductibles and self-insured retentions must be declared to and approved by City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, it officers, officials, employees, agents and volunteers, or the Consultant shall provide a financial guarantee satisfactory to the city guaranteeing payment of losses and related investigations, claims administration and defense expense.

(p) Timely Notice of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional Insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

(d) Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant's business, custody of the books and records may be given to City, and access shall be provided by Consultant's successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and Consultant's guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. <u>ENFORCEMENT OF AGREEMENT AND TERMINATION</u>

7.1 <u>California Law.</u>

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 <u>Disputes; Default.</u>

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant, as determined by the Contract Officer. The cure period may run concurrently with the termination period as provided in Section 7.7, if the option to cure in the alternative to termination. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this

Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Legal Action.

In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Agreement at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorneys' Fees.

If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorneys' fees on any appeal, and in addition a Party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to this Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Rd., Grand Terrace, California 92313, and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts and Electronic Signatures.

This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant’s Authorized Initials ______________________________

Vanessa Munoz, President

9.7 Authority.

The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY:
CITY OF GRAND TERRACE, a municipal corporation

By:

Konrad Bolowich
City Manager

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra
City Attorney

ATTEST:

Daysi Alcocer
City Clerk

CONSULTANT:
WILLDAN ENGINEERING, a California Corporation

By:

Name: Vanessa Munoz
Title: President
Email Address: vmunoz@willdan.com

By:

Name: Kate Nguyen
Title: Secretary
Email Address: knguyen@willdan.com

Address: Including City, State, Zip
Tyrone Peter
Director of Engineering
2401 E Katella Ave, Suite 300
Anahiem, CA 92806

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED UNLESS EXECUTED UTILIZING DOCUSIGN. IN ADDITION, THE APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On __________, 2026 before me, ________________, personally appeared ________________, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ______________________________________

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER________________________________

____

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

____
____

DESCRIPTION OF ATTACHED DOCUMENT

____
TITLE OR TYPE OF DOCUMENT

____
NUMBER OF PAGES

____
DATE OF DOCUMENT

____
SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On __________, 2026 before me, ________________, personally appeared ________________, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ______________________________________

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER________________________________

____

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

____
____

DESCRIPTION OF ATTACHED DOCUMENT

____
TITLE OR TYPE OF DOCUMENT

____
NUMBER OF PAGES

____
DATE OF DOCUMENT

____
SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”

SCOPE OF SERVICES

I. Consultant will perform the following services:

A. Support the City’s Gateway Specific Plan (Phase 1) by assisting with plan review, technical coordination, and compliance tracking. Consultant’s work shall be consistent with California Public Works standards, the Subdivision Map Act, and the City’s adopted Engineering Design Standards, to facilitate the advancement of the 112-acre development.

B. Plan Reviews:

i. Street Improvement Plans

1. 2166-ST.pdf-STREET IMPROVEMENT PLANS (27 Sheets)

ii. Storm Drain Improvement Documents

1. 2166-SD.pdf-STORM DRAIN IMPROVEMENT PLANS (19 Sheets)

2. 2166_HYDROLOGY COMBINED

(240 pages Hydrology)

(15 sheets Mass Grading Plans)

(8 sheets Basin Imp. Plans)

3. 2166 WQMP COMBINED (231 pages)

iii. Water Improvement Plans

1. 2166 12IN WAT.pdf-12" WATER IMPROVEMENT PLANS (13 Sheets)

iv. Water Relocation Plans

1. 2166 SEW.pdf-OFFSITE SEWER IMPROVEMENT PLANS (3 Sheets)

v. Street Light Plans

1. 2166-STLT.pdf-STREET LIGHT PLANS (4 Sheets)

vi. Plans Not Yet Submitted

1. Park Precise Grading Plans (PCI)
2. Final Map-TR20501 (PCI)

vii. 4th and Subsequent Reviews

viii. Additional Plan Sets

C. Other Services

i. Utility Coordination

ii. Mapping, Cost Estimates, and Bond Review

iii. Stormwater and NPDES Compliance Verification

iv. Phasing and Infrastructure Sequencing Confirmation

v. Support for Maintenance Mechanisms (LLMD/CFD/HOA)

vi. Council Reporting and Presentation Support

vii. Administrative Deliverables

viii. Project Management and Public Works Compliance Oversight

ix. Funding Coordination / Measure 1 Nexus Support

x. Right-of-Way (ROW) and Land Acquisition Coordination

xi. Bidding-Phase Support

xii. Construction Management Oversight

xiii. Reimbursement and Labor-Compliance Tracking

xiv. Conditions of Approval Compliance

xv. Constructability Review

xvi. Meetings and Coordination

II. In addition to the requirements of Section 6.2, during performance of the services, Consultant will keep the City appraised of the status of performance.

III. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.

IV. Consultant will utilize the following personnel to accomplish the services, as set forth in the Staffing Plan below:

2. Staffing Plan

Willdan's staffing plan ensures continuity of service for all Gateway Specific Plan phases through the retention of key personnel who will maintain comprehensive understanding of prior approvals, infrastructure sequencing, and construction schedule requirements.

Willdan has assembled a qualified and experienced team for the Gateway Specific Plan (Phase 1) project. This team brings comprehensive expertise in civil engineering design, project management, conditions of approval oversight, multi-agency coordination, and regulatory compliance specific to California Public Works standards and the Subdivision Map Act. Individual discipline leads are identified by green and bold text.

EXHIBIT "B"

CONTRACT MODIFICATIONS

(Superseding Contract Boilerplate)

None.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at following rates:

4. Fee Proposal

Our revised estimate of the anticipated fees for the review of the provided plans with the estimated hours provided by the City in the email of December 11, 2025, and additional documents provided by the City in the email of December 17, 2025 is provided below:

Task		Fee
Plan Reviews:		
Street Improvement Plans: 2166-ST.pdf-STREET IMPROVEMENT PLANS (27 Sheets)		$12,550
Storm Drain Improvement Documents: 2166-SD.pdf-STORM DRAIN IMPROVEMENT PLANS (19 Sheets) 2166_HYDROLOGY COMBINED (240 pages Hydrology) (15 sheets Mass Grading Plans) (8 sheets Basin Imp. Plans) 2166 WQMP COMBINED (231 pages)		$32,945
Water Improvement Plans: 2166 12IN WAT.pdf-12" WATER IMPROVEMENT PLANS (13 Sheets)		$4,350
Water Relocation Plans: 2166 SEW.pdf-OFFSITE SEWER IMPROVEMENT PLANS (3 Sheets)		$1,550
Street Light Plans: 2166-STLT.pdf-STREET LIGHT PLANS (4 Sheets)		$2,550
Plans Not Yet Submitted: Park Precise Grading Plans (PC1) Final Map – TR20501 (PC1)		* *
4th and Subsequent Reviews		*
Additional Plan Sets		**
Other Services, per City's email of 12/11/2025	**Hours Provided by the City**	**Estimated Fee**
Utility Coordination	16	$3,244
Mapping, Cost Estimates, and Bond Review	20	$4,070
Stormwater and NPDES Compliance Verification	36	$7,422
Phasing and Infrastructure Sequencing Confirmation	11	$2,375
Support for Maintenance Mechanisms (LLMD/CFD/HOA)	11	$2,189
Council Reporting and Presentation Support	16	$3,856
Administrative Deliverables	56	$11,080
Project Management and Public Works Compliance Oversight	160	$37,084
Funding Coordination / Measure I Nexus Support	32	$7,272
Right-of-Way (ROW) and Land Acquisition Coordination	52	$11,184
Bidding-Phase Support	48	$10,504
Construction Management Oversight	133	$24,933
Reimbursement and Labor-Compliance Tracking	74	$15,322
Conditions of Approval Compliance	26	$5,726
Constructability Review	28	$5,972
Meetings and Coordination	92	$21,612
	Subtotal with above	$227,850
Comprehensive initial document review		$28,892
Review Conditions of Approval and assist City with adoption		$20,742
Coordination, support and review of extension of Taylor Street		$88,368
Unknowns/contingencies		$28,920
	Grand Total	$394,772

* T&M based on Rate Schedule, **Fees to be determined upon submittal.

II. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.9.

III. The City will compensate Consultant for the services performed upon submission of a valid invoice. Each invoice is to include:

A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.

B. Line items for all materials and equipment properly charged to the Services.

C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.

D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

IV. The total compensation for the Services shall not exceed the Contract Sum as provided in Section 2.1 of this Agreement.

V. The Consultant's billing rates for all personnel are attached as Exhibit "C-1".

VI. It is the intent of the City that the compensation to be paid to Consultant shall be reimbursed by the developer, Lewis Land Developers, LLC. Accordingly, compensation to Consultant shall be conditioned on prior reimbursement by the developer.

EXHIBIT "C-1"

BILLING RATES

WILLDAN

Schedule of Hourly Rates

Effective July 1, 2025 to June 30, 2026

DESIGN ENGINEERING	
Technical Aide I	$83
Technical Aide II	$106
Technical Aide III	$124
CAD Operator I	$132
CAD Operator II	$153
CAD Operator III	$170
GIS Analyst I	$169
GIS Analyst II	$185
GIS Analyst III	$193
Environmental Analyst I	$149
Environmental Analyst II	$166
Environmental Analyst III	$177
Environmental Specialist	$191
Designer I	$174
Designer II	$181
Senior Designer I	$190
Senior Designer II	$199
Design Manager	$205
Senior Design Manager	$212
Project Manager I	$192
Project Manager II	$213
Project Manager III	$223
Project Manager IV	$241
Principal Project Manager	$247
Program Manager I	$203
Program Manager II	$215
Program Manager III	$235
Assistant Engineer I	$146
Assistant Engineer II	$160
Assistant Engineer III	$169
Assistant Engineer IV	$180
Associate Engineer I	$189
Associate Engineer II	$198
Associate Engineer III	$202
Senior Engineer I	$205
Senior Engineer II	$210
Senior Engineer III	$213
Senior Engineer IV	$217
Supervising Engineer	$226
Traffic Engineer I	$226
Traffic Engineer II	$241
City Engineer I	$241
City Engineer II	$247
Deputy Director	$255
Director	$310
Principal Engineer	$350

FINANCIAL	
Analyst I	$110
Analyst II	$120
Senior Analyst	$135
Senior Project Analyst	$150
Project Manager	$210
Senior Project Manager	$250
Principal Consultant	$270
Managing Principal	$300
Vice President/Director	$310

PLANNING	
CDBG Technician	$86
CDBG Specialists	$106
CDBG Analyst	$125
CDBG Coordinator	$156
CDBG Manager	$188
Housing Program Coordinator	$158
Planning Technician	$134
Assistant Planner	$167
Associate Planner	$181
Senior Planner	$208
Principal Planner	$215
Planning Manager	$228
Deputy Director	$255
Director	$310

LANDSCAPE ARCHITECTURE	
Assistant Landscape Architect	$157
Associate Landscape Architect	$181
Senior Landscape Architect	$199
Principal Landscape Architect	$211
Principal Project Manager	$247

ADMINISTRATIVE	
Administrative Assistant I	$102
Administrative Assistant II	$123
Administrative Assistant III	$144
Project Accountant I	$116
Project Accountant II	$136
Project Controller I	$144
Project Controller II	$163

CONSTRUCTION MANAGEMENT	
Labor Compliance Specialist	$150
Labor Compliance Manager	$188
Utility Coordinator	$172
Office Engineer I	$151
Office Engineer II	$165
Assistant Construction Manager	$172
Construction Manager	$191
Senior Construction Manager	$207
Resident Engineer I	$215
Resident Engineer II	$223
Project Manager IV	$241
Deputy Director	$255
Director	$310

INSPECTION SERVICES	
Public Works Observer **	$135
Public Works Observer ***	$164
Senior Public Works Observer**	$147
Senior Public Works Observer ***	$164

MAPPING AND EXPERT SERVICES	
Survey Analyst I	$151
Survey Analyst II	$174
Senior Survey Analyst	$187
Supervisor - Survey & Mapping	$209
Principal Project Manager	$247

** For Non-Prevailing Wage Project *** For Prevailing Wage Project

Mileage/Field Vehicle usage will be charged at the rate in accordance with the current FTR mileage reimbursement rate, subject to negotiation.

Additional billing classifications may be added to the above listing during the year as new positions are created. Consultation in connection with litigation and court appearances will be quoted separately. The above schedule is for straight time. Overtime will be charged at 1.5 times, and Sundays and holidays, 2.0 times the standard rates. Blueprinting, reproduction, messenger services, and printing will be invoiced at cost plus fifteen percent (15%). A sub consultant management fee of fifteen percent (15%) will be added to the direct cost of all sub consultant services to provide for the cost of administration, consultation, and coordination. Valid July 1, 2025 thru June 30, 2026, thereafter, the rates may be raised once per year to the value between the 12-month % change of the Consumer Price Index for the Los Angeles/Orange County/Sacramento/San Francisco/San Jose area and five percent. For prevailing wage classifications, the increase will be per the prevailing wage increase set by the California Department of Industrial Relations.

<u>EXHIBIT "D"</u>

SCHEDULE OF PERFORMANCE

I. Consultant shall perform all services timely in accordance with the schedule to be developed by Consultant and subject to the written approval of the Contract Office and the City Attorney's office.

III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.

AGENDA REPORT

MEETING DATE: January 13, 2026

TITLE: Approve Check #83091 to Mayor Hussey in the amount of $359.85 from the November 2025 Check Register

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: **APPROVE CHECK #83091 TO MAYOR HUSSEY IN THE AMOUNT OF $359.85 FROM THE NOVEMBER 2025 CHECK REGISTER**

2030 VISION STATEMENT:
This staff report supports Goal #1, "Ensuring Our Fiscal Viability", through the continuous monitoring of expenditure budgets, allocations, and operational costs.

BACKGROUND:
The check register for the month of November-2025 was prepared in accordance with Government Code §37202 and submitted to City Council at the January 13, 2026 meeting.

The check register lists all vendor payments for the respective month, along with a brief description of the type of goods or services purchased and the account code(s) associated with each payment. The check registers list all payments made to vendors and employee reimbursements during the month.

DISCUSSION:
The November 2025 check register is submitted to City Council on January 13, 2026 with the exception of check #83091 to Mayor Hussey for $359.85 to reimburse him for health insurance. The Mayor has to recuse himself from voting on this check, necessitating a separate vote to approve this expenditure.

ENVIRONMENTAL IMPACT:
N/A

FISCAL IMPACT:
The disbursement was made in accordance with the approved budget for Fiscal Year 2025-26.

CITY OF GRAND TERRACE
FY2025-26

GRAND TERRACE CIVIC CENTER
22795 BARTON ROAD GRAND TERRACE, CA 92313

CHECK REGISTER
Account Index

Bill Hussey, Mayor
Michelle Sabino, Mayor Pro Tem
Doug Wilson, Council Member
Jeff Allen, Council Member
Matt Brown, Council Member

The Grand Terrace City Council meets on the Second Tuesday of each month at 6:00 pm.

City of Grand Terrace Check Register Index

Fund No.	Fund Name	Dept No.	Department Cost Center	Acct No.	General Account Numbers
09	CHILD CARE FUND	110	CITY COUNCIL	110	SALARIES/WAGES
10	GENERAL FUND	120	CITY MANAGER	115	OVERTIME
11	STREET FUND	125	CITY CLERK	120	COUNCIL STIPENDS
12	STORM DRAIN FUND	140	FINANCE	138	MEDICARE / SUI
13	PARK FUND	160	CITY ATTORNEY	139	EMPLOYEES' BENEFIT PLAN
14	AB 3229 COPS FUND	172	BUILDING & SAFETY	140	RETIREMENT
15	AIR QUALITY IMPROVEMENT FUND	175	PUBLIC WORKS	142	HEALTH/LIFE INSURANCE
16	GAS TAX FUND	180	COMMUNITY EVENTS	143	WORKERS' COMPENSATION
17	TRAFFIC SAFETY FUND	185	RENTAL INSPECTION PROGRAM	210	OFFICE EXPENSE
18	TRANS. DEV. ACT (T D A FUND)	187	ENFORCEMENT PROGRAM	211	POSTAGE & MAILING
19	FACILITIES DEVELOPMENT FUND	190	NON-DEPARTMENTAL	220	SPECIAL DEPARTMENTAL EXP
20	MEASURE I FUND	195	FACILITIES MAINTENANCE	230	ADVERTISING
21	WASTE WATER DISPOSAL FUND	370	PLANNING & DEVELOPMENT SVCS	235	COMMUNICATIONS
22	COMMUNITY DEV. BLOCK GRANT	380	MGT INFORMATION SYSTEMS	238	UTILITIES
25	SPRING MOUNTAIN RANCH FUND	410	LAW ENFORCEMENT	240	RENTS & LEASES
26	LSCPG/ LGHTG ASSESSMENT DIST.	411	ASSET FORFEITURES	244	CUSTODIAL SERVICES
32	S/A CAPITAL PROJECTS FUND	430	RECREATION SERVICES	245	MAINT BLDG GRNDS EQUIPMNT
36	S/A 2011 TABS BOND PROCEEDS	441	CHILD CARE - NUTRITION GRANT	246	MAINT/OPER OF EQUIPMNT
45	CIP - COMMERCE WAY	445	CHILD CARE - TINY TOTS	250	PROFESSIONAL SERVICES
46	CIP - STREET IMPROVEMENTS	446	CHILD CARE - AFTER SCHOOL	251	BANKING SERVICE CHARGES
47	CIP - BARTON RD. BRIDGE PROJECT	447	CHILD CARE - PRE-SCHOOL	252	ROAD MAINTENANCE
48	CIP - CAPITAL PROJECTS FUND	450	PARKS MAINTENANCE	254	STREET SWEEPING
49	CIP - PARKS	461	COMMUNITY GRANTS	255	CONTRACTUAL SERVICES
50	CAPITAL PROJECT BOND PROCEEDS	500	AIR QUALITY PROGRAMS	256	ANIMAL SHELTERING SVCS
52	HOUSING AUTHORITY	510	STREET & SIGNAL LIGHTING	260	INSURANCE & SURETY BONDS
61	COMMUNITY BENEFITS FUND	573	LINE MAINTENANCE	265	MEMBERSHIPS & DUES
62	LIGHT UP GRAND TERRACE FUND	600	ZONE 1 13364 CANAL -TERR PINES	268	TRAINING
63	ILLEGAL FIREWORKS FUND	601	ZONE 3 TRACT 14471 PICO & ORIOLE	270	TRAVEL/CONFERENCES/MTGS
64	PUBLIC SAFETY FUND	602	ZONE 2 14264 FORREST CITY PHASE II	271	MILEAGE
65	SENIOR BUS PROGRAM FUND	603	ZONE 4 TRACT 17766 GREENBRIAR	625	NPDES
66	CAL RECYCLE GRANT	604	ZONE 5 TRACT 18793 PALOMINO	631	STORM DRAIN MAINTENANCE
67	PUBLIC EDUC & GOVT ACCESS (PEG)	605	ZONE 6 TRACT 18071 JADEN	801	PLANNING COMMISSION
68	40TH YR CELEBRATION FUND	606	ZONE 7 TRACT 18604 TESORO/VAN BUREN	804	HISTORICAL & CULTURAL COMM.
69	COMMUNITY DAY FUND	625	NPDES	311	FACILITY IMPROVEMENTS
70	FIXED ASSED/EQUIP REPL FUND	631	STORM DRAIN MAINTENANCE	570	WASTEWATER TREATMENT
73	ACTIVE TRANS PRGM (ATP) GRANT	700	CAPITAL OUTLAY	400	OTHER COMMUNITY GRANTS
74	HIGHWAY SFTY IMPV PRGM (HSIP)	705	EVERY 15 MINUTES	601	ELECTRICAL VEHICLE STATIONS
75	EMER MGMT PREP GRANT (EMPG)	801	PLANNING COMMISSION	700	COMPUTER EQUIPMENT
76	ENHANCED INFRA FIN DIST (EIFD)	804	HISTORICAL & CULTURAL COMMITTEE	701	CAPITAL IMPROVEMENT OTHER
77	SO CAL INCENTIVE PROJECT (SCIP)	805	SENIOR CITIZENS PROGRAM	705	VEHICLES
90	COVID-19 EMERGENCY FUND	808	EMERGENCY OPERATIONS PROG.	998	OVERHEAD COST ALLOCATION
95	DOG PARK ENDOWMENT FUND	999	TRANSFERS	999	TRANSFERS OUT

CITY OF GRAND TERRACE
FY2025-26

GRAND TERRACE CIVIC CENTER
22795 BARTON ROAD GRAND TERRACE, CA 92313

CHECK REGISTER CHECK #83091

Bill Hussey, Mayor
Michelle Sabino, Mayor Pro Tem
Doug Wilson, Council Member
Jeff Allen, Council Member
Matt Brown, Council Member

The Grand Terrace City Council meets on the Second Tuesday of each month at 6:00 pm.

Check Register
CITY OF GRAND TERRACE
As of 11/30/2025

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83091	11/13/2025	WILLIAM HUSSEY	NOV2025-BH HL	NOV 2025 HEALTH REIMBURSEMENT	11/05/2025		
				E 10-110-142-000-000		359.85	
						359.85	
							359.85
						Total Checks:	**359.85**

IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 37202, I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, THE AFORE LISTED CHECKS FOR PAYMENT OF CITY LIABILITIES HAVE BEEN AUDITED BY ME AND ARE ACCURATE, NECESSARY AND APPROPRIATE EXPENDITURES FOR THE OPERATION OF THE CITY. I FURTHER CERTIFY, TO THE BEST OF MY KNOWLEDGE, THAT THE CITY HAS AVAILABLE FUNDS FOR PAYMENT THEREOF.

Christine Clayton

Christine Clayton, Finance Director

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AGENDA REPORT

MEETING DATE: January 13, 2026

TITLE: Approval of the November-2025 Check Register in the Amount of $321,113.76.

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: **APPROVE THE CHECK REGISTER NO. 11302025 IN THE AMOUNT OF $321,113.76 AS SUBMITTED, FOR THE MONTH ENDING NOVEMBER 30, 2025**

2030 VISION STATEMENT:
This staff report supports Goal #1, "Ensuring Our Fiscal Viability", through the continuous monitoring of expenditure budgets, allocations, and operational costs.

BACKGROUND:
The check register for the month of November-2025 has been prepared in accordance with Government Code §37202 and is hereby submitted for City Council's approval.

The check register lists all vendor payments for the respective month, along with a brief description of the type of goods or services purchased and the account code(s) associated with each payment. The check registers list all payments made to vendors and employee reimbursements during the month of November-2025.

The attached index to the Check Register is a guideline account list only and is not intended to replace the comprehensive chart of accounts used by the City and Grand Terrace Successor Agency. Expenditure account number formats are XX-XXX-XXX [Fund-Department-Account]. Expenditures may be made from trust/agency accounts (Fund 23-XXX-) or temporary clearing accounts that do not have a budgetary impact.

DISCUSSION:
CHECK REGISTER

A total of $321,113.76 in accounts payable checks and/or wires were issued during the period for services, reimbursements, supplies, and contracts and are detailed in the individual monthly register.

Below is a table that lists payments larger than $10,000 for the month of November-2025.

Payments larger than $10,000:

Check No.	Payee	Description	Amount
83084	CITY OF SAN BERNARDINO	FY2025-26 Q1 ANIMAL CONTROL OPERATING COSTS	$11,064.06

		AND JUL 2025 CIP COSTS	
83092	LILBURN CORPORATION	OCT-NOV 2025 PROFESSIONAL SERVICES FOR GRAND T-1, SA 25-04, SA 25-05, AND SA 23-21	$13,682.50
83109	ST FRANCIS ELECTRIC	BATTERY BACKUP SYSTEM INSTALL AT BARTON/HONEY HILL AND LED DRIVER REPLACEMENT AT BARTON BRIDGE, OCT 2025 ROUTINE AND RESPONSE SERVICES	$20,768.40
83121	ALESHIRE & WYNDER LLP	OCT LEGAL SERVICES	$27,550.37
83130	COMPLETE PAPERLESS SOLUTIONS	FY2025-26 LASERFICHE ANNUAL MAINTENANCE	$11,182.63
83146	ON SITE COMPUTING	DEC 2025 IT SERVICES AND MONITOR	$11,321.17
83151	SWRCB	FY2025-26 SWRCB SEWER PERMIT FEE	$10,920.00
18058272	PUBLIC EMPLOYEES RETIREMENT	RETIREMENT CONTRIBUTIONS FOR PAY DATE 10/30/2025	$12,477.77
18091050	PUBLIC EMPLOYEES RETIREMENT	RETIREMENT CONTRIBUTIONS FOR PAY DATE 11/13/2025	$12,537.06
18095641	CA PUB EMPLOYEES RETIRE SYSTEM	NOV 2025 PERS HEALTH INSURANCE	$29,544.20
32285066	SO CA EDISON COMPANY	OCT 2025 ENERGY USAGE	$19,681.20
464009725	US BANK	OCT-NOV 2025 CAL CARD CHARGES	$20,997.16
	TOTAL PAYMENTS LARGER THAN $10,000		**$201,726.52**

PAYROLL

Payroll costs for the month:

Pay Per.		**Period Start**		**Period End**	**Pay Date**	**Amount**

Nov-25						
10	From	10/25/2025	to	11/07/2025	11/13/2025	$83,276.88
11	From	11/08/2025	to	11/21/2025	11/26/2025	$86,368.69
						$169,645.57

ENVIRONMENTAL IMPACT:
N/A

FISCAL IMPACT:
All disbursements (including payroll) were made in accordance with the approved budget for Fiscal Year 2025-26 in the amount of:

Description	Amount
Nov-25	
Check Register	$321,113.76
Payroll	$169,645.57
	$490,759.33

CITY OF GRAND TERRACE

FY2025-26

GRAND TERRACE CIVIC CENTER
22795 BARTON ROAD GRAND TERRACE, CA 92313

CHECK REGISTER

Account Index

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68	40TH YR CELEBRATION FUND	606	ZONE 7 TRACT 18604 TESORO/VAN BUREN	804	HISTORICAL & CULTURAL COMM.
69	COMMUNITY DAY FUND	625	NPDES	311	FACILITY IMPROVEMENTS
70	FIXED ASSED/EQUIP REPL FUND	631	STORM DRAIN MAINTENANCE	570	WASTEWATER TREATMENT
73	ACTIVE TRANS PRGM (ATP) GRANT	700	CAPITAL OUTLAY	400	OTHER COMMUNITY GRANTS
74	HIGHWAY SFTY IMPV PRGM (HSIP)	705	EVERY 15 MINUTES	601	ELECTRICAL VEHICLE STATIONS
75	EMER MGMT PREP GRANT (EMPG)	801	PLANNING COMMISSION	700	COMPUTER EQUIPMENT
76	ENHANCED INFRA FIN DIST (EIFD)	804	HISTORICAL & CULTURAL COMMITTEE	701	CAPITAL IMPROVEMENT OTHER
77	SO CAL INCENTIVE PROJECT (SCIP)	805	SENIOR CITIZENS PROGRAM	705	VEHICLES
90	COVID-19 EMERGENCY FUND	808	EMERGENCY OPERATIONS PROG.	998	OVERHEAD COST ALLOCATION
95	DOG PARK ENDOWMENT FUND	999	TRANSFERS	999	TRANSFERS OUT

CITY OF GRAND TERRACE
FY2025-26

GRAND TERRACE CIVIC CENTER
22795 BARTON ROAD GRAND TERRACE, CA 92313

MONTHLY CHECK REGISTER For the Period Ending November 30, 2025

Bill Hussey, Mayor
Michelle Sabino, Mayor Pro Tem
Doug Wilson, Council Member
Jeff Allen, Council Member
Matt Brown, Council Member

The Grand Terrace City Council meets on the Second Tuesday of each month at 6:00 pm.

Check Register
CITY OF GRAND TERRACE
As of 11/30/2025

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83076	11/13/2025	8X8 INC	5289959	NOV 2025 SERVICE CHARGE FOR (46) POLYCOM VVX 450 PHONES	11/01/2025		
				E 10-190-235-000-000		1,326.19	
						1,326.19	
							1,326.19
83077	11/13/2025	AAA HOARDING AND BIOHAZARD	102925	REMOVAL OF BIOHAZARDOUS MATERIALS AT HOMELESS ENCAMPMENT AT 21935 VAN BUREN	10/29/2025		
				E 10-187-256-020-000		3,658.00	
						3,658.00	
							3,658.00
83078	11/13/2025	JEANNIE ADAIR	11062025	REFUND YARD SALE SIGN DEPOSIT FOR (2) YARD SALE SIGNS	11/06/2025		
				B 23-515-22-00		20.00	
						20.00	
							20.00
83079	11/13/2025	ADT SECURITY SERVICES	1174983357	OCT-DEC 2025 SENIOR CENTER SECURITY MONITORING	10/27/2025		
				E 10-805-245-000-000		113.10	
						113.10	
							113.10
83080	11/13/2025	AMERITAS LIFE INSURANCE CORP	NOV 2025	NOV 2025 EMPLOYEE PAID DENTAL INSURANCE	11/01/2025		
				B 10-022-70-00		773.16	
						773.16	
							773.16
83081	11/13/2025	ATHLETIC FIELD SPECIALISTS	8376	OCT 2025 TURF MAINTENANCE FOR RICHARD ROLLINS PARK	10/31/2025		
				E 10-450-245-000-000		2,350.00	
						2,350.00	
							2,350.00

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CITY OF GRAND TERRACE
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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83082	11/13/2025	BENSON PRODUCTIONS	1626	OCT 2025 VIDEOGRAPHER SERVICES FOR CITY COUNCIL AND PLANNING COMMISSION	11/05/2025		
				E 67-380-250-000-000		1,010.00	
						1,010.00	
							1,010.00
83083	11/13/2025	CAT TRACKING INC	21301	WATER BARRIER RENTAL FOR TRUNK OR TREAT 2025	10/31/2025		
				E 10-120-220-200-000		216.00	
						216.00	
							216.00
83084	11/13/2025	CITY OF SAN BERNARDINO	2026-00000014	FY2025-26 Q1 ANIMAL CONTROL OPERATING COSTS	11/05/2025		
				E 10-185-255-000-000		6,512.06	
						6,512.06	
			2026-00000009	JUL 2025 ANIMAL CONTROL SERVICES - CAPITAL IMPROVEMENT COSTS	11/05/2025		
				E 10-185-255-000-000		4,552.00	
						4,552.00	
							11,064.06
83085	11/13/2025	COUNTY OF RIVERSIDE TLMA ADM	TL0000017917	JUNE 2025 TRAFFIC SIGNAL MONITORING AT MAIN ST AND MICHIGAN ST	11/06/2025		
				E 10-175-246-000-000		409.53	
						409.53	
			TL0000017943	AUG 2025 TRAFFIC SIGNAL MONITORING AT MAIN ST AND MICHIGAN ST	11/10/2025		
				E 10-175-246-000-000		210.36	
						210.36	
			TL0000017930	JUL 2025 TRAFFIC SIGNAL MONITORING AT MAIN ST AND MICHIGAN ST	11/10/2025		
				E 10-175-246-000-000		191.38	
						191.38	
							811.27

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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83086	11/13/2025	DATA TICKET INC	184755	GRAND TERRACE - CODE ENFORCEMENT PROCESSING FOR SEP 2025	10/23/2025		
				E 10-185-255-000-000		546.80	
						546.80	
			184940	GRAND TERRACE - CITATION PROCESSING FEES FOR SEP 2025	10/23/2025		
				E 10-140-255-000-000		173.99	
						173.99	
			185176	GRAND TERRACE- STREET SWEEPING FOR SEP 2025	10/23/2025		
				E 10-140-255-000-000		62.50	
						62.50	
							783.29
83087	11/13/2025	ANGIE GRISAFE DELAROSA	172	ENTERTAINMENT FOR THANKSGIVING CELEBRATION AT SENIOR CENTER	11/02/2025		
				E 10-805-220-000-000		200.00	
						200.00	
							200.00
83088	11/13/2025	GOODMAN AND ASSOCIATES	6075	OCT 2025 INTERIM CITY ENGINEER SERVICES	11/03/2025		
				E 10-175-250-020-000		3,430.00	
						3,430.00	
							3,430.00
83089	11/13/2025	VIVIAN HERNANDEZ	10132025	REFUND YARD SALE SIGN DEPOSIT FOR (5) YARD SALE SIGNS	10/13/2025		
				B 23-515-22-00		50.00	
						50.00	
							50.00
83090	11/13/2025	HOME DEPOT CREDIT SERVICE	5270885	PLANTING SUPPLIES, LED LIGHTS, AND MAINTENANCE SUPPLIES	10/03/2025		
				E 10-175-244-000-000		310.68	
				E 10-195-245-000-000		39.12	
				E 10-450-245-000-000		83.29	
						433.09	

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CITY OF GRAND TERRACE
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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
			3271825	TOTES, MAINTENANCE SUPPLIES, AND CLEANING SUPPLIES	10/15/2025		
				E 10-195-245-000-000		64.79	
				E 10-450-245-000-000		52.12	
				E 62-120-220-000-000		190.20	
						307.11	
			1271934	TOOLS, BATTERIES, AND PAINT SUPPLIES	10/17/2025		
				E 10-175-218-000-000		189.19	
				E 10-195-245-000-000		18.77	
				E 10-450-245-000-000		64.83	
						272.79	
			7613110	SHOVEL AND MAINTENANCE SUPPLIES	10/01/2025		
				E 10-175-218-000-000		32.60	
				E 10-450-245-000-000		67.47	
						100.07	
			5901977	PAINT SUPPLIES FOR CITY HALL	10/23/2025		
				E 10-195-245-000-000		92.05	
						92.05	
			8614440	PAINT AND GRAFFITI REMOVAL SUPPLIES	10/10/2025		
				E 10-175-244-000-000		29.49	
				E 10-805-245-000-000		44.24	
						73.73	
			1613993	LIGHT REPAIR SUPPLIES FOR CITY HALL	10/07/2025		
				E 10-195-245-000-000		10.85	
						10.85	
							1,289.69

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83092	11/13/2025	LILBURN CORPORATION	25-1135	OCT-NOV 2025 PROFESSIONAL SERVICES FOR GRAND T1	11/06/2025		
				B 23-515-21-00		8,352.50	
						8,352.50	
			25-1129	OCT-NOV 2025 PROFESSIONAL SERVICES FOR SA 25-04	11/06/2025		
				B 23-520-09-00		1,845.00	
						1,845.00	
			25-1130	OCT-NOV 2025 PROFESSIONAL SERVICES FOR SA 25-05	11/06/2025		
				B 23-520-10-00		1,845.00	
						1,845.00	
			25-1132	OCT-NOV 2025 PROFESSIONAL SERVICES FOR SA 23-21	11/06/2025		
				B 23-515-72-00		1,640.00	
						1,640.00	
							13,682.50
83093	11/13/2025	DIANA LOVE	11062025	PARTIAL REFUND - RESERVATION DEPOSIT FOR SENIOR CENTER 9/13/2025	11/06/2025		
				B 23-515-22-00		80.75	
						80.75	
							80.75
83094	11/13/2025	CRYSTAL MARTINEZ	11112025	REFUND RESERVATION DEPOSIT FOR RICHARD ROLLINS PARK 11/1/2025	11/11/2025		
				B 23-515-22-00		100.00	
						100.00	
							100.00
83095	11/13/2025	DOMINIQUE MCCREE	11052025	REFUND YARD SALE SIGN DEPOSIT FOR (2) YARD SALE SIGNS	11/05/2025		
				B 23-515-22-00		20.00	
						20.00	
							20.00

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CITY OF GRAND TERRACE
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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83096	11/13/2025	MIDAMERICA ADMIN RETIREMENT	PAYDATE 11132	PAYDATE 11132025 ARS RETIREMENT	11/13/2025		
				B 10-022-68-00		282.15	
						282.15	
							282.15
83097	11/13/2025	KIMBERLY NESCI	11112025	REFUND YARD SALE SIGN DEPOSIT FOR (5) YARD SALE SIGNS	11/11/2025		
				B 23-515-22-00		50.00	
						50.00	
							50.00
83098	11/13/2025	ODP BUSINESS SOLUTIONS LLC	443756045001	RESTROOM AND BREAKROOM SUPPLIES	10/30/2025		
				E 10-190-210-000-000		237.59	
				E 10-195-245-000-000		213.24	
				E 10-450-245-000-000		426.48	
				E 10-805-245-000-000		213.24	
						1,090.55	
							1,090.55
83099	11/13/2025	ON SITE COMPUTING	54004966	STREAMING ENCODER REPLACEMENT FOR CITY COUNCIL CHAMBERS	11/07/2025		
				E 10-380-210-000-000		1,672.23	
						1,672.23	
							1,672.23
83100	11/13/2025	PETTY CASH	11122025	REPLENISH PETTY CASH SEP 2025 TO OCT 2025	11/12/2025		
				E 10-185-220-000-000		600.00	
				E 10-190-226-000-000		119.00	
				E 10-805-220-000-000		106.94	
				B 23-515-21-00		100.00	
				B 23-520-18-00		50.00	
				E 62-120-220-000-000		101.62	
						1,077.56	
							1,077.56

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CITY OF GRAND TERRACE
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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83101	11/13/2025	PRIMO BRANDS	05K8710353697	OCT 2025 WATER SERVICES FOR CITY HALL AND SENIOR CENTER	11/04/2025		
				E 10-190-238-000-000		113.44	
				E 10-805-238-000-000		94.30	
						207.74	
			05K8710047048	OCT-NOV 2025 WATER FILTRATION SYSTEM RENTAL	11/04/2025		
				E 10-190-238-000-000		49.45	
						49.45	
							257.19
83102	11/13/2025	Q3 CONSULTING	38552	SEP 2025 STORM DRAIN MASTER PLAN DEVELOPMENT	10/31/2025		
				E 10-631-255-000-000		1,462.50	
						1,462.50	
							1,462.50
83103	11/13/2025	QUADIENT LEASING USA INC	Q2101346	OCT-DEC 2025 POSTAGE METER LEASE	11/10/2025		
				E 10-190-211-000-000		967.55	
						967.55	
							967.55
83104	11/13/2025	ROSALBA ROCHA	11112025	REFUND RESERVATION DEPOSIT FOR FITNESS PARK 11/2/2025	11/11/2025		
				B 23-515-22-00		50.00	
						50.00	
							50.00
83105	11/13/2025	AMELIA SAENZ	11112025	REFUND RESERVATION DEPOSIT FOR RICHARD ROLLINS PARK 11/8/2025	11/11/2025		
				B 23-515-22-00		50.00	
						50.00	
							50.00

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CITY OF GRAND TERRACE
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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83106	11/13/2025	SCA OF CA LLC	CA25003409	OCT 2025 STREET SWEEPING SERVICES	10/31/2025		
				E 16-900-254-000-000		8,688.67	
						8,688.67	
							8,688.67
83107	11/13/2025	SITEONE LANDSCAPE SUPPLY	160116266-001	TOOLS AND IRRIGATION SUPPLIES	10/29/2025		
				E 10-175-218-000-000		85.78	
				E 10-175-244-000-000		186.17	
				E 10-195-245-000-000		180.10	
						452.05	
							452.05
83108	11/13/2025	SO CAL LOCKSMITH	67510	PEDESTRIAN GATE FOR RICHARD ROLLINS AND PICO PARKS	09/22/2025		
				E 10-450-245-000-000		5,148.61	
						5,148.61	
			67496	DOOR REPAIR AT CITY HALL	09/17/2025		
				E 10-195-245-000-000		220.00	
						220.00	
			67409	LOCK REPAIR AT SHERIFF SUBSTATION	08/19/2025		
				E 10-195-245-000-000		150.00	
						150.00	
			67660	REPLACEMENT KEYS TO SENIOR CENTER FOR MAINTENANCE STAFF	11/05/2025		
				E 10-175-210-000-000		83.46	
						83.46	
			67626	KEYS FOR LOCKBOX AT RICHARD ROLLINS PARK	10/28/2025		
				E 10-450-245-000-000		11.85	
						11.85	
							5,613.92
83109	11/13/2025	ST FRANCIS ELECTRIC	22147786	BATTERY BACKUP SYSTEM INSTALLATION AT TRAFFIC SIGNAL AT BARTON AND HONEY HILL	10/31/2025		
				E 16-510-255-000-000		14,902.41	
						14,902.41	

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
			22147785	LED DRIVER REPLACEMENT FOR LIGHTING AT BARTON BRIDGE	10/31/2025		
				E 16-510-255-000-000		3,122.60	
						3,122.60	
			22147787	OCT 2025 RESPONSE TRAFFIC SIGNAL MAINTENANCE	10/31/2025		
				E 16-510-255-000-000		2,185.84	
						2,185.84	
			22147784	OCT 2025 ROUTINE TRAFFIC SIGNAL MAINTENANCE	10/31/2025		
				E 16-510-255-000-000		557.55	
						557.55	
							20,768.40
83110	11/13/2025	STERICYCLE INC	8012567747	10-29-2025 RECORDS DESTRUCTION	11/10/2025		
				E 10-125-250-000-000		167.44	
						167.44	
							167.44
83111	11/13/2025	TODD PETERS ELECTRICAL CONTRA(	1004025-5	HIGH BAY LIGHTING REPLACEMENT AT CITY HALL	11/10/2025		
				E 10-195-245-000-000		3,984.55	
						3,984.55	
			1004025-3	ELECTRICAL CLOCK INSTALLATION AT VETERAN'S FREEDOM PARK	11/10/2025		
				E 10-450-245-000-000		499.00	
						499.00	
							4,483.55
83112	11/13/2025	TRUELINE CONSTRUCTION	2981	PAINT STRIPE PLAY LINES ON PICKLEBALL COURT	11/10/2025		
				E 10-450-245-000-000		2,420.00	
						2,420.00	
							2,420.00

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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83113	11/13/2025	UNDERGROUND SERVICE ALERT	1020250326	NOV 2025 MONTHLY DATABASE MAINTENANCE FEE	11/01/2025		
				E 16-900-220-000-000		64.00	
						64.00	
			25-261346	NOV 2025 CA STATE FEE FOR REGULATORY COST	11/01/2025		
				E 16-900-220-000-000		46.43	
						46.43	
							110.43
83114	11/13/2025	ELVIRA VALENZUELA	11112025	REFUND RESERVATION DEPOSIT AND FEE FOR CANCELLED RESERVATION 11/8/2025	11/11/2025		
				R 10-450-01		55.00	
				B 23-515-22-00		50.00	
						105.00	
							105.00
83115	11/13/2025	VERIZON WIRELESS	6126823804	ALPR LINE CHARGES SEP-OCT 2025	10/23/2025		
				E 10-190-235-000-000		190.05	
						190.05	
							190.05
83116	11/13/2025	CANDYCE VIZCARRA	11112025	REFUND RESERVATION DEPOSIT FOR RICHARD ROLLINS PARK 11/8/2025	11/11/2025		
				B 23-515-22-00		50.00	
						50.00	
							50.00
83117	11/13/2025	ROSIE WHITEHEAD	11112025	REFUND YARD SALE SIGN DEPOSIT FOR (4) YARD SALE SIGNS	11/11/2025		
				B 23-515-22-00		40.00	
						40.00	
							40.00

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83118	11/13/2025	WILLDAN	002-36312	OCT 2025 PLAN CHECK/ INSPECTION SVCS FOR BUILDING & SAFETY	11/04/2025		
				E 10-172-250-100-000		8,057.80	
						8,057.80	
							8,057.80
83119	11/25/2025	A STORAGE PLACE	12/01/2025 - B15	DEC 2025 RENT FOR UNIT B15	11/16/2025		
				E 10-140-241-000-000		240.00	
						240.00	
							240.00
83120	11/25/2025	AAA HOARDING AND BIOHAZARD	11525	REMOVAL OF BIOHAZARDOUS MATERIALS AT HOMELESS ENCAMPMENT AT 21582 MAIN ST	11/05/2025		
				E 10-187-256-020-000		3,985.00	
						3,985.00	
							3,985.00
83121	11/25/2025	ALESHIRE AND WYNDER LLP	100203	OCT 2025 LEGAL SERVICES - GENERAL	11/12/2025		
				E 10-160-250-000-000		10,670.00	
						10,670.00	
			100209	OCT 2025 LEGAL SERVICES - COMMUNITY HOUSING GROUP, LLC	11/12/2025		
				E 10-160-250-100-000		7,903.97	
						7,903.97	
			100210	OCT 2025 LEGAL SERVICES - 12466 MICHIGAN/21600 WALNUT	11/12/2025		
				E 10-160-250-100-000		3,709.60	
						3,709.60	

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
			100201	OCT 2025 LEGAL SERVICES - GATEWAY SPECIFIC PLAN	11/12/2025		
				B 23-515-90-00		2,332.70	
						2,332.70	
			100849	OCT 2025 LEGAL SERVICES - GENERAL AFTER 42 HRS	11/12/2025		
				E 10-160-250-000-000		971.30	
						971.30	
			100847	OCT 2025 LEGAL SERVICES FOR GT HOUSING AUTHORITY	11/12/2025		
				E 52-400-251-000-000		798.00	
						798.00	
			100208	OCT 2025 LEGAL SERVICES - CODE ENFORCEMENT	11/12/2025		
				E 10-160-250-100-000		754.50	
						754.50	
			100202	OCT 2025 LEGAL SERVICES FOR BRSP	11/12/2025		
				B 23-515-59-00		410.30	
						410.30	
							27,550.37
83122	11/25/2025	ANIMAL EMERGENCY CLINIC	582874	NOV 2025 EMERGENCY VETERINARY SERVICES FOR (1) DOG	11/08/2025		
				E 10-185-250-000-000		800.00	
						800.00	
							800.00
83123	11/25/2025	AT AND T	NOV 2025 AT&T	NOV 2025 AT&T	11/01/2025		
				E 10-190-235-000-000		260.75	
				E 10-450-235-000-000		720.42	
				E 10-805-235-000-000		1,387.80	
				E 10-808-235-000-000		34.81	
						2,403.78	
							2,403.78

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83124	11/25/2025	BALLUSIONIST	2602	ENTERTAINMENT FOR NEW YEAR CELEBRATION AT SENIOR CENTER	01/05/2026		
				E 10-805-220-000-000		100.00	
						100.00	
							100.00
83125	11/25/2025	CAROLYN BOWYER	11192025	REFUND YARD SALE SIGN DEPOSIT FOR (2) YARD SALE SIGNS	11/19/2025		
				B 23-515-22-00		20.00	
						20.00	
							20.00
83126	11/25/2025	BURRTEC WASTE INDUSTRIES INC	11132025 TRASH	07/01/2024 - 06/30/2025 DELINQ TRASH COLLECT	11/13/2025		
				B 23-302-90-00		2,960.34	
				B 23-303-90-00		2,052.81	
						5,013.15	
							5,013.15
83127	11/25/2025	FRANCHESKA BYMA	11192025	REFUND YARD SALE SIGN DEPOSIT FOR (2) YARD SALE SIGNS	11/19/2025		
				B 23-515-22-00		20.00	
						20.00	
							20.00
83128	11/25/2025	CHARTER COMMUNICATIONS	23470380111012	CITY HALL ELEVATOR PHONE - NOV 2025	11/01/2025		
				E 10-195-245-000-000		40.00	
						40.00	
							40.00
83129	11/25/2025	CITY OF SAN BERNARDINO	2026-00000019	OCT 2025 ANIMAL CONTROL SERVICES - CAPITAL IMPROVEMENT COSTS	11/18/2025		
				E 10-185-255-000-000		4,552.00	
						4,552.00	
							4,552.00

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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
83130	11/25/2025	COMPLETE PAPERLESS SOLUTIONS	4664	FY2025-26 LASERFICHE ANNUAL MAINTENANCE	11/17/2025		
				E 10-125-250-000-000		11,182.63	
						11,182.63	
							11,182.63
83131	11/25/2025	DENTAL HEALTH SERVICES	2533437	DEC 2025 EMPLOYEE PAID DENTAL INS	11/16/2025		
				B 10-022-70-00		145.95	
						145.95	
							145.95
83132	11/25/2025	DUNN EDWARDS CORP	2018A48160	PAINT SUPPLIES FOR CITY HALL	11/06/2025		
				E 10-195-245-000-000		41.30	
						41.30	
							41.30
83133	11/25/2025	EZ SUNNYDAY LANDSCAPE	9928	NOV 2025 LANDSCAPING SERVICES - PARKS, CIVIC CENTER, CANAL STRIP, ORIOLE	11/17/2025		
				E 10-175-244-000-000		80.00	
				E 10-195-245-000-000		200.00	
				E 10-450-245-000-000		3,285.00	
				E 26-600-255-000-000		150.00	
				E 26-601-255-000-000		80.00	
						3,795.00	
			9926	OCT 2025 LANDSCAPING SERVICES - TRACT 18070 JADEN	11/17/2025		
				E 26-605-255-000-000		750.00	
						750.00	
			9925	NOV 2025 JADEN CT IRRIGATION MAINTENANCE	11/17/2025		
				E 26-605-255-000-000		150.00	
						150.00	
							4,695.00

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83134	11/25/2025	FAMILY SERVICE ASSOCIATION	10-2025-300604	OCT 2025 CDBG SENIOR CENTER NUTRITION PROGRAM	11/01/2025		
				E 22-425-305-000-000		1,529.43	
						1,529.43	
							1,529.43
83135	11/25/2025	FENNEMORE CRAIG PC	1325086	SEP-OCT 2025 LEGAL SERVICES FOR PETTA FAMILY TRUST	11/18/2025		
				E 10-160-250-100-000		4,458.00	
						4,458.00	
							4,458.00
83136	11/25/2025	GRAND TERRACE CITY NEWS	19663	GT 10.30.2025 CITY AD: ORD 371 2ND READING	10/28/2025		
				E 10-172-230-000-000		187.60	
						187.60	
							187.60
83137	11/25/2025	HOLIDAY OUTDOOR DECOR	INV22285	STREETLIGHT BANNERS FOR LIGHT UP GT 2025	11/19/2025		
				E 62-120-220-000-000		4,350.00	
						4,350.00	
							4,350.00
83138	11/25/2025	INLAND BUSINESS FORMS	36299	BUSINESS CARDS - JENNIFER VICKSTROM	08/12/2025		
				E 65-425-220-000-000		62.34	
						62.34	
							62.34
83139	11/25/2025	KONICA MINOLTA	48064060	NOV-DEC 2025 RENT FOR (2) PHOTOCOPIERS	11/02/2025		
				E 10-190-700-000-000		260.32	
						260.32	
			48196433	NOV-DEC 2025 RENT FOR ADDITIONAL PHOTOCOPIER	11/21/2025		
				E 10-190-700-000-000		142.92	
						142.92	
							403.24

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83140	11/25/2025	KONICA MINOLTA BUS. SOLUTIONS	9010672146	10/15/2025-11/14/2025 CITYWIDE PHOTOCOPIER SERVICES	11/14/2025		
				E 10-190-212-000-000		122.75	
						122.75	
							122.75
83141	11/25/2025	LEAGUE OF CALIFORNIA CITIES	2994	REGISTRATION - OCT 2025 IE DIVISION MEETING - JEFF ALLEN	10/08/2025		
				E 10-110-270-000-000		75.00	
						75.00	
							75.00
83142	11/25/2025	LILBURN CORPORATION	25-1039	SEP-OCT 2025 PROFESSIONAL SERVICES FOR SA 23-21	10/09/2025		
				B 23-515-72-00		1,742.50	
						1,742.50	
			25-1036	SEP-OCT 2025 PROFESSIONAL SERVICES FOR SA 25-04	10/09/2025		
				B 23-520-09-00		1,127.50	
						1,127.50	
			25-1040	SEP-OCT 2025 PROFESSIONAL SERVICES FOR SA 25-06	10/09/2025		
				B 23-520-11-00		1,127.50	
						1,127.50	
							3,997.50

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83143	11/25/2025	LINCOLN NATIONAL LIFE INSURANC	LCLN DEC 2025	DEC 2025 LIFE/AD&D/DEP LIFE/WI/LTD	12/01/2025		
				B 10-022-66-00		1,214.08	
				E 10-120-142-000-000		66.04	
				E 10-125-142-000-000		23.71	
				E 10-140-142-000-000		54.27	
				E 10-172-142-000-000		10.34	
				E 10-175-142-000-000		44.86	
				E 10-185-142-000-000		22.04	
				E 10-370-142-000-000		31.65	
				E 10-450-142-000-000		21.91	
				E 16-175-142-000-000		10.95	
				E 22-425-142-000-000		11.25	
				E 52-400-142-000-000		2.39	
				E 65-425-142-000-000		7.14	
						1,520.63	
							1,520.63
83144	11/25/2025	MICHAEL BAKER INTERNATIONAL	1267316	SEP-OCT 2025 PROFESSIONAL SERVICES FOR GT HEALTH CENTER	11/14/2025		
				B 23-520-20-00		3,931.25	
						3,931.25	
							3,931.25
83145	11/25/2025	ODP BUSINESS SOLUTIONS LLC	446779696001	TISSUES FOR CITY HALL	11/07/2025		
				E 10-195-245-000-000		61.13	
						61.13	
							61.13
83146	11/25/2025	ON SITE COMPUTING	54004974	DEC 2025 IT SERVICES	11/01/2025		
				E 10-380-250-000-000		10,994.37	
						10,994.37	
			54005016	MONITOR FOR SECURITY SYSTEM AT VETERAN'S FREEDOM PARK	11/18/2025		
				E 10-450-245-000-000		326.80	
						326.80	
							11,321.17

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83147	11/25/2025	RUTH REMBERT	11122025	REFUND RESERVATION FEE FOR CANCELLED SENIOR CENTER RESERVATIONS JAN-MAR 2025	11/12/2025		
				R 10-450-01		195.00	
						195.00	
							195.00
83148	11/25/2025	REVENUE AND COST SPECIALISTS	9370	NOV 2025 DEVELOPMENT IMPACT FEE STUDY	11/05/2025		
				E 10-172-250-000-000		7,920.00	
						7,920.00	
							7,920.00
83149	11/25/2025	SITEONE LANDSCAPE SUPPLY	160442602-001	IRRIGATION SUPPLIES FOR CITY HALL	11/07/2025		
				E 10-195-245-000-000		39.56	
						39.56	
							39.56
83150	11/25/2025	SPARKLING CLEAN CAR WASH INC	792	CAR WASHES FOR (5) CITY HALL VEHICLES	11/05/2025		
				E 10-175-272-000-000		133.00	
				E 10-185-272-000-000		45.00	
						178.00	
							178.00
83151	11/25/2025	SWRCB	SW-0323375	FY2025-26 SWRCB SEWER PERMIT FEE	11/05/2025		
				E 10-625-255-000-000		10,920.00	
						10,920.00	
							10,920.00
83152	11/25/2025	TEAMSTERS LOCAL 1932	052	DEC 2025 EMPLOYEE PAID MEMBERSHIP DUES	11/14/2025		
				B 10-022-72-00		708.32	
						708.32	
							708.32

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83153	11/25/2025	TERMINIX	465339780	OCT 2025 GOPHER CONTROL FOR GRIFFIN PARK	10/27/2025		
				E 10-450-245-000-000		189.00	
						189.00	
			465496966	OCT 2025 GOPHER CONTROL FOR PICO PARK	10/27/2025		
				E 10-450-245-000-000		158.00	
						158.00	
			465337248	OCT 2025 PEST CONTROL SERVICES - CITY HALL	10/27/2025		
				E 10-195-245-000-000		128.00	
						128.00	
			465334568	OCT 2025 PEST CONTROL SVCS FOR SENIOR CENTER	10/27/2025		
				E 10-805-245-000-000		124.00	
						124.00	
			465339764	OCT 2025 GOPHER CONTROL FOR DOG PARK	10/27/2025		
				E 10-450-245-000-000		93.00	
						93.00	
			465339756	OCT 2025 GOPHER CONTROL FOR RICHARD ROLLINS PARK	10/27/2025		
				E 10-450-245-000-000		93.00	
						93.00	
			465339788	OCT 2025 GOPHER CONTROL FOR POCKET PARK	10/27/2025		
				E 10-450-245-000-000		80.00	
						80.00	
							865.00
83154	11/25/2025	UNITED RENTALS	255049200-001	LIGHT TOWER RENTALS FOR 2025 TRUNK OR TREAT	11/03/2025		
				E 10-120-220-200-000		542.80	
						542.80	
							542.80

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83155	11/25/2025	WILLDAN	002-36313	OCT 2025 PLAN CHECKING SERVICES FOR VARIOUS DEVELOPERS	11/04/2025		
				B 23-515-55-00		405.00	
				B 23-520-10-00		1,147.50	
				B 23-520-13-00		270.00	
						1,822.50	
							1,822.50
83156	11/25/2025	MARY WILSON	11192025	REFUND RESERVATION DEPOSIT FOR SENIOR CENTER 11/01/2025	11/19/2025		
				B 23-515-22-00		200.00	
						200.00	
							200.00
916784	11/24/2025	AMERICAN FIDELITY ASSURANCE CO	D916784	DEC 2025 - EMPLOYEE CANCER & ACCIDENT INSURANCE	12/01/2025		
				B 23-250-20-00		378.54	
						378.54	
							378.54
2509763	11/24/2025	AMERICAN FIDELITY ASSURANCE CO	2509763A	DEC 2025 EMP PAID FLEX SPEND/DEP CARE	12/01/2025		
				B 23-250-10-00		291.65	
						291.65	
							291.65
3100009	11/06/2025	SO CA GAS COMPANY	OCT 2025 GAS S	OCT 2025 GAS SERVICE	11/06/2025		
				E 10-190-238-000-000		47.34	
				E 10-805-238-000-000		149.83	
						197.17	
							197.17
18058272	11/13/2025	PUBLIC EMPLOYEES RETIREMENT	PAYDTE 103020:	RETIREMENT CONTRIBUTIONS FOR PAY DATE 10/30/2025	10/30/2025		
				B 10-022-62-00		12,477.77	
						12,477.77	
							12,477.77

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18091050	11/13/2025	PUBLIC EMPLOYEES RETIREMENT	PAYDTE 111320:	RETIREMENT CONTRIBUTIONS FOR PAY DATE 11/13/2025	11/13/2025		
				B 10-022-62-00		12,537.06	
						12,537.06	
							12,537.06
18095641	11/03/2025	CA PUB EMPLOYEES RETIRE SYSTEM	11012025 HPERS	NOV 2025 PERS HEALTH INSURANCE ACH 1003040261	11/01/2025		
				B 10-022-61-00		3,278.13	
				E 10-120-142-000-000		4,102.00	
				E 10-125-142-000-000		1,756.63	
				E 10-140-142-000-000		2,585.88	
				E 10-172-142-000-000		927.38	
				E 10-175-142-000-000		3,709.52	
				E 10-185-142-000-000		1,854.76	
				E 10-190-142-000-000		5,961.87	
				E 10-370-142-000-000		829.25	
				E 10-450-142-000-000		1,854.76	
				E 16-175-142-000-000		927.38	
				E 22-425-142-000-000		829.26	
				E 65-425-142-000-000		927.38	
						29,544.20	
							29,544.20
18122147	11/12/2025	CALPERS 457 PLAN	PAYDATE 10302	EFT PAYMENT CALPERS ACH CONFIRM #1003048260	10/30/2025		
				B 10-022-63-00		2,560.00	
						2,560.00	
							2,560.00
18122566	11/13/2025	CALPERS 457 PLAN	PAYDATE 11132	EFT PAYMENT CALPERS ACH CONFIRM #1003048673	11/13/2025		
				B 10-022-63-00		2,560.00	
						2,560.00	
							2,560.00

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
32285066	11/04/2025	SO CA EDISON COMPANY	OCT 2025 EDISC	OCT 2025 EDISON	11/01/2025		
				E 10-175-238-000-000		58.68	
				E 10-190-238-000-000		7,609.00	
				E 10-450-238-000-000		3,903.84	
				E 16-510-238-000-000		7,689.25	
				E 26-600-238-000-000		78.78	
				E 26-601-238-000-000		64.01	
				E 26-602-238-000-000		88.62	
				E 26-603-238-000-000		14.77	
				E 26-604-238-000-000		69.40	
				E 26-605-238-000-000		55.85	
				E 65-425-700-000-000		49.00	
						19,681.20	
							19,681.20
108540550	11/07/2025	WEX BANK	108540550	OCT-NOV 2025 VEHICLE FUEL CHEVRON	11/06/2025		
				E 10-175-272-000-000		2,091.71	
				E 10-185-272-000-000		496.04	
						2,587.75	
							2,587.75
432470137	11/11/2025	VERIZON WIRELESS	6127336873	OCT-NOV 2025 MONTHLY PHONE CHARGES	11/01/2025		
				E 10-120-235-000-000		116.58	
				E 10-125-235-000-000		77.72	
				E 10-140-235-000-000		116.58	
				E 10-172-235-000-000		38.86	
				E 10-175-235-000-000		718.21	
				E 10-185-235-000-000		162.44	
				E 10-190-235-000-000		270.13	
				E 10-370-235-000-000		77.72	
				E 10-805-235-000-000		38.86	
				E 65-425-235-000-000		38.86	
						1,655.96	
							1,655.96

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464009725	11/11/2025	US BANK	OCT2025 CAL C/	OCT-NOV 2025 CAL CARD CHARGES	11/06/2025		
				E 10-110-210-000-000 OFFICE SUPPLIES		45.26	
				E 10-110-220-000-000 MTRLS & SUPPLIES		69.98	
				E 10-110-270-000-000 CONFERENCE		5,475.82	
				E 10-120-210-000-000 OFFICE SUPPLIES		75.44	
				E 10-120-220-200-000 MTRLS & SUPPLIES		3,844.33	
				E 10-120-270-000-000 CONFERENCE		1,685.36	
				E 10-125-210-000-000 OFFICE SUPPLIES		86.22	
				E 10-125-220-000-000 MTRLS & SUPPLIES		8.61	
				E 10-125-265-000-000 MTRLS & SUPPLIES		15.00	
				E 10-125-270-000-000 CONFERENCE		-186.30	
				E 10-140-210-000-000 OFFICE SUPPLIES		184.24	
				E 10-140-220-000-000 MTRLS & SUPPLIES		29.08	
				E 10-140-270-000-000 CONFERENCE		1,542.35	
				E 10-172-270-000-000 CONFERENCE		330.00	
				E 10-172-272-000-000 VEHICLE MAINT		67.01	
				E 10-175-210-000-000 OFFICE SUPPLIES		22.46	
				E 10-175-218-000-000 MTRLS & SUPPLIES		13.31	
				E 10-175-244-000-000 MTRLS & SUPPLIES		1,486.79	
				E 10-175-265-000-000 MTRLS & SUPPLIES		481.54	
				E 10-175-270-000-000 CONFERENCE		40.41	
				E 10-175-272-000-000 VEHICLE MAINT		10.76	
				E 10-185-210-000-000 OFFICE SUPPLIES		78.59	
				E 10-185-250-000-000 MTRLS & SUPPLIES		190.00	
				E 10-190-210-000-000 OFFICE SUPPLIES		41.64	
				E 10-190-211-000-000 POSTAGE		114.35	
				E 10-190-220-000-000 MTRLS & SUPPLIES		224.45	
				E 10-190-272-000-000 VEHICLEMAINT		46.13	
				E 10-195-245-000-000 MTRLS & SUPPLIES		505.78	
				E 10-370-210-000-000 OFFICE SUPPLIES		50.32	
				E 10-370-270-000-000 CENFERENCE		250.00	
				E 10-450-245-000-000 MTRLS & SUPPLIES		719.38	
				E 10-631-255-000-000 MTRLS & SUPPLIES		1,941.19	
				E 10-805-210-000-000 OFFICE SUPPLIES		154.76	
				E 10-805-220-000-000 MTRLS & SUPPLIES		418.88	
				E 10-805-245-000-000 MTRLS & SUPPLIES		318.91	
				E 10-808-220-000-000 MTRLS & SUPPLIES		447.05	
				E 62-120-220-000-000 LIGHT UP GT		168.06	
						20,997.16	
							20,997.16
						Total Checks:	**321,113.76**

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IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 37202, I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, THE AFORE LISTED CHECKS FOR PAYMENT OF CITY LIABILITIES HAVE BEEN AUDITED BY ME AND ARE ACCURATE, NECESSARY AND APPROPRIATE EXPENDITURES FOR THE OPERATION OF THE CITY. I FURTHER CERTIFY, TO THE BEST OF MY KNOWLEDGE, THAT THE CITY HAS AVAILABLE FUNDS FOR PAYMENT THEREOF.

Christine Clayton

Christine Clayton, Finance Director

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AGENDA REPORT

MEETING DATE: January 13, 2026

TITLE: Adoption of the 2025–26 Development Impact Fee Nexus Study, Updated Development Impact Fees, and Introduction of an Ordinance Amending Section 4.80.010 of the Grand Terrace Municipal Code

PRESENTED BY: Gregory Brown, Vice President

RECOMMENDATION: **ADOPT A RESOLUTION ADOPTING THE 2025–26 DEVELOPMENT IMPACT FEE (DIF) NEXUS STUDY AND ESTABLISHING UPDATED DEVELOPMENT IMPACT FEES AT OR BELOW THE MAXIMUM AMOUNTS JUSTIFIED IN THE STUDY, INCLUDING A NEW LAW ENFORCEMENT (COUNTY SHERIFF) FACILITIES FEE COMPONENT; AND INTRODUCE AND WAIVE THE FIRST READING OF AN ORDINANCE AMENDING SECTION 4.80.010 OF THE GRAND TERRACE MUNICIPAL CODE TO REMOVE OBSOLETE FEE AMOUNTS AND PROVIDE THAT DEVELOPMENT IMPACT FEE SCHEDULES UNDER CHAPTER 4.80 SHALL BE ESTABLISHED BY CITY COUNCIL RESOLUTION**

2030 VISION STATEMENT:

This item supports the City's 2030 Vision Goal of ensuring long-term fiscal viability by aligning development impact fees with current legal requirements so that new development funds its fair, proportional share of growth-related capital improvements, rather than shifting those costs onto existing residents and businesses.

BACKGROUND:

The City of Grand Terrace imposes Development Impact Fees (DIFs) pursuant to the Mitigation Fee Act (Government Code Sections 66000 through 66025) to ensure that new development pays its fair, proportional share of the cost of growth-related public facilities. The current fee structure for several categories was last comprehensively updated in 2006 and no longer reflects the City's facility needs, cost basis, growth projections, or the contemporary legal and documentation requirements established under AB 1600 and, more recently, Assembly Bill 602 (AB 602), which took effect on January 1, 2022. As a result, the City's legacy fee program predates these standards, lacks the level of detail now required for fee calculation and disclosure, and includes obsolete fee amounts and formats that are not aligned with current law or practice.

To complete a comprehensive update and restore a legally defensible DIF program, the City retained Revenue & Cost Specialists (RCS) to prepare the 2025–26 Development Impact Fee Calculation and Nexus Report ("Nexus Study"). The Nexus Study updates the City's fee calculations, land use and growth assumptions, growth projections, facility needs, and cost basis to reflect present service conditions and capital requirements. It applies the Mitigation Fee Act nexus methodology by documenting existing levels of service, identifying the facilities required to maintain those levels as development occurs, allocating the growth-related share of facility costs to new development, and converting that share into maximum justified fees. The Study also provides the detailed calculation tables, cost support, and statutory findings required under AB 1600 and AB 602, including residential fees expressed on a per-square-foot basis. The Nexus Study establishes maximum legally defensible development impact fees for Law Enforcement (County Sheriff) Facilities, Street Improvements, General City Facilities, Public Use Facilities, and Parkland Acquisition and Park Facilities, and includes an Accessory Dwelling Unit (ADU) impact fee application appendix.

The Nexus Study also introduces a Law Enforcement (County Sheriff) Facilities fee to address growth-related facility needs associated with contracted Sheriff services. The intent of this fee is to fund eligible City-owned facilities and other capital improvements that support the delivery of law enforcement services. Adoption of this fee does not create or imply the formation of an independent municipal police department.

The proposed Ordinance would amend Grand Terrace Municipal Code Section 4.80.010. That section currently contains specific fee amounts adopted in 1989 and 2006 for several public facility categories. These amounts are obsolete and no longer aligned with the updated Nexus Study. Consistent with the Mitigation Fee Act and AB 1600 implementation practice, fee schedules are adopted by resolution and supported by a current nexus study, rather than embedding specific dollar amounts directly in the Municipal Code, so that future updates can be made transparently when supported by updated documentation.

Finally, State law under the Mitigation Fee Act (Government Code §§66000–66025) requires the City to prepare an Annual Development Impact Fee Report each year (Gov. Code §66006) and to review and update its DIF program and findings at least every five years to confirm the continued nexus and proportionality of the fees (Gov. Code §66001(d)). As part of this update cycle, RCS is preparing and submitting the required annual DIF report(s) and the five-year DIF review so that, upon adoption of the Nexus Study and updated fees, the City will be brought current with these statutory requirements. Following adoption, the City will continue to prepare the Annual Development Impact Fee Report each year and complete the required five-year review and update process on an ongoing basis to maintain compliance and ensure that DIFs remain current and proportionate as conditions change.

DISCUSSION:

When new homes or businesses are built, they create more demand for City public facilities and services. Development Impact Fees (DIFs) are one-time fees paid by new development so the City can fund the capital facilities needed to serve that growth, helping maintain established service levels while ensuring that growth pays its fair, proportional share rather than shifting those costs to existing residents and businesses.

The 2025–26 Development Impact Fee Calculation and Nexus Report (“Nexus Study”) is based on the principle that growth creates additional demand for public facilities. As Grand Terrace grows, new homes and businesses add residents, employees, visitors, vehicles on local streets, and calls-for-service for public safety, increasing demand on City facilities. If facilities are not expanded to serve this growth, the level of service available to the community will decline, or the cost of maintaining current service levels would otherwise fall on existing residents and businesses. The Nexus Study identifies the growth expected to occur, determines the facilities needed to maintain existing service levels as growth occurs, estimates the cost of those facilities, and calculates maximum justified Development Impact Fees so new development pays its fair share of growth-related costs. The Study also establishes the maximum fee amounts the City may charge by category, and the City Council may adopt fees at or below these maximums.

The Nexus Study establishes maximum justified DIFs for five infrastructure categories: Law Enforcement (County Sheriff) Facilities, Street Improvements, General City Facilities, Public Use

Facilities, and Parkland Acquisition and Park Facilities.
Law Enforcement (County Sheriff) Facilities Fee: This fee pays for growth-related facilities that support contracted Sheriff services. Eligible uses include expansion or improvement of City-owned space and related capital improvements necessary to maintain service levels as calls-for-service increase with new development. For example, if a new housing project adds residents and increases calls-for-service, this fee helps fund the City-owned Sheriff facility space and improvements needed to handle that added demand.

Street Improvements Fee: This fee addresses the growth-related demands new development places on the City's local traffic circulation system. In this update cycle, Street Improvements requirements are limited to preparation and updates of a Circulation (Street Improvements) Master Plan, consistent with City direction, and the Study notes that future construction projects will be identified and programmed through that planning effort. For example, if a new retail store or housing project adds traffic to local streets, the Street Improvements DIF supports the Master Plan now and, once specific growth-related circulation projects are identified and nexus-supported in a future update, the fee can be applied to those improvements.
General City Facilities Fee: This fee funds growth-related improvements to City administrative and operational facilities that serve the community as a whole. Eligible uses include capital improvements that expand capacity for Citywide services as development increases demand for administrative and operational functions. For example, as new homes are built and demand increases for permitting, inspections, and related services, the fee helps fund growth-related expansion or upgrades to City facilities and supporting systems needed to maintain service levels.
Public Use Facilities Fee: This fee funds growth-related public meeting and community facility space. Eligible uses include capital improvements that expand or provide public meeting and community space required to maintain the City's public use facilities service standard as population and development increase. For example, as development adds residents and service population, the fee supports construction or expansion of public meeting and community space needed to serve that added demand.
Parkland Acquisition and Park Facilities Fee: This fee funds growth-related parkland acquisition and capacity-adding park improvements needed to maintain the City's adopted parks level of service as development occurs. Eligible uses are limited to capital projects that add usable recreation capacity and exclude operations, routine maintenance, and like-for-like replacement that does not increase capacity. For example, when new housing adds residents, the Parks DIF can be used to acquire additional parkland and construct new or expanded park facilities to maintain the existing service level for parks. Subdivision parkland dedication and in-lieu fees under Quimby are administered separately from this Parks DIF program; where Quimby statutory findings are met, those subdivision resources may be applied to rehabilitate existing parks serving the subdivision area.

The appendices to the Nexus Study provide the technical backup and application materials that support the fee program and City Council adoption, including the Development Impact Fee Master Fee Schedule, Grand Terrace Land Use Crosswalk, Persons-Per-Household Methodology, Average Residential Unit Size Documentation, Net New Fee Application, Accessory Dwelling Unit Impact Fee Application, Public Safety Building Model Support, Quality-of-Life Cost Basis, Development Impact Fee Capital Improvement Plan, and Development Feasibility Analysis.

The accompanying Resolution adopts the Nexus Study and an updated Development Impact Fee schedule that may be set at or below the maximum justified amounts identified in the Study. This provides flexibility for the City Council to consider market conditions and policy direction while ensuring that no adopted fee exceeds the legally justified maximum.

The accompanying Ordinance amends Section 4.80.010 of the Grand Terrace Municipal Code to remove obsolete fee amounts and to provide that DIF schedules under Chapter 4.80 will be

established and amended by resolution of the City Council, supported by a current nexus study, consistent with the Mitigation Fee Act and current practice. The Ordinance does not itself impose or increase any DIF; it updates only the mechanism by which fee schedules are adopted.
City staff and the City's consultant will be available at the meeting to present the Nexus Study and respond to any questions from the City Council.

OPTIONS FOR CITY COUNCIL:
Option 1: Approve the Nexus Study, Development Impact Fee schedule, Resolution, and Ordinance as recommended.
Option 2: Approve the Nexus Study, Resolution, and Ordinance with modifications, provided that any adopted fee amounts do not exceed the maximum justified amounts in the Study, and direct staff on the specific changes.
Option 3: Do not approve the proposed update at this time.

ATTACHMENTS:
Attachment A – Draft Resolution Adopting the 2025–26 Development Impact Fee Nexus Study and Updated Development Impact Fees
Attachment B – Draft Ordinance Amending Section 4.80.010 of the Grand Terrace Municipal Code
Attachment C – 2025–26 Development Impact Fee Calculation and Nexus Report
Attachment D – Exhibit A: Development Impact Fee Schedule

ENVIRONMENTAL IMPACT:
Approval of the Resolution and introduction of the Ordinance is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because the action involves the creation of a government funding mechanism and does not commit the City to any specific capital improvement project. Any future capital projects funded in whole or in part with Development Impact Fees will be evaluated for CEQA compliance on a project-specific basis.

FISCAL IMPACT:
The adoption of the Resolution will increase DIF revenue and ensure full cost recovery.

DRAFT – FOR CITY ATTORNEY REVIEW ONLY
This draft document has been prepared by Revenue & Cost Specialists (RCS) for discussion purposes only.
It is not intended as legal advice and does not constitute a final legislative document.
All legal content is subject to review, modification, and approval by the City Attorney.

RESOLUTION NO. _______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, ADOPTING THE 2025–26 DEVELOPMENT IMPACT FEE (DIF) NEXUS STUDY; ESTABLISHING UPDATED DEVELOPMENT IMPACT FEES AT OR BELOW THE MAXIMUM AMOUNTS JUSTIFIED IN THE NEXUS STUDY, INCLUDING A NEW LAW ENFORCEMENT (COUNTY SHERIFF) FACILITIES FEE; AND DIRECTING IMPLEMENTATION CONSISTENT WITH THE MITIGATION FEE ACT AND AB-602.

WHEREAS, the City of Grand Terrace imposes development impact fees ("DIFs") pursuant to the Mitigation Fee Act (Government Code Sections 66000 through 66025) to ensure that new development funds its proportional fair share of needed public facilities; and

WHEREAS, the City retained Revenue & Cost Specialists (RCS) to prepare the 2025–26 Development Impact Fee Calculation and Nexus Report ("Nexus Study"), which analyzes land use, growth projections, service demand factors, capital facility needs, and cost allocation methodologies and establishes the maximum legally defensible DIF amounts for various land uses; and

WHEREAS, the Nexus Study evaluates and documents the relationship between new development and the need for public facilities in the following categories: Law Enforcement (County Sheriff) Facilities, Street Improvements, General City Facilities, Public Use Facilities, and Parkland Acquisition and Park Facilities; and

WHEREAS, the Nexus Study demonstrates the reasonable relationship required by the Mitigation Fee Act between: (1) the type of development and the public facilities for which the DIFs are imposed; (2) the need for the public facilities and the impacts of new development; and (3) the amount of the DIFs and the costs of the public facilities attributable to new development; and

WHEREAS, the Mitigation Fee Act allows development impact fees to be adopted by resolution, and Grand Terrace Municipal Code Chapter 4.104 provides that circulation-related impact fee schedules may be established by resolution of the City Council; and

WHEREAS, the City Council desires to adopt updated Development Impact Fees at or below the maximum levels justified in the Nexus Study, in order to balance legal defensibility, infrastructure needs, economic development, and community priorities; and

WHEREAS, adopting fees in amounts that are lower than the maximum justified amounts does not affect the legal adequacy of the Nexus Study or the City's compliance with the Mitigation Fee Act; and

WHEREAS, notice of the public meeting at which this Resolution is being considered was given in accordance with Government Code Section 66016; and

WHEREAS, adoption of this Resolution is not a "project" under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because it involves the creation of a government funding mechanism that does not commit the City to any specific capital improvement project; and

WHEREAS, any future capital improvement projects funded in whole or in part with Development Impact Fees will be evaluated for CEQA compliance on a project-specific basis.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Adoption of Nexus Study.

The City Council hereby adopts the 2025–26 Development Impact Fee Calculation and Nexus Report as the technical documentation supporting the City's Development Impact Fees and establishing the maximum justified fee amounts under the Mitigation Fee Act.

SECTION 2. Adoption of Development Impact Fee Schedule.

A. The City Council hereby adopts the Development Impact Fee schedule attached to this Resolution as Exhibit A.

B. The fees set forth in Exhibit A may be established at or below the maximum amounts justified in the Nexus Study.

C. The Development Impact Fee schedule in Exhibit A may be amended from time to time by resolution of the City Council, consistent with the Mitigation Fee Act and any updated nexus studies.

SECTION 3. Use of Funds.

A. All Development Impact Fees collected pursuant to this Resolution shall be deposited into separate accounts or funds in accordance with the Mitigation Fee Act and the City's accounting practices.

B. Revenues from each fee category shall be used exclusively for eligible growth-related capital improvements identified in the Nexus Study or any future updates thereto, including related design, engineering, right-of-way, and other eligible capital costs.

C. Nothing in this Resolution obligates the City to construct any specific capital improvement or to complete any improvement on a fixed schedule or timeline. The timing and priority of improvements shall be determined through future capital planning, budget processes, and City Council direction.

SECTION 4. Law Enforcement (County Sheriff) Facilities Fee.

A. The Development Impact Fee schedule adopted by this Resolution includes a Law Enforcement (County Sheriff) Facilities component supported by the Nexus Study.

B. Revenues from the Law Enforcement Facilities component may be used for eligible City-owned law enforcement facilities and other capital improvements that support contracted Sheriff services, as described in the Nexus Study and any subsequent updates, consistent with the Mitigation Fee Act.

C. Adoption of the Law Enforcement Facilities fee does not create or imply any obligation to establish a standalone municipal police department or construct any particular facility.

SECTION 5. Administration and Indexing.

The City Manager, Finance Director, and Development Services Director, or their designees, are authorized to:

1. Publish and maintain the Development Impact Fee schedule adopted by this Resolution;

2. Administer collection of the fees, which shall generally occur at the time of building permit issuance unless otherwise required by law, development agreement, or separate City Council action;

3. Implement annual fee adjustments based on a recognized construction cost index or other inflationary factor approved by the City Manager, provided that no adjustment shall cause the fees to exceed the maximum amounts justified in the applicable nexus study; and

4. Take such additional administrative actions as are necessary or appropriate to implement this Resolution and ensure ongoing compliance with the Mitigation Fee Act, AB-602, and related reporting requirements.

SECTION 6. Effective Date.

This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this ____ day of __________, 2025.

____

MAYOR

ATTEST:

____

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

DRAFT – FOR CITY ATTORNEY REVIEW ONLY
This draft document has been prepared by Revenue & Cost Specialists (RCS) for discussion purposes only.
It is not intended as legal advice and does not constitute a final legislative document.
All legal content is subject to review, modification, and approval by the City Attorney.

ORDINANCE NO. _______

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, AMENDING SECTION 4.80.010 OF THE GRAND TERRACE MUNICIPAL CODE TO REMOVE OBSOLETE FEE AMOUNTS AND PROVIDE THAT DEVELOPMENT IMPACT FEES SHALL BE ESTABLISHED BY CITY COUNCIL RESOLUTION CONSISTENT WITH THE MITIGATION FEE ACT.

THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings.

The City Council of the City of Grand Terrace hereby finds and declares as follows:

A. Grand Terrace Municipal Code Chapter 4.80 currently includes specific development impact fee amounts adopted in 1989 and 2006 for various categories of public facilities, including storm drainage facilities, general facilities, public use facilities, and parkland and open space acquisition. These amounts are no longer current and do not reflect the City's updated capital needs, cost basis, or recent nexus analysis.

B. Embedding specific fee amounts directly in the Municipal Code requires future fee updates to be accomplished only through ordinance amendments, which can be procedurally burdensome and is inconsistent with modern practice under the Mitigation Fee Act (Government Code Sections 66000 through 66025).

C. The Mitigation Fee Act allows development impact fees to be adopted by resolution, provided that the fees are supported by appropriate nexus findings and that the procedural requirements of the Act are followed.

D. Grand Terrace Municipal Code Chapter 4.104, relating to circulation improvement fees, already provides that the applicable fee schedules may be established by resolution of the City Council, consistent with the Mitigation Fee Act.

E. The City has prepared and adopted the 2025–26 Development Impact Fee Calculation and Nexus Report, which establishes the maximum justified development impact fees for various categories of public facilities.

F. It is in the public interest to amend Section 4.80.010 to remove obsolete fee amounts and to provide that development impact fee schedules under Chapter 4.80 will be established and amended by resolution of the City Council, supported by a current nexus study and consistent with the Mitigation Fee Act.

G. This ordinance does not impose or increase any development impact fee. It solely updates the mechanism by which such fees are adopted and amended.

SECTION 2. Amendment to Section 4.80.010.

Section 4.80.010 of the Grand Terrace Municipal Code is hereby amended in its entirety to read as follows:

"4.80.010 – Development Impact Fees.

A. Development Impact Fees for Storm Drainage Facilities, General City Facilities, Public Use Facilities, and Parkland Acquisition and Park Facilities shall be established, and may be amended from time to time, by resolution of the City Council.

B. All Development Impact Fees adopted under this Chapter shall be consistent with the Mitigation Fee Act (Government Code Sections 66000 through 66025), the City's adopted Development Impact Fee Nexus Study, and any subsequent updates thereto.

C. Revenues collected from development impact fees established under this Chapter shall be deposited into separate accounts or funds in accordance with the Mitigation Fee Act and shall be expended solely for eligible capital improvements identified in the applicable nexus study, including related design, engineering, rights-of-way, and other eligible capital costs.

D. Adoption of fee schedules pursuant to this Chapter does not obligate the City to construct any specific capital improvement or to complete any improvement on a particular schedule or timeline. The timing, priority, and specific scope of improvements shall be determined through the City's capital improvement planning and budget processes, subject to available funding and City Council direction."

SECTION 3. California Environmental Quality Act.

The City Council finds that this ordinance is not a project for purposes of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because it involves the creation of a government funding mechanism and does not commit the City to any specific capital improvement project. Any future projects funded in whole or in part by development impact fees shall be subject to separate CEQA review, as applicable.

SECTION 4. Severability.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions might be declared invalid or unconstitutional.

SECTION 5. Effective Date.

This ordinance shall take effect thirty (30) days after its adoption.

SECTION 6. Publication.

The City Clerk shall certify to the adoption of this ordinance and shall cause the same to be published or posted in the manner required by law.

INTRODUCED at a regular meeting of the City Council of the City of Grand Terrace on the ____ day of __________, 2025, and thereafter adopted at a regular meeting of the City Council of the City of Grand Terrace on the ____ day of __________, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

MAYOR

ATTEST:

____

CITY CLERK

APPROVED AS TO FORM:

____

CITY ATTORNEY

Development Impact Fee Calculation and Nexus Study

For the City of Grand Terrace, California

November 26, 2025

November 26, 2025

Honorable Mayor and Members of City Council

City of Grand Terrace

22795 Barton Road

Grand Terrace, CA 92313

RE: 2025–26 Development Impact Fee (DIF) Calculation and Nexus Study

Honorable Mayor and Council Members:

The City of Grand Terrace has undertaken a comprehensive update of its Development Impact Fee (DIF) program to ensure that the cost of public facilities needed to serve growth is allocated in a fair, transparent, and legally defensible manner. This update reflects current statutory requirements—including the Mitigation Fee Act (Government Code §66000 et seq.) and Assembly Bill 602 (AB-602)—and modernizes the City's fee structure by standardizing residential fees on a per–square-foot basis and extending the program to all major land use categories.

Revenue & Cost Specialists, LLC (RCS) was engaged to prepare this Nexus Study and evaluate the growth-related facility needs associated with residential and nonresidential development. The study establishes maximum justified fees across five infrastructure categories: Law Enforcement (County Sheriff), Street Improvements, General City Facilities, Public Use Facilities, and Parkland Acquisition and Park Facilities. Each program applies an AB-602–compliant methodology that identifies the existing level of service, determines the portion of future capital needs attributable to new development, and distributes those costs proportionally across land uses based on measurable demand factors.

The maximum justified fees presented in this report are designed to ensure that new development funds only its fair share of growth-related facility needs, preventing existing residents and businesses from subsidizing future development. The report provides transparent calculations, clearly documented assumptions, and complete statutory findings to support City Council consideration of adopting the updated DIF program.

RCS wishes to express its appreciation to City staff whose support and responsiveness were essential to the successful completion of this study. In particular, we acknowledge:

Gabriel Arguelles
Assistant Planner

Jessica Lambarena
Development Services Coordinator

Their assistance in providing land use data, facility information, and project direction greatly contributed to the accuracy and completeness of this Nexus Study.

The Development Impact Fee Calculation and Nexus Study is respectfully submitted for your review and consideration. RCS remains available to support the City Council, staff, and community in understanding the fee program and its role in ensuring that Grand Terrace continues to provide essential public facilities as the community grows.

Sincerely,

Gregory Brown
Vice President

Damijon Redmond
Associate

REVENUE & COST SPECIALISTS
1519 E. Chapman • Suite C • Fullerton, CA • 92831

Recommended Development Impact Fees

(Summary Table)

Recommended Development Impact Fees	
Development Impact Fee Land Use Type	Recommended Development Impact Fees
Single Family Detached	$7.087 per SF
Multi-Family Attached	$12.123 per SF
Manufactured/Mobile Homes	$10.710 per SF
General Commercial	$0.386 per SF
Office Commercial	$0.268 per SF
Industrial	$0.219 per SF

Table of Contents

The City of Grand Terrace Development Impact Fee (DIF) Nexus Study updates and documents a citywide program for five infrastructure categories: Law Enforcement (County Sheriff), Street Improvements, General City Facilities, Public Use Facilities (community and public meeting space), and Parks. The update is structured to comply with the Mitigation Fee Act and Assembly Bill 602, modernize the existing fee structure, and present all residential fees on a per–square foot basis. The study's overarching goal is to ensure that new development funds its fair, proportional share of growth-related capital costs without paying for existing deficiencies.

The analysis is built on a parcel-based land use database and a defined planning horizon, measuring both existing and future development across six fee land uses: Single Family Detached, Multi-Family Attached, Manufactured/Mobile Homes, General Commercial, Office Commercial, and Industrial. Persons-per-household factors and nonresidential demand indicators, such as calls-for-service and trip-miles, are used to relate each land use to its expected use of public facilities. These measures provide a consistent way to allocate project costs so that the fee charged to each land use does not exceed the cost of facilities reasonably attributable to that development.

Across all programs, the capital improvement program identified in the study totals just over $95 million in facilities and projects. After recognizing other funding sources, existing balances, and the portions of projects that serve the existing community, approximately $90 million in costs remain as growth-related and potentially eligible for DIF funding. Key elements of this program include expansion of City-owned space that supports contracted sheriff services, preparation and implementation of a Circulation Master Plan for streets and traffic operations, upgrades and expansion of general city buildings, yard facilities, vehicles, and equipment, additional public meeting and community space, and parkland acquisition and park improvements needed to maintain the City's existing level of service for parks as the community builds out.

The study applies standard nexus methods tailored to each program: an existing-inventory approach for facilities like law enforcement, public use, and parks, a system-planning approach for General City Facilities, and a planned-facility or master-planning approach for street improvements. In each case, the methodology starts from the existing system, identifies growth-related capital needs, nets out non-fee funding, and then distributes the remaining costs across land uses using service-based demand measures. This structure is intended to be transparent and legally defensible, showing how each dollar of fee revenue is tied to specific facilities and to the development that generates the need for those facilities.

From this cost basis, the study derives maximum justified development impact fees stated per square foot for residential and nonresidential land uses. Commercial lodging is not included because it is not present in Grand Terrace, and institutional land uses are not treated as a separate fee category. The combined maximum justified fees are highest for Multi-Family Attached and Manufactured/Mobile Homes, reflecting higher service population per square foot, and lower for nonresidential uses, particularly Industrial. The City Council retains full discretion to adopt fees at or below these maximum levels, to phase in changes over time, or to provide targeted reductions or exemptions, so long as any adopted schedule remains consistent with the nexus, cost allocations, and proportionality documented in the study.

Chapter 1
Introduction and Legal Framework

Purpose of the Study

The City of Grand Terrace periodically updates its Development Impact Fee (DIF) program to keep fees aligned with statutory requirements, current cost conditions, and an equitable allocation of growth across land uses. This Nexus Study provides the technical and legal basis for City Council consideration of fee changes in this update cycle.

This Nexus Study updates and documents a set of Development Impact Fees (DIFs) for five program areas: Law Enforcement (County Sheriff), Street Improvements, General City Facilities, Public Use Facilities (Community Centers), and Parkland Acquisition and Park Facilities. For Law Enforcement, the study establishes a new fee to help fund growth's fair share of space needs associated with contracted sheriff services. For Street Improvements, the study consolidates circulation-related planning activities into a single Street Improvements Impact Fee focused on master planning and program-level work. For General City Facilities, Public Use Facilities, and Parks, the study refines the existing fee structures, aligns them with current land use categories and service standards, and converts residential fees to a per square foot basis by land use as required by Assembly Bill 602 (AB-602).

For Street Improvements, the study advances a single Street Improvements impact fee for this cycle by consolidating the legacy Arterial Improvement, Traffic Signal Improvement, and Operational Improvement components. For Facilities, the study defines two distinct programs, General City Facilities and Public Use Facilities, so that purposes, eligible uses, and accounting are clearly distinguished and compliant with the Mitigation Fee Act.

At present, the City assesses impact fees only on residential development. This study calculates fee schedules for both residential and non-residential land uses; whether and how to apply fees will be determined by the City Council at adoption.

Grounded in statute, current cost data, and transparent methods, this study equips the City Council to consider adopting the new Law Enforcement fee and updated fee schedules for the City's existing programs.

Background and Context

Grand Terrace's Development Impact Fee (DIF) program has operated for nearly two decades, beginning with a 2005–06 nexus study prepared by Revenue & Cost Specialists (RCS). The Municipal Code formalizes the circulation fee framework in Chapter 4.104 (Circulation Improvement Fee Program)—which establishes arterial, traffic signal, and operational components—and the chapter was comprehensively amended on February 23, 2016. Program administration is integrated with the City's development review and capital delivery functions (Planning & Development Services; Public

Works), and current fee schedules are made available to applicants through the City's Building & Safety pages.

Legal Authority

California law establishes the framework under which cities may adopt and update development impact fees. Two key legal authorities govern this study: the Mitigation Fee Act (Government Code §§66000–66025) and Assembly Bill 602 (AB-602). Together, these statutes define the requirements that must be met in order to lawfully impose development impact fees on new construction.

Mitigation Fee Act (AB-1600): The Mitigation Fee Act, originally enacted as Assembly Bill 1600 in 1987, requires that local agencies establish a reasonable relationship, or nexus, between the fees charged to new development and the facilities or improvements financed with those fees. The Act sets forth several key standards:

- Fees must be supported by findings demonstrating the purpose of the fee and its use.
- There must be a demonstrated connection between the type of development paying the fee and the need for the public facility.
- Fees must not exceed the proportional share of costs attributable to the development.
- Fees must be deposited in separate accounts, with annual and five-year reporting requirements.

Assembly Bill 602 (AB-602): Adopted in 2021, AB-602 strengthens the requirements of the Mitigation Fee Act by mandating greater transparency and consistency in nexus studies. Among its provisions, AB-602 requires:

- Standardized methodologies for calculating fees, including identification of the population and employment assumptions used.
- Clear demonstration of how growth projections relate to infrastructure demand.
- Inclusion of at least one comparison of fee levels with those in other jurisdictions.
- Enhanced requirements for public review and input prior to adoption.

Application to Grand Terrace: This Nexus Study has been prepared in compliance with the Mitigation Fee Act and AB-602. It documents the relationship between new development in Grand Terrace and the need for additional public facilities, ensuring that fees are proportionate and legally defensible. The study applies standardized demographic and land use methodologies consistent with AB-602 so that all underlying assumptions are explicitly identified, consistently applied, and transparent to the public. By adhering to these legal standards and applying data-driven methods, the City of Grand Terrace ensures that its updated development impact fee program both complies with state law and equitably assigns the costs of growth.

Required Legal Findings

In compliance with Government Code §66001, the nexus study must establish five findings for each proposed fee:

1. Purpose of the fee
2. Use of the fee revenues
3. Relationship between the fee's use and the development type
4. Relationship between the facility need and the development type
5. Relationship between the fee amount and the development's share of cost

If any fees remain unspent after five years, the City must reaffirm these findings or refund the unexpended balance.

Scope of the Program

This Nexus Study updates and refines the scope of the City of Grand Terrace's Development Impact Fee (DIF) program. The program ensures that new development contributes an equitable share of the cost of public facilities and infrastructure required to accommodate growth.

Program Categories Included in This Update

- Law Enforcement (County Sheriff): Space and related facility needs to support contracted law-enforcement services.
- Street Improvements: Consolidation of the City's prior Arterial Improvement, Traffic Signal Improvement, and Operational Improvement fee components into a single Street Improvements Impact Fee that, for this update cycle, funds circulation and street master planning, traffic analyses, and related program-level activities necessary to identify and program future capital projects tied to growth.
- General City Facilities: Administrative and government buildings used to carry out citywide functions (e.g., City Hall, Council Chambers, shared support spaces).
- Public Use Facilities (Community Centers): Community centers and other public meeting facilities.
- Parkland Acquisition and Park Facilities: Acquisition of parkland and development and improvement of neighborhood and community parks.

The scope of this program is citywide, applying to all new residential and nonresidential development within Grand Terrace.

Land Use Categories Used in This Study

- Residential: Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes.
- Nonresidential: General Commercial, Office Commercial, and Industrial.

Fee Application

- Residential — per residential square foot
- Nonresidential — per square foot

Methodological Overview

This Nexus Study applies a structured methodology to evaluate the impacts of new development on Grand Terrace's public facilities. The analysis distinguishes between a 30-year land use database horizon used to measure the scale and distribution of ultimate growth, and a 10-year project implementation horizon used to identify and phase capital projects. This two-horizon approach keeps the demand model comprehensive while aligning the capital delivery window with realistic implementation schedules.

Land Use Database (30-Year Horizon)

The land use database reflects existing development and potential new development over a 30-year horizon, as provided by the City for this study. This horizon is used to:

- quantify the magnitude and geographic distribution of growth,
- allocate demand across residential and nonresidential land uses, and
- maintain proportionality for each fee program.

It provides the long-range basis for service standards and system capacity planning without dictating near-term capital delivery timetables.

Project Implementation (10-Year Horizon)

Capital improvements are identified and phased over a 10-year horizon. Ten years is the practical window to plan, fund, and deliver projects; it also produces conservative, implementable cost assumptions by focusing on projects most likely to proceed in the near term. Because development impact fees are assessed once at the time of development, aligning a 10-year delivery plan to a 30-year demand basis preserves the nexus while tying collections to achievable delivery.

If a property later converts to a different land use, it is reassessed at that time under the applicable fee program. The 30-year horizon assures the analysis captures the full facility needs of ultimate growth; the 10-year horizon ensures realistic implementation and financial planning.

Population & Households — Fixed Household Structure Method

Population and household growth are evaluated using the Fixed Household Structure Method applied to American Community Survey (ACS) data. Household counts by residential structure type are drawn from ACS Table B25032, and population by structure type and tenure is drawn from ACS Table B25033. Because ACS reports a combined "one-unit detached or attached" population category, that population is proportionally allocated to Single-Family Detached and Multiple-Family Attached categories using the corresponding ACS household shares by tenure. These steps establish persons-per-household (PPH) values for Single-Family Detached, Multiple-Family Attached, and Manufactured/Mobile Homes residential categories. Category-specific PPH values are presented in the Demographics & Land Use chapter and applied consistently throughout the fee calculations.

Program Scoping Alignment

Project lists and eligible uses within each fee program reflect the City's adopted scope for this update, including that Street Improvements are limited to master plan preparation and updates for this cycle. Other programs (e.g., General City Facilities, Public Use Facilities, and Parkland Acquisition & Park Facilities) follow the facility and cost conventions defined in their respective chapters.

Summary of the Structured Approach

1. **Identify** existing and potential development via the land use database (30-year horizon).
2. **Apply** demographic factors (Fixed Household Structure Method) to forecast households and population by category.
3. **Determine** facility demand and identify projects required to maintain service standards (10-year implementation).
4. **Allocate** project costs to new development via one-time impact fees, maintaining proportionality and compliance with the Mitigation Fee Act and AB-602.

This framework ensures transparency, legal compliance, and equitable cost allocation across all applicable land use types in Grand Terrace.

Nexus Methodologies: DIFs in Grand Terrace are calculated using one of three legally recognized methodologies to establish the required "reasonable relationship" between new development and the infrastructure demands it creates. Each method is selected based on the type of facility, the planning context, and the quality of available data. These methodologies align with the *Impact Fee Nexus Study Template* (Terner Center for Housing Innovation at UC Berkeley, 2023) and are designed to fulfill the analytical requirements of AB-602.

Existing Inventory Method

Used for: Law Enforcement (County Sheriff); Parkland Acquisition & Park Facilities; Public Use Facilities (Community Centers)

Description: New development contributes its proportional share toward the value and service standard of existing facilities. The fee maintains the current level of service by scaling the existing inventory (e.g., park acres per 1,000 residents; community meeting space square feet per resident; law-enforcement space per resident/service population) to growth.

Application in Grand Terrace:

- **Law Enforcement:** Allocate the fair-share cost of existing substation/assigned space and related facility components that serve the City, maintaining the established space standard as population grows.
- **Parks:** Maintain the City's existing parkland and park improvements standard (acres and developed improvements) as growth occurs; includes parkland acquisition and park facility improvements consistent with the current LOS.
- **Public Use Facilities:** Maintain the existing public meeting facilities standard (e.g., community center/meeting room square footage) so future development funds its proportional share to sustain that standard.

Planned Facility Method

Used for: Street Improvements — Master Plans only

Description: Fees are based on the cost of identified future planning work needed to serve new development—here, limited to preparation and updates of master plans and related planning studies (no capital construction under this program in this cycle).

Application in Grand Terrace:

- **Street Improvements:** Fund circulation/transportation master planning activities necessary to program future capital needs tied to growth.

System Plan Method

Used for: General City Facilities

Description: A hybrid approach combining the value of existing facilities with the cost of planned improvements, ensuring both current and future development share proportionally in the systemwide cost of providing service.

Application in Grand Terrace:

- **General City Facilities:** Maintain and expand shared civic facilities (e.g., City Hall, Council Chambers, shared support areas) by apportioning costs between existing users and new growth, reflecting both current inventory and planned improvements/renovations.

Net Impact Fee Application for Redevelopment and Expansions

This study applies development impact fees to the net increase in residential units or nonresidential square footage, consistent with California case law. In *Warmington Old Town Associates v. Tustin Unified School District* (101 Cal. App.4th 840), the court held that fees must reflect the additional burden created by development, not the full replacement value of demolished structures. This report follows that precedent, applying fees only to the incremental impact generated by new development.

A more detailed explanation of this legal basis is provided in Appendix E.

Level of Service (LOS) and Nexus Justification

This Nexus Study applies a Level of Service (LOS)–based methodology to define the relationship between new development and the need for public infrastructure. Under AB-602 (Government Code §66016.5), LOS serves as both the planning threshold and the legal nexus, anchoring the technical basis for determining each land use's fair share of capital improvement costs.

Establishing the Existing Level of Service: The first step in compliance with AB-602 is identifying the existing LOS for each fee program category. LOS is measured in terms of capacity, performance, or coverage and reflects the level of infrastructure currently available to serve the existing community. This study uses quantifiable service metrics — such as calls-for-service, trip generation, impervious surface runoff coefficients, gallons per day of utility capacity, and facility square footage per capita — to define the existing standard.

This approach is consistent with Government Code §66016.5(a)(2)(B), which requires jurisdictions to identify the existing level of service and evaluate the cost of maintaining that level for new development. Each facility type is evaluated against its baseline LOS standard to ensure that fee revenue is proportionally allocated to maintain service levels in response to demand generated by new development. This prevents both overbuilding and underfunding and ensures legal compliance with the Mitigation Fee Act and AB-602.

Fee Program–Specific LOS Metrics

- **Law Enforcement (County Sheriff)**: LOS is based on calls-for-service (CFS) generated by residential and nonresidential development. Facilities are scaled so that law-enforcement space and support areas keep pace with CFS growth and service-population needs.
- **Street Improvements:** For this update, the program funds master plan preparation and updates only. LOS is maintained by ensuring the circulation/transportation planning basis (trip-end modeling, intersection/classification standards, and project programming) remains current and aligned with projected development.
- **General City Facilities:** LOS is based on administrative/government facility space per service population (residents plus an employee equivalency factor). Space standards are applied to maintain citywide service capacity as population and employment increase.
- **Public Use Facilities:** LOS is based on community-use/meeting space per resident, ensuring that new development funds its proportional share to sustain the established level of community-use space.

- **Parkland Acquisition and Park Facilities:** LOS is based on parkland acreage and improved recreational facilities per resident, ensuring that new residents fund the acquisition and development necessary to maintain the City's park standard.

Together, these LOS metrics establish the required reasonable relationship by directly linking demand from new development to the facilities—and, where applicable in this cycle, the master planning work needed to maintain service levels. By identifying the existing standards and applying them consistently across all included infrastructure categories, the City of Grand Terrace ensures that development impact fees are equitable, transparent, and legally defensible.

AB-602 Compliance and Cost Allocation: This LOS-based approach is fully compliant with AB-602's statutory requirements, which mandate that development impact fees:

- Are based on a clearly defined existing level of service;
- Demonstrate a quantified relationship between new development and facility need;
- Apply proportional cost allocation to ensure equity;
- Maintain—rather than improve—LOS for new residents; and
- Use transparent, data-driven methodologies to establish fee justifications.

By applying fee program-specific LOS thresholds and linking them to measurable units of growth, this study ensures that new development funds only the share of capital improvements necessary to maintain existing service standards. This framework ensures both legal defensibility and fiscal fairness in accordance with Government Code §66016.5.

Considerations for Intergenerational Equity

In addition to the statutory nexus requirements, this study incorporates a proportional analysis to demonstrate the intergenerational equity principle that acknowledges the significant capital investments the existing community has made to build and maintain Grand Terrace's infrastructure.

Over time, residents and businesses have contributed to the development of public facilities through taxes, utility fees, and prior impact fees. These contributions have established the baseline levels of service reflected in the City's existing infrastructure network. To maintain fairness, the DIF program is structured to ensure that new development contributes a proportional share of costs to expand system capacity, rather than relying on the existing population to subsidize growth-related improvements.

Each fee program chapter in this report includes a benchmark comparison to the existing community's financial investment in facilities. This comparison is used to demonstrate that the fees imposed on new development are consistent with what prior generations have paid to achieve the current level of service. While this proportional analysis is not a requirement under AB-602, it enhances transparency and helps demonstrate that the fee structure equitably balances the burden of infrastructure funding across generations.

Organization of the Report

The report is organized into chapters covering the analytical framework and facility-specific nexus findings, followed by appendices containing detailed supporting documentation.

- Chapter 1: Introduction and Legal Framework
- Chapter 2: Demographic and Land Use Assumptions
- Chapter 3: Law Enforcement Facilities
- Chapter 4: Street Improvements
- Chapter 5: General City Facilities
- Chapter 6: Public Use Facilities
- Chapter 7: Parkland Acquisition and Park Facilities

Appendices A–J: Supporting Documentation

These appendices provide the technical foundation for the study, including the master fee schedule, detailed cost estimates, capital improvement plans, legal references, per residential square foot fee schedules, and other supporting analyses required for transparency and compliance with the Mitigation Fee Act and AB-602.

Each fee program chapter includes:

- A project cost allocation table
- An impact fee calculation framework
- A benchmark comparison to the existing community's financial investment in infrastructure

References

Terner Center for Housing Innovation at UC Berkeley. (2023). *Impact Fee Nexus Study Template*. Berkeley: California Department of Housing and Community Development.

End of Chapter

Chapter 2
Demographic and Land Use Assumptions

Introduction

This chapter establishes the demographic and land use assumptions that serve as the analytical foundation for Grand Terrace's Development Impact Fee (DIF) Nexus Study. These assumptions quantify both existing conditions and the capacity for future growth, ensuring that infrastructure demands are measured against realistic development potential.

The analysis begins with Grand Terrace's parcel-level land use database, which provides a comprehensive accounting of current development and remaining capacity under the City's General Plan. This database captures residential, commercial, and industrial land uses, and it is designed to support proportional allocation of capital improvement costs across all development categories.

Population growth assumptions are derived from the American Community Survey (ACS) and applied through the Fixed Household Structure Method, which standardizes persons per household (PPH) values across residential categories: Single Family Detached, Multi-Family Attached and Manufactured/Mobile Homes. This framework ensures consistency with the Mitigation Fee Act and Assembly Bill 602 (AB-602), which require jurisdictions to demonstrate transparency and proportionality in impact fee calculations.

By integrating these demographic factors with Grand Terrace's land use database, the study provides a clear, transparent basis for forecasting growth, estimating service demand, and distributing infrastructure costs. Each subsequent chapter of this report relies on the assumptions documented here to ensure that new development contributes its fair and legally defensible share of capital facility costs.

Land Use Classifications

Grand Terrace's land use classifications form the foundation for projecting future development and allocating public facility costs in this Nexus Study. These classifications are grounded in the City's *General Plan Land Use Element* (City of Grand Terrace, 2010) and the *6th-Cycle Housing Element* (City of Grand Terrace, 2024), which define residential and nonresidential designations, intensities, and development capacity.

For consistency in analysis and fee modeling, this study uses the following standardized category labels:

Residential Classifications

Residential development is evaluated using the Fixed Household Structure Method, with three categories applied consistently across the study:

- Single Family Detached
- Multi-Family Attached
- Manufactured/Mobile Homes

(Category-specific persons-per-household values are presented in the Demographics & Land Use chapter and used throughout the fee calculations.)

Nonresidential Classifications

To reflect how different uses generate facility demand, General Plan designations are standardized into three fee categories for nexus purposes:

- General Commercial Uses
- Office Commercial Uses
- Industrial Uses

These standardized categories enable consistent fee-unit assignment and equitable allocation of growth-eligible project costs across Grand Terrace while aligning with the City's adopted land use framework.

Crosswalk of Classifications

To maintain transparency and ensure that local land use designations are clearly tied to standardized Nexus Study categories, this study includes a crosswalk table (Appendix B). The crosswalk pairs each General Plan designation with its corresponding study category, clearly identifying how residential, commercial, industrial, institutional, and lodging uses are treated in the analysis. This appendix also documents land uses excluded from the fee program, such as agriculture and permanent open space, consistent with nexus requirements.

Summary of Existing and Potential Development

The table below summarizes both existing development and future potential for each land use type. These figures are based on data supplied by City staff and compiled by RCS through analysis of land use designations, zoning, and parcel-level conditions.

This comprehensive accounting of existing and future development serves as the base denominator in cost distribution for impact fee calculations, ensuring that each land use contributes proportionally to the capital infrastructure required to support anticipated growth.

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Table 2-1

Summary of the Land Use Database						
Land Use Database Total	Existing Development		Potential Development		Total Land Use Inventory	
Land Use	Acres	Units/SF	Acres	Units/SF	Acres	Units/SF
Single Family Detached	999.56	3,325	1,024	3,235	2,023	6,560
Multi-Family Attached	180.18	1,996	207	3,801	388	5,797
Manufactured/Mobile Homes	31.57	269	1	7	33	276
General Commercial	152.85	2,361,605	165	2,519,401	318	4,881,006
Office Commercial	34.71	544,282	32	486,499	67	1,030,782
Industrial	237.50	3,103,650	147	1,922,303	385	5,025,953

Data Integrity and Source Justification:

To ensure compliance with Assembly Bill 602 (AB-602) mandates for data transparency and defensible methodologies, the following principles guide the land use and demographic analysis in this study:

- **Existing and Potential Development:** All data has been compiled at the parcel level through Grand Terrace's land use database, compiled and created by City staff, and reconciled with the City's General Plan Land Use Element and the California Department of Housing and Community Development (HCD)–certified Housing Element. This ensures accurate accounting of both existing conditions and realistic development opportunities under current entitlements and land use policies.
- C**apacity Forecasts:** Derived from the City staff-compiled land use database, which reflects the City's General Plan Land Use Element and 6th-Cycle Housing Element. Unit yields use adopted density standards and are adjusted to reflect feasible buildout potential over the study horizon.
- **Nonresidential Floor Area:** Nonresidential floor area is measured in square feet, based on the land use database. This format aligns commercial and industrial uses with how the City entitles and tracks development.

Demographic Characteristics: Persons per household (PPH) assumptions are derived using the Fixed Household Structure Method, based on American Community Survey (ACS) 5-year estimates (Tables B25032 and B25033). This method applies standardized PPH factors separately for Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes, ensuring proportionality and consistency with Assembly Bill 602 (AB-602).

While demographic characteristics such as population and PPH are best derived from ACS data, unit counts and land use inventories for Grand Terrace's impact-fee modeling rely primarily on local planning documents—the *General Plan Land Use Element* and the *6th-Cycle Housing Element* to ensure jurisdiction-specific accuracy and reliability.

Persons per Household (PPH) Assumptions

This section establishes the methodology for determining persons per household (PPH) by housing type to project population growth from new development and to ensure proportional fee allocation consistent with the Mitigation Fee Act (Government Code §§66000–66025) and Assembly Bill 602 (AB-602). PPH assumptions rely on public demographic data integrated with local land use information and are reconciled to the City of Grand Terrace's Housing Element to provide a transparent and defensible basis for calculations.

Methodology

PPH assumptions are derived using the Fixed Household Structure Method, which standardizes demographic factors across three categories:

- Single Family Detached
- Multi-Family Attached
- Manufactured/Mobile Home

The Fixed Household Structure Method uses American Community Survey (ACS) five-year estimates to determine average household size by structure type, pools owner-occupied and renter-occupied households, and reconciles the combined results against Grand Terrace's locally adopted planning documents. This approach ensures that population-based fee calculations align with the City's growth forecasts and the standards of AB-602.

Data Sources

The following data sources provide the foundation for Grand Terrace's PPH assumptions:

- United States Census Bureau, American Community Survey (ACS) 2019–2023 five-year estimates, Tables B25032 and B25033, providing structure-type household counts and structure-type population totals.
- City of Grand Terrace Land Use Database, providing parcel-based unit counts to apply raw PPH values and ensure internal consistency across infrastructure chapters.

PPH Results by Housing Type

Application of the Fixed Household Structure Method to Grand Terrace's ACS data yields the following results:

- Single Family Detached: 3.12 persons per household
- Multi-Family Attached: 2.32 persons per household
- Manufactured/Mobile Homes: 2.83 persons per household

These assumptions are used consistently throughout this study to project population growth attributable to new residential development and to allocate capital facility costs proportionally.

Table 2-2

Population Forecast			
Residential Category	**PPH**	**Potential Residential Units**	**Forecast Population**
Single Family Detached	3.12	3,235	10,093.20
Multi-Family Attached	2.32	3,801	8,818.32
Manufactured/Mobile Homes	2.83	7	19.81
Total		7,043	18,931.33

Methodology Summary

This chapter establishes the demographic and land use framework used throughout the City of Grand Terrace Development Impact Fee Nexus Study. The following methodological steps ensure that the analysis is transparent, consistent with statutory requirements, and tailored to Grand Terrace's planning context:

- **Land Use Database:** A parcel-level database of existing and potential development compiled by City staff, reflecting the City's *General Plan Land Use Element* and the *6th-Cycle Housing Element*.
- **Land Use Classifications:** General Plan designations are consolidated into standardized categories for fee analysis:
  - Residential: Single Family Detached, Multi-Family Attached, Manufactured/Mobile Homes
  - Nonresidential: General Commercial, Office Commercial, and Industrial
- **Demographic** Assumptions: Persons per household are calculated using the Fixed Household Structure Method (ACS 2019–2023; Tables B25032 and B25033) for the three residential categories above. Category-specific PPH values are presented in the Demographics & Land Use chapter and are applied consistently across all fee programs.

- Population Forecasting: Potential units in each residential category were multiplied by their respective PPH factors to generate raw population forecasts. These forecasts serve as the demand denominator for allocating infrastructure costs proportionally to new residential growth.

- Nonresidential Forecasting: Growth in General Commercial, Office Commercial, and Industrial Uses is measured in square feet, consistent with permitting practice and fee conventions.

By integrating local land use data with standardized demographic assumptions, this methodology ensures that new development in Grand Terrace contributes its fair share of infrastructure costs, in full compliance with the Mitigation Fee Act and AB-602.

Summary of Findings

To ensure transparency and defensibility consistent with AB-602, this section summarizes how the study identifies capital requirements at General Plan buildout, determines the share attributable to new development, distinguishes the portion not eligible for development impact fee (DIF) financing, and presents the recommended fee schedules by land use. Values and schedules are derived from the City's inventories, capital needs, and calculations documented in this report.

- Land Use Database (LUDB): The database reflects existing development and realistic potential under adopted City policies. Residential inventory is expressed in dwelling units and nonresidential inventory in building square feet. Persons-per-household (PPH) are derived using the Fixed Household Structure Method from ACS 5-year data and applied by residential category (Single Family Detached, Multi-Family Attached, Manufactured/Mobile Homes). The LUDB provides the demand basis for allocating growth-related capital costs across land uses.

- Measurement Units: Unless expressly noted otherwise, residential fees are assessed per residential square foot and nonresidential fees are assessed per square foot.

- Local Counts vs. ACS: Local administrative counts establish land use quantities (dwelling units and square feet). ACS data are used only for demographic ratios (PPH by residential category) under the Fixed Household Structure Method. This preserves jurisdiction-specific accuracy while maintaining demographic consistency.

- Program Scope Alignment: Fee programs are structured to maintain consistent, citywide levels of service while aligning with statutory requirements and the City's adopted policy framework. Within this study, Law Enforcement (County Sheriff), Street Improvements, General City Facilities, Public Use Facilities (Community Centers), and Parkland Acquisition and Park Facilities are treated as citywide programs whose costs are allocated across standardized land use categories. Street Improvements is structured as a planning-only program in this update cycle, funding circulation and street master planning, traffic analyses, and related program-level activities that guide future capital investments. Law Enforcement, General City Facilities, Public Use Facilities, and Parks are structured using level-of-service (LOS)–based methods that relate facility capacity and service standards to the City's population and employment forecasts. Fees across all programs are presented on a per square foot basis by land use, consistent with Assembly Bill 602 (AB-602) and the City's adopted nexus methodology.

- Data Integrity & Reproducibility: The study standardizes land use labels and documents the equations used to convert residential programs to service population (PPH × dwelling units). A uniform units convention is applied (residential and nonresidential per square foot). Numerical presentation follows the project's rounding policy (whole dollars for currency; integers for counts). These practices make inputs and conversions transparent, repeatable, and defensible for nexus purposes.

The detailed fee schedules by land use type and the associated capital requirements appear in subsequent chapters and tables of this report.

Capital Improvement Program, Total Requirements and Funding Allocation

The Capital Improvement Program (CIP) compiles a single, citywide set of facility needs over the planning window and organizes them by fee program in this study's scope: Law Enforcement (County Sheriff); Street Improvements; General City Facilities; Public Use Facilities; and Parkland Acquisition and Park Facilities. For each program, total requirements include fee-relevant capital projects and, where applicable, the value of existing assets necessary to maintain the established level of service.

Where a program is being re-established or modernized in this update, the analysis explicitly documents how legacy fee components and project lists are being brought into a single, updated framework. For Street Improvements, the study consolidates the former Arterial Improvement, Traffic Signal Improvement, and Operational Improvement fees into a unified Street Improvements Impact Fee focused on planning-level work. In this update cycle, Street Improvements requirements are limited to master plan preparation and updates consistent with the City's direction, with future construction projects to be identified and programmed through those planning efforts.

Funding allocation proceeds in three steps:

1. Remove non-development funding first. Subtract grants, restricted revenues, external contributions, and other non-fee sources identified for each project/program.
2. Determine the growth share under the applicable nexus method.
    - Existing Inventory Method (e.g., Parks; Public Use Facilities; applicable Law Enforcement components): allocate the cost of sustaining the current level of service to new development proportionally.
    - System Plan Method (e.g., General City Facilities): combine existing inventory value with planned improvements so existing and future development share proportionally.
    - Planned Facility (Master Plan) Method (Streets this cycle): allocate the cost of master plan preparation and updates tied to growth.
3. Carry forward the fee-eligible remainder. Distribute the fee-eligible share to land uses using the demand factors established in this study (e.g., persons-per-household, service population, or nonresidential square footage, as applicable).

Fee schedules are presented as follows:

- Residential — per residential square foot
- Nonresidential — per square foot

Numerical presentation follows the project's rounding policy: whole dollars for currency and integers for counts (dwelling units and square feet). This framework ensures transparent accounting of total requirements, clear segregation of non-fee funding, and proportional allocation of fee-eligible costs in compliance with the Mitigation Fee Act and AB-602.

Facilities are administered as two distinct programs—General City Facilities and Public Use Facilities—with separate accounting consistent with the Mitigation Fee Act; program-specific methods and inventories appear in their respective chapters.

Table 2-3

Total for all DIF Projects	
Infrastructure Type	Total – Projects
Law Enforcement Facilities	$1,383,830
Street Improvements	$ 2,500,000
General City Facilities	$7,236,961
Public Use Facilities	$30,442,834
Parkland Acquisition and Park Facilities	$53,531,425
Subtotal DIF-Related Projects	$95,095,049
Non-Development Generated Projects	$4,936,230
Total Report Identified Projects	$90,158,819

Recommended Development Impact Fees

Based on these costs and the tables presented at the end of each subsequent chapter, costs attributable to future development were derived on a per residential square foot basis for residential land uses and on a per square foot of building area basis for nonresidential land uses. Table 2-4, found at the end of this chapter, provides a summary of the recommended development impact fee tables for each type of infrastructure and land use category. The total recommended maximum development impact fees for each of the six DIF Land Use Types are summarized below.

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Table 2-4

Recommended Development Impact Fees	
DIF Land Use Type	Recommended Development Impact Fees
Single Family Detached	$7.087 per SF
Multi-Family Attached	$12.123 per SF
Manufactured/Mobile Homes	$10.710 per SF
General Commercial	$0.386 per SF
Office Commercial	$0.268 per SF
Industrial	$0.219 per SF

References

City of Grand Terrace. (2010). *Land Use Element*. Grand Terrace: City of Grand Terrace.

City of Grand Terrace. (2024). *City of Grand Terrace Housing Element 6th Cycle*. Grand Terrace: City of Grand Terrace.

TischlerBise. (2006). *Development Impact Fee Study*. Hemet: City of Hemet.

End of Chapter

Chapter 3
Law Enforcement Facilities

Purpose and Scope

Purpose: The purpose of the Law Enforcement (County Sheriff) Facilities Fee is to ensure that new development funds its proportional share of the *facility space* required to maintain the City of Grand Terrace's existing level of contracted law enforcement service. The City contracts with the San Bernardino County Sheriff's Department for sworn staffing and operations; however, the City is responsible for providing and expanding the *building space* necessary to accommodate the deputies and support personnel assigned to Grand Terrace. Fee revenues are therefore limited strictly to capital improvements to City-owned facilities—such as expansion or reconfiguration of the Sheriff substation space, associated support rooms, and required tenant improvements. Fees may not be used for staffing, equipment, vehicles, or operational costs, which remain the responsibility of the County under the contract. By funding only the growth-related expansion of City-owned law enforcement facility space, the fee ensures that Grand Terrace maintains its current level of service as residential and nonresidential development increases calls-for-service.

Scope of Improvements: The Law Enforcement Facilities Fee will fund the capital building space required to support additional sworn officers and staff assigned to Grand Terrace as growth occurs. Because the City contracts with the San Bernardino County Sheriff's Department for staffing and operations, and owns only the facility space, eligible improvements are limited to City-owned law enforcement facilities and related tenant improvements. Fee revenues may not be used for personnel costs, equipment, vehicles, or day-to-day operations.

Specifically, the program will support:

- Sheriff Substation and Support Space Expansion — construction, expansion, or reconfiguration of City-owned station and substation areas, including offices, report-writing and interview rooms, briefing space, evidence processing and storage areas, lockers, and other support rooms necessary to accommodate growth-related staffing.
- Common Areas and Building Systems — shared circulation, secure entries, lobbies, restrooms, building core systems, and other fixed improvements that are integral to housing law enforcement personnel and maintaining the City's established level of service.
- Site and Tenant Improvements — site work and tenant improvements required to place additional law enforcement facility space into service, including utility extensions, secure parking improvements, accessibility upgrades, and fixed security features that are part of the building.

These improvements are directly tied to growth and represent the City-owned facilities necessary to sustain Grand Terrace's existing level of contracted law enforcement service as new development occurs. Expenditures from the Law Enforcement Facilities Fee are restricted to these capital facility categories and may not be used for personnel salaries, equipment or vehicles, ongoing operations, or like-for-like replacement of existing capacity that does not increase usable facility space.

Scope of Beneficiaries: All residents and businesses within the City of Grand Terrace benefit from effective law enforcement services. Law enforcement facilities support patrol, investigations, and other public safety functions that safeguard people, property, and quality of life citywide. As new residential and nonresidential development occurs, it generates additional calls-for-service and increases demand on both law enforcement staffing and the City-owned facility space that houses and supports those personnel. Without expansion of that facility space, growth-related demand would erode the current level of service for both new development and the existing community.

Existing residents and businesses have already contributed to Grand Terrace's law enforcement facilities through prior public investments. The Law Enforcement Facilities Fee ensures that new development funds its proportional share of the capital improvements required to expand City-owned law enforcement building space, so that the existing level of service is preserved while extending equivalent facility-based service to new development.

Scope of Nexus: The Law Enforcement Facilities Fee is based on the direct relationship between new development, the calls-for-service that it generates, and the City-owned law enforcement facility space required to accommodate that demand. As new residential units and nonresidential floor area are developed in Grand Terrace, they generate additional calls-for-service, which increases the workload on law enforcement personnel serving the City and the demand on the building space that houses and supports those personnel. Maintaining the existing level of service requires that this growth be matched with proportional increases in City-owned facility capacity so that staff can be accommodated without diluting service to existing development.

Calls-for-service are used as the measure of demand because they provide a transparent and quantifiable link between land use types and the level of law enforcement service required. Call-generation rates by land use are applied to the City's growth forecasts to project the increase in future service demand attributable to new development. This growth-related demand is then translated into the incremental law enforcement facility space needed to maintain the existing level of service.

Because neither the City nor its law enforcement provider was able to provide a complete, land–use–coded calls-for-service history for Grand Terrace, the study applies benchmark call-generation rates developed from multiple comparable California cities where RCS has completed similar law enforcement nexus studies. Those benchmark datasets include only calls that could be attributed to fee-bearing land uses in those jurisdictions and were normalized for population, land use mix, and service model. Applying these standardized benchmarks to Grand Terrace's adopted land use and growth assumptions provides a reasonable and conservative proxy for local call behavior in the absence of complete City-specific data, while preserving a clear nexus between development and facility demand.

By apportioning the cost of new City-owned law enforcement facility space in direct proportion to growth-related calls-for-service, the Law Enforcement Facilities Fee ensures that each type of development funds only its fair share of the capital facilities needed to serve it.

Table 3-1

Existing Calls-for-Service			
Land Use	Units/SF	Existing Calls-for-Service	Call Generation Rate
Single Family Detached	3,325	3,441	1.035
Multi-Family Attached	1,996	2,309	1.157
Manufactured/Mobile Homes	269	207	0.770
General Commercial	2,361,605	3,339	1.414
Office Commercial	544,282	543	0.998
Industrial	3,103,650	1,487	0.479
Total	-	11,326	-

Note: For nonresidential categories, calls-for-service generation rates are expressed per 1,000 square feet (KSF); quantities are shown in total square feet (SF).

Existing System

Background: The City of Grand Terrace provides local law enforcement through a contract with the San Bernardino County Sheriff's Department rather than operating its own municipal police department. Grand Terrace incorporated as a city in 1978 and is served by the Sheriff's Central Station, the department's longest-standing patrol division, which also provides contract law enforcement to other nearby communities. The contract model delivers full-service patrol, traffic enforcement, investigations, and related public safety functions for the community, while the City remains responsible for providing and maintaining the facility space that houses assigned personnel. Public descriptions of Grand Terrace emphasize its reputation as a safe community with one of the lowest crime rates in the area, reflecting the combined impact of local policing, community programs, and the City's small-town setting. Further details on the City-owned law enforcement facility space and the existing level of service appear in the following Assets and Infrastructure and Level of Service subsections.

Assets and Infrastructure: The City of Grand Terrace's law enforcement facilities consist of City-owned building space that houses the personnel assigned to serve the community. Law enforcement operations are accommodated within Grand Terrace City Hall, located at 22795 Barton Road, Grand Terrace, CA 92313, where the City dedicates approximately 2,240 square feet of interior space for Sheriff's station functions. This space provides offices and work areas for patrol and support staff, report preparation, storage, and other essential functions that enable day-to-day law enforcement service at the City's established level of service.

Under the City's contract model, vehicles, equipment, and other operational resources are provided and managed by the law enforcement provider rather than owned directly by the City. As a result, the capital infrastructure relevant for this fee program is limited to the City-owned building space and related tenant improvements that house law enforcement personnel. This existing facility space forms the basis for the level-of-service analysis and the sizing of future building capacity needed to serve growth.

Existing Financial Commitment: The value of Grand Terrace's current law enforcement facilities can be expressed in terms of the replacement cost of the City-owned building space that houses law enforcement personnel. As noted above, the City dedicates approximately 2,240 square feet of City Hall for law enforcement use. Applying the Public Safety Building Model construction cost of $530 per square foot in 2025 dollars results in an estimated replacement value of $1,187,200 for this space (2,240 square feet × $530 per square foot). The Public Safety Building Model provides the standardized construction cost basis for public safety facilities and is documented in Appendix G (Public Safety Building Model) for this study.

This planning-level replacement value represents the equity in law enforcement facility capacity that has been funded by existing residents and businesses through past taxes, assessments, and other local revenues. It does not include a separate land component because the law enforcement space is housed within the existing City Hall site, nor does it include vehicles or officer equipment, which are provided and managed by the law enforcement provider under the City's contract. Calculations are performed at full precision in the model; values are displayed to whole dollars for publication.

Although the Sheriff's workspace is housed within City Hall, law-enforcement functions require enhanced security, structural, and mechanical systems that exceed general civic office standards. Accordingly, the Public Safety Building Model is used as the construction-cost basis for valuing both existing and future law enforcement facility space, consistent with Mitigation Fee Act requirements to use the cost of the actual facility type required to serve development.

Level of Service: The City of Grand Terrace's existing level of service for law enforcement facilities is measured by the relationship between calls-for-service generated by development and the City-owned building space that houses law enforcement personnel. Under the City's contract model, sworn staffing, vehicles, and equipment are provided and managed by the law enforcement provider, while Grand Terrace is responsible for supplying and maintaining the facility space needed to support those personnel.

The City currently dedicates approximately 2,240 square feet within City Hall to law enforcement functions. This space accommodates day-to-day operations for the personnel assigned to Grand Terrace and represents the facility capacity that supports the community's existing level of service. For nexus purposes, this 2,240 square feet of City-owned law enforcement space is treated as the baseline facility standard for the community.

Because neither the City nor its law enforcement provider was able to furnish a complete, land–use–coded calls-for-service history for Grand Terrace, the workload side of the level-of-service framework is based on benchmark calls-for-service generation rates developed from comparable California cities where detailed datasets were available. Those benchmarks, applied to Grand Terrace's adopted land use and growth assumptions, define the growth-related calls-for-service that must be accommodated over the planning horizon. The Law Enforcement Facilities Fee is structured so that new development funds the expansion of City-owned facility space necessary to house the staffing implied by that benchmark demand, thereby maintaining today's level of service for both existing and new development while limiting the program strictly to buildings and fixed improvements the City owns.

Growth and Demand

Growth Inputs: Growth inputs represent the development capacity identified in the City's adopted land use database. Residential capacity is measured in dwelling units, and nonresidential capacity is measured in square feet of building area. These inputs provide the foundation for estimating future calls-for-service by assigning benchmark call-generation rates to each land use category. Applying those rates to the City's projected development yields the growth-related workload that must be accommodated within the City-owned law enforcement facility system. This ensures that the demand attributed to new development is allocated proportionally across land uses for purposes of the nexus analysis.

Method: The nexus analysis relies on calls-for-service as the measure of law enforcement demand. Calls-for-service provide a transparent and quantifiable way to link land use types to law enforcement workload and to project the additional facility demand created by new development. Because Grand Terrace and its law enforcement provider were unable to provide a complete, land–use–coded calls-for-service history, the analysis applies benchmark call-generation rates developed from multiple comparable California cities where detailed calls-for-service datasets were available. These benchmark rates include only calls that could be attributed to fee-bearing land use categories in those jurisdictions and were normalized for differences in population, land use mix, and contract law enforcement structure.

The benchmark call-generation rates are applied to the City's adopted land use database to estimate the ongoing calls-for-service expected from each land use category. For residential development, rates are expressed on a per-dwelling-unit basis. For nonresidential development, rates are expressed per 1,000 square feet (KSF) of building area; inventories are maintained in square feet (SF) and converted to KSF by dividing SF by 1,000 when applying the rates. This ensures consistency with the adopted fee units, which are presented in dollars per square foot.

By applying the benchmark call-generation rates to Grand Terrace's projected growth in dwelling units and nonresidential building area, the analysis estimates the incremental calls-for-service attributable to new development. These projected growth-related calls-for-service establish the demand that new development places on City-owned law enforcement facility space and form the basis for sizing the additional facility capacity needed to maintain the City's existing level of service as growth occurs. The results of this calculation are presented in Table 3-2, Growth-Related Calls-for-Service, which shows the projected calls-for-service by land use category using this benchmark-based methodology.

Table 3-2

Growth-Related Calls-for-Service			
Land Use	Units/SF	Growth-Related Calls-for-Service	Call Generation Rate
Single Family Detached	3,235	3,348	1.035
Multi-Family Attached	3,801	4,398	1.157
Manufactured/Mobile Homes	7	5	0.77
General Commercial	2,519,401	3,562	1.414
Office Commercial	486,499	486	0.998
Industrial	1,922,303	921	0.479
Total	-	12,720	

Note: For nonresidential categories, calls-for-service generation rates are expressed per 1,000 square feet (KSF); quantities are shown in total square feet (SF). Adopted fee schedules are presented in dollars per square foot.

Resulting Service Demand: Application of benchmark call-generation rates to the City's projected growth in residential and nonresidential development results in approximately 12,720 additional calls-for-service per year at buildout. These growth-related calls are the additional workload expected from new development identified in the land use database. When added to the benchmark estimate of today's land use–assignable calls-for-service (about 11,326 per year), total calls attributable to development at buildout are on the order of 24,046 per year. This represents an increase in demand of approximately 112% over the current benchmark workload.

To preserve the City's established level of service, the facility system must be expanded so that City-owned law enforcement building space remains adequate to house and support the personnel needed to handle this higher call volume. In this study, the growth-related calls-for-service identified in Table 3-2 are used to size the additional City-owned facility capacity required to maintain Grand Terrace's existing level of service for both existing and new development, with the resulting capital program described in the following sections.

Capacity Implications: The increase of approximately 12,720 calls-for-service attributable to new development represents a substantial addition to the workload that must be supported by Grand Terrace's City-owned law enforcement facility space. Under existing conditions, about 2,240 square feet of City Hall is dedicated to law enforcement uses to serve a benchmark estimate of roughly 11,326 land use–assignable calls-for-service per year. This relationship establishes the City's facility-based level of service in terms of building square footage per annual calls-for-service.

Applying this facility standard to the projected 12,720 growth-related calls-for-service indicates a need for additional City-owned law enforcement building space on the order of a few thousand square feet to maintain the existing level of service at buildout. In this study, that requirement is translated into a specific capital project that provides approximately 2,611 square feet of new law enforcement facility capacity. This growth-related expansion forms the basis for the Law Enforcement Facilities Fee capital program and defines the additional City-owned building space needed to preserve the City's existing level of service as development occurs.

Allocation by Land Use: The cost of providing new law enforcement facilities must be distributed across land use categories in proportion to the demand they generate. Applying benchmark call-generation rates to the City's adopted land use database results in 12,720 growth-related calls-for-service at buildout, allocated as follows:

- Single Family Detached — 3,348 calls (26.32%)
- Multi-Family Attached — 4,398 calls (34.57%)
- Manufactured/Mobile Homes — 5 calls (0.04%)
- General Commercial — 3,562 calls (28.01%)
- Office Commercial — 486 calls (3.82%)
- Industrial — 921 calls (7.24%)

This distribution shows that Multi-Family Attached, Single Family Detached, and General Commercial account for the largest shares of future law enforcement demand, with smaller contributions from Industrial, Office Commercial, and Manufactured/Mobile Homes. Costs for new City-owned law enforcement facility space are apportioned in direct proportion to these call shares so that no land use is charged more than the demand it creates while maintaining the City's established level of service.

Capacity Sizing and Capital Program: The preceding analysis indicates that growth in Grand Terrace will generate approximately 12,720 additional calls-for-service at buildout. To maintain the City's existing facility-based level of service, this workload requires the expansion of City-owned law enforcement building space so that personnel assigned to Grand Terrace can continue to be housed and supported adequately. Applying the existing relationship between City-owned facility space and calls-for-service to the projected growth-related calls results in a need for approximately 2,611 square feet of additional law enforcement space within the City.

These requirements translate into a single, focused capital project to expand the City's law enforcement facilities in proportion to growth. The Law Enforcement Facilities Fee program, therefore, includes one project, Police Station Expansion (Project LE-001), which provides approximately 2,611 square feet of new City-owned law enforcement building capacity at a planning-level cost of $1,383,830 in 2025 dollars. This project forms the capital program for the fee and defines the additional City-owned facility space needed to preserve the City's existing level of service as development occurs.

Law Enforcement Projects

Project ID: LE-001

Project Title: Sheriff Station Space Expansion

Description: This project expands City-owned law enforcement building space to accommodate the growth-related calls-for-service generated by new development in Grand Terrace. The scope includes planning, design, permitting, and construction or reconfiguration of interior space within City Hall or another City-owned facility to increase the area dedicated to law enforcement functions. The expansion may be delivered through reconfiguration of existing City Hall space to create more efficient office and support areas for law enforcement personnel, construction of an addition to City Hall, or construction of a comparable City-owned facility that provides equivalent law enforcement space. The project is necessary to provide the 2,611 square feet of new building capacity identified in the growth analysis, ensuring that the City's established level of service is maintained as development occurs.

Size/Scope: 2,611 square feet (growth-related building expansion)

Location: To be determined

New Development Share: 100%–$1,383,830 (funded through Law Enforcement Facilities Impact Fees)

Existing Community Share: 0%–$0 (non-growth cost, funded from other sources)

Total Cost: $1,383,830

Timing: 2026–2036

Cost Basis and Estimating Assumptions

RCS uses a single Public Safety Building Model (a consistent $/SF basis) to estimate law enforcement facility construction costs. Although Grand Terrace's law enforcement space is located within City Hall, law enforcement functions require security, code-driven systems, and mechanical, electrical, and plumbing (MEP) intensity that exceed typical civic office standards. Using one model for public-safety buildings keeps the analysis apples-to-apples and reflects these higher requirements. For law enforcement facilities, the baseline is construction-only (no land), since projects frequently proceed as remodels, interior reconfigurations, expansions, or adaptive reuse where site control already exists; if a project requires new land, that cost can be documented separately on a case-by-case basis. For this study, the Public Safety Building Model establishes a planning-level construction cost of $530 per square foot in 2025 dollars for law enforcement facility space. The detailed cost breakdown and supporting materials are provided in Appendix G, Public Safety Building Model.

Allocation of Project Costs

The total cost of the Law Enforcement Facilities capital program is $1,383,830, representing the growth-related law enforcement facility expansion identified as Project LE-001. There is no existing Law Enforcement Facilities development impact fee fund balance available to offset this program, so the net revenue requirement is $1,383,830. To ensure fairness and proportionality, the net costs are allocated to land use categories in direct proportion to their shares of the 12,720 growth-related calls-for-service identified in the growth analysis (Table 3-2). Using calls-for-service as the allocation basis ensures that each type of development funds its fair share of City-owned law enforcement facility space in accordance with the demand it creates.

Derivation of Maximum Justified Fees

The maximum justified Law Enforcement Facilities Fees are derived by dividing the allocated capital program costs for each land use category by the corresponding measure of new development. For residential categories, fees are expressed on a per residential square foot basis. Average dwelling unit sizes are applied to projected new units to establish total new residential floor area, and allocated costs are divided by this floor area to calculate the fee in dollars per square foot, consistent with the requirements of Assembly Bill 602 (AB-602).

For nonresidential categories, calls-for-service are measured on a per 1,000 square foot basis in order to estimate demand. This convention ensures consistency when applying call-generation rates to large floor area categories. However, when fees are calculated, the allocated costs are divided by the total square footage of new floor area, not by units of 1,000 square feet. This conversion ensures that the resulting fee schedule is stated in dollars per square foot, consistent with residential categories and AB-602 requirements.

All calculations are performed using unrounded figures to maintain accuracy. Rounding is applied only when presenting the fee schedule for adoption. The City Council may adopt fees at or below the maximum justified amounts shown.

The following table presents the allocation of project costs by land use category and the resulting maximum justified fees for the Law Enforcement Facilities program.

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Table 3-3

Allocation of Development Cost per Land Use				
Land Use	Growth-Related Calls-for-Service	Percentage of Growth-Related Calls-for-Service	Allocation of Expansion Costs	Development Impact Fee Per SF/Room
Single Family Detached	3,348	26.32%	$364,235	$0.058/SF
Multi-Family Attached	4,398	34.58%	$478,466	$0.155/SF
Manufactured/Mobile Homes	5	0.04%	$544	$0.069/SF
General Commercial	3,562	28.00%	$387,516	$0.154/SF
Office Commercial	486	3.82%	$52,873	$0.109/SF
Industrial	921	7.24%	$100,197	$0.052/SF
Total	12,720	100.00%	$1,383,830	-

Existing Community Financial Commitment Comparison

The Mitigation Fee Act requires impact fee programs to account for existing funding so new development pays no more than its fair share. For law enforcement facilities in Grand Terrace, there is currently no dedicated Law Enforcement Facilities development impact fee fund balance to recognize in this program. Instead, the existing community's equity is embodied in the City-owned building space within City Hall that is dedicated to law enforcement functions. As described earlier, this space totals approximately 2,240 square feet and has a planning-level replacement value of $1,187,200 in 2025 dollars based on the Public Safety Building Model construction cost.

This existing community financial commitment has been allocated to land use categories using the same calls-for-service–based methodology applied in the development impact fee calculation. By applying consistent measures of demand and cost allocation, the analysis allows for a direct, apples-to-apples comparison between the contribution already made by the existing community and the investment required from new development to maintain the established level of service.

This consistency ensures transparency and defensibility, demonstrating that the fee program does not impose a disproportionate burden on new development but instead aligns future contributions with the standard established by the existing community. The following table presents the allocation of the existing facility replacement value by land use category and the resulting existing financial commitment per square foot.

Table 3-4

Allocation of Existing Cost per Land Use				
Land Use	Existing Calls-for-Service	Percentage of Existing Calls-for-Service	Allocation of Existing Costs	Existing Financial Commitment Per SF/Room
Single Family Detached	3,441	30.38%	$360,688	$0.062/SF
Multi-Family Attached	2,309	20.39%	$242,031	$0.150/SF
Manufactured/Mobile Homes	207	1.83%	$21,698	$0.068/SF
General Commercial	3,339	29.48%	$349,997	$0.148/SF
Office Commercial	543	4.79%	$56,918	$0.105/SF
Industrial	1,487	13.13%	$155,868	$0.474/SF
Total	11,326	100.00%	$1,187,200	-

Fee Schedule and Summary

The following table presents the maximum justified Law Enforcement Facilities Fees for the City of Grand Terrace. These fees are derived from the proportional allocation of the $1,383,830 law enforcement facilities capital program to land use categories based on their shares of the 12,720 growth-related calls-for-service identified in this chapter. The schedule below presents the maximum justified fees; all land uses are shown in dollars per square foot, consistent with Assembly Bill 602 (AB-602) requirements and the City's adopted land use framework.

The maximum justified fees represent the highest defensible fee levels supported by this study. The City Council retains the discretion to adopt fees at or below these levels as a matter of policy.

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Table 3-5

Summary of Proposed Development Impact Fees	
Land Use	Per SF/Room
Single Family Detached	$0.058/SF
Multi-Family Attached	$0.155/SF
Manufactured/Mobile Homes	$0.069/SF
General Commercial	$0.154/SF
Office Commercial	$0.109/SF
Industrial	$0.052/SF

Current Law Enforcement Facilities Development Impact Fees

The City of Grand Terrace does not currently maintain a law enforcement facilities development impact fee program. As a result, there is no existing fee schedule in place for law enforcement facilities. The maximum justified fees presented in this chapter, therefore, represent the first fees calculated for this purpose.

Five Findings

In accordance with the Mitigation Fee Act, the following findings support the imposition of the Law Enforcement Facilities Impact Fee:

1. **Purpose of the Fee**

   The purpose of the fee is to fund the expansion of City-owned law enforcement facilities necessary to maintain the City's established level of service as new development generates additional calls-for-service. The fee ensures that growth finances its proportional share of the building space and fixed improvements needed to house and support law enforcement personnel serving Grand Terrace.

2. **Use of the Fee**

   Fee revenues will be used to finance the planning, design, permitting, construction, and expansion of City-owned law enforcement facility space, including associated tenant and site improvements that place new space into service. Eligible uses include remodels, interior reconfigurations, additions, or construction of new City-owned building space dedicated to law enforcement functions, as identified in this study. Fee revenues will not be used for staffing, vehicles, officer equipment, or ongoing operations.

3. **Relationship Between the Fee's Use and the Type of Development**

   New residential and nonresidential development generates additional calls-for-service, which increase the workload on law enforcement personnel serving Grand Terrace and the demand on City-owned facility space that houses and supports those personnel. Fee revenues will be used to expand law enforcement facility capacity so that the building system can continue to support this higher demand at the City's established level of service.

4. **Relationship Between the Need for Facilities and the Type of Development**

   The need for expanded law enforcement facilities arises directly from the calls-for-service generated by new development in each land use category. By using calls-for-service as the measure of demand and applying benchmark call-generation rates to the City's adopted land use database, the study identifies the growth-related calls-for-service attributable to each land use. The additional law enforcement facility space funded by the fee is sized to accommodate this growth-related demand, ensuring that each land use category contributes in proportion to the need it creates.

5. **Relationship Between the Amount of the Fee and the Cost Attributable to Development**

   The amount of the fee is calculated by dividing each land use category's allocated share of the $1,383,830 law enforcement facilities capital program by its measure of new development, resulting in a fee stated in dollars per square foot. This allocation is based on each category's share of growth-related calls-for-service, ensuring that no land use is charged more than its proportional share of the cost of City-owned law enforcement facility space needed to serve growth.

Implementation and Compliance Notes

Adoption and Program Structure: The City will adopt the Law Enforcement Facilities development impact fee (DIF) by Council action after adopting the supporting nexus study. The City will be responsible for imposing, collecting, and administering the fee. Revenues are restricted to eligible law enforcement facilities and improvements identified in this study, including expansion, remodel, or construction of City-owned building space used for law enforcement functions and associated tenant and site improvements that place additional space into service.

Fund Accounting and Reporting: A separate Law Enforcement Facilities DIF fund/account will be established and maintained. All fee revenues (and interest) will be deposited into this account and expended only for the purposes identified in this study. The City will publish the annual AB-1600 report (Government Code §§66000–66025) and make the five-year findings for any unexpended balance (Government Code §66001(d)). Any existing fund balance will be carried forward within this account and restricted to eligible, growth-related capital uses identified herein. If the City cannot make the required five-year findings, any remaining balances must be refunded as provided by law.

Administration and Schedule Management: Fees are due at the time of building permit issuance. The fee schedule shall be indexed annually to an appropriate construction-cost index such as the Engineering News-Record (ENR) Construction Cost Index. The City will maintain a public, up-to-date fee schedule and post the nexus study and schedule on its website for transparency.

Use of Funds (Eligibility): Expenditures are limited to the growth-related share of projects that add law enforcement facility capacity. Eligible uses include planning, land acquisition (if needed), design, permitting, construction, remodel, interior reconfiguration, and expansion of City-owned building space dedicated to law enforcement functions, together with related fixed improvements and security features that are part of the building. Expenditures for like-for-like replacements that do not add capacity, or for staffing, vehicles, equipment, or general law enforcement operating costs, are not eligible.

Program Applicability: Fees apply to net new development (additions minus removals) as defined in this study. The City may program Law Enforcement Facilities DIF revenues anywhere within the city where a listed project maintains the established level of service for the community.

End of Chapter

Chapter 4

Street Improvements

Purpose and Scope

Purpose: The purpose of this chapter is to establish and implement the City of Grand Terrace's Street Improvements impact fee by setting maximum justified fees and administrative provisions consistent with the Mitigation Fee Act (Government Code § 66000 et seq.) and Assembly Bill 602 (AB-602). This update aligns the methodology and presentation with current statutory requirements and ensures the program remains defensible and auditable.

Grand Terrace's transportation system, including its streets, intersections, signals, and access/egress facilities, serves existing residents and businesses as well as new development. Without continued investment and planning, the additional trip demand generated by growth would erode the performance of the City's mobility network, resulting in unacceptable congestion and diminished level of service (LOS).

For this cycle, the program funds circulation planning activities (e.g., master plan preparation and updates, traffic studies, network modeling, and related planning/engineering) necessary to maintain mobility standards and program future capital improvements. If the City later adds eligible capital projects, the same trip-based methodology will be applied to size and allocate costs proportionally to growth.

This chapter recognizes the integrated nature of the City's transportation network and supports an interconnected system consistent with the City's General Plan and Circulation Element. The program is structured to balance equity between existing and future users, maintain mobility standards across the City, and ensure that growth contributes proportionally to the infrastructure planning and improvements necessary to sustain the City's adopted LOS.

This update consolidates the prior Arterial Improvement, Traffic Signal Improvement, and Operational Improvement fee components into a single Street Improvements Impact Fee and provides one program framework and fund for planning and, when programmed in later cycles, eligible capacity/operations improvements.

Scope of Improvements: For this update, the Street Improvements program for the City of Grand Terrace is limited to planning activities necessary to maintain mobility standards and prepare/program future capital needs. Eligible planning uses include master plan preparation and updates, traffic impact and warrant studies, travel-demand modeling, corridor and complete-streets planning, intersection control evaluations, access management studies, and related engineering needed to define, phase, and document future capacity and safety projects attributable to growth. The program excludes operations, routine maintenance, and stand-alone recreational amenities not functionally tied to the street network.

Before any capacity-increasing improvement is programmed for fee funding, the City will first complete and adopt the necessary planning documentation; the improvement will be identified in an adopted street planning document and supported by current technical analyses (including trip generation and operational or safety findings) with clear nexus and proportionality determinations consistent with the Mitigation Fee Act (Government Code § 66000 et seq.) and Assembly Bill 602 (AB-602). Consistency with the General Plan will be documented through project adoption and Planning Commission review under Government Code § 65401, ensuring projects are data-driven, right-sized to growth, and defensible prior to design or construction.

If the City later adds eligible capital projects to this program, costs will be sized and allocated using the trip-based methodology described in this chapter; at a high level, potential categories may include street widenings and extensions, intersection and signal upgrades, access and egress improvements, systemwide safety and operations upgrades, sidewalks and pedestrian lighting when part of eligible corridor or intersection work, and bridges or structures where needed to maintain network connectivity.

Consistent with this consolidation, Street Improvements fee revenues will be deposited into one Street Improvement Fund, replacing the prior separate Arterial, Traffic Signal, and Operational fee accounts.

Scope of Beneficiaries: The Street Improvements program provides systemwide benefits to both existing and new development in Grand Terrace. Planning activities, and any future capacity and operations improvements such as street widenings, intersection and signal upgrades, corridor safety and operations elements, and structures necessary for connectivity, enhance the efficiency and safety of the City's street network for all users.

Financial responsibility is assigned to growth because new development introduces additional trip demand that creates the need to plan and, when programmed in future cycles, construct added capacity. Existing development has already contributed to today's system through prior public investments and previously collected impact fees. To maintain equity and proportionality under the Mitigation Fee Act and AB-602, the program allocates eligible costs to new development in proportion to the trip demand it generates, using the trip-based methodology described in this chapter.

For consistency with prior chapters, beneficiaries are organized by the same adopted land use categories used throughout this report. The fee distribution follows those categories without restating them here, ensuring proportionality while avoiding redundancy.

Scope of Nexus: The Mitigation Fee Act (Government Code § 66000 et seq.) requires a reasonable relationship (nexus) between new development and the public facilities funded through development impact fees. For Street Improvements, this relationship is demonstrated by linking the additional vehicle trips generated by new development to the planning and, when programmed in later cycles, capacity and operations improvements needed to accommodate those trips while maintaining the City's adopted mobility standards under Assembly Bill 602 (AB-602).

In Grand Terrace, the Street Improvements program measures this nexus by converting growth in development to trip-based demand and using that demand to size the program's growth share. In this update, the fee funds planning activities, including master plan preparation and updates, technical analyses, and project programming, that are necessary precursors to any future capacity-increasing projects. As new residential and nonresidential development occurs, it generates additional trips that would otherwise contribute to congestion; the program ensures the City has the data, analysis, and adopted plans needed to identify, phase, and justify the improvements attributable to that growth.

While existing residents and businesses also benefit from a well-planned, safe, and efficient street network, they have contributed to the current system through prior public investments and earlier fee programs. The fee is structured so that growth pays in proportion to the trip demand it creates, preserving equity between existing and future users.

The total program cost is divided between existing and new development based on measurable indicators of travel demand derived from the land use forecast (for planning in this cycle, and for specific capital projects in future cycles). New development's cost share is then allocated to land use categories in proportion to their relative trip generation characteristics. The detailed methodology used to quantify trip demand and to allocate costs is presented later in this chapter.

Through this structure, the Street Improvements program demonstrates the required nexus between new development and the transportation planning and improvements that serve it, ensuring fees remain proportionate, defensible, and compliant with the Mitigation Fee Act and AB-602.

Existing Facilities

Asset and Infrastructure: The City of Grand Terrace maintains a street network that provides mobility for residents, businesses, and visitors. The system consists primarily of arterials and collectors, together with signalized intersections and other intersection control devices, corridor lighting, and related safety elements. These facilities constitute the baseline network that must be sustained as the community grows.

Within the local street network, the current inventory identifies 2.66 miles of arterials, 11.36 miles of collectors, and 1.90 miles of other major roadways, for a combined 15.92 miles of major local streets. Intersections and traffic control are critical elements within this system; the inventory includes 5 fully actuated traffic signals, 224 simple two-way signals, 2 intersection signal improvements, and 16 arterial/collector intersections. Street operations and safety features—including signing/striping, communications/ITS, and corridor lighting—support safe operation and visibility throughout the network and are coordinated with corridor and intersection improvements to maintain functionality.

This section is limited to assets and infrastructure only; monetary values and replacement costs for the inventoried facilities are presented in the Existing Financial Commitment section that follows.

Existing Financial Commitment: Grand Terrace's street system represents a substantial public investment made over many years by existing residents and businesses. At 2025 replacement costs, the inventoried Street Improvements assets total $325,666,387 and include arterials ($57,945,440), collectors ($133,866,240), other major roadways ($19,901,846), right-of-way ($20,520,061), intersection signal improvements ($800,000), fully actuated traffic signals ($5,000,000), simple two-way signals ($67,200,000), arterial/collector intersections ($16,000,000), street signs ($2,087,800), and safety light poles/lighting ($2,345,000).

Separately, the City currently holds a Street Improvements fund balance of $805,390. This fund balance represents prior fee collections and interest available to help finance growth-related improvements. When combined, the City's total existing Street Improvements resources equal $326,471,777, consisting of $325,666,387 in existing capital assets and $805,390 in existing fund balance. The fund balance is treated as a credit in the fee calculation, reducing the amount to be recovered from new development in this update cycle, but it does not change the underlying replacement-cost value of the existing street system reported above.

These figures illustrate the scale of the community's existing contribution to the street network. The purpose of the Street Improvements fee is not to retroactively charge existing development, but to ensure that new development contributes its fair, proportionate share toward planning and, when programmed in future cycles, capacity and operational improvements needed to preserve mobility and safety standards as growth occurs.

Level of Service: For purposes of this program, street service is defined in terms of trip demand generated by land uses, rather than the traditional Highway Capacity Manual (HCM) letter-grade framework. HCM LOS is valuable for diagnosing operational performance at specific locations (e.g., whether an intersection requires improvement based on delay or volume-to-capacity), but it does not apportion how much of that need is caused by each land use. A fee program must trace impacts back to growth in a measurable way, so this study uses a demand metric that attributes system use to development types and supports proportional cost allocation.

This study measures demand by calculating trip-miles generated by new development. Each land use produces trip-ends that are multiplied by average trip length to determine daily trip-miles attributable to that use. Trip-miles serve as the quantitative denominator for assigning a proportionate share of system improvement costs to new development, while recognizing the substantial financial investment already made by existing residents and businesses.

By defining the level of service for fee purposes in terms of trip demand (trip-miles) rather than HCM letter grades, the methodology grounds fees in measurable impacts and links the calculation directly to the additional demand created by growth. This approach provides a clear and defensible basis for allocating costs in compliance with the Mitigation Fee Act and AB-602.

The specific inputs to this methodology, including trip-generation rates, trip lengths, and any land use adjustments, are based on standard industry sources and regional travel-behavior studies. These details, along with the full fee calculation, are presented later in this chapter.

Growth and Demand

Growth Inputs: The demand for street improvements in Grand Terrace is driven by the scale and pattern of development anticipated over the planning horizon. This chapter uses the City's adopted planning assumptions to define the magnitude of new residential and business development expected during the study period. These inputs provide the basis for estimating the additional travel activity generated by growth and, in turn, the capacity that must be planned for within the street system.

Residential growth is measured in dwelling units by the adopted land use categories. Nonresidential growth is measured in floor area (square feet). These measures align with Assembly Bill 602 (AB-602) fee presentation requirements and maintain consistency across chapters.

Each growth input translates into trip-ends that generate additional miles of travel on the City's street network. The linkage between new development, trip generation, and resulting trip-miles forms the foundation of proportional cost allocation in this program. The specific trip rates, average trip lengths, and any adjustments by use are presented in the methodology section that follows; the key point is that the scale of growth directly drives the scale of new demand on Grand Terrace's street system.

Method: This program establishes transportation demand using a trip-based methodology that combines standard trip-generation rates with regional travel behavior data. The framework ensures that development impact fees are allocated in proportion to the transportation demand created by new growth.

Trip Generation

Trip-ends are established using accepted trip-generation rates by land use. Residential rates are expressed per dwelling unit; nonresidential rates are expressed per 1,000 square feet. These rates yield gross daily trip-ends for each use.

Trip Length

Gross trip-ends are converted to trip-miles by applying average trip-length factors derived from the San Diego Association of Governments (SANDAG) regional travel behavior data. These factors are used here as the most applicable regional source for Southern California travel distances and are applied to reflect local conditions.

Adjustments for Trip Type

To isolate net new demand, trip-miles are adjusted for primary, diverted, and pass-by components. Primary trips are fully counted; diverted trips are partially counted; pass-by trips receive the lowest weighting. These adjustments prevent over-attribution to uses that attract passing traffic.

Trip-Miles as the Demand Metric

Trip-miles—calculated as trip-ends × average trip length × adjustment factors—serve as the common denominator for measuring demand, capturing both the frequency of trips and the distance they travel within the City's network.

Translation to Fees

Because nonresidential trip rates are developed per 1,000 square feet, analytical calculations use KSF internally. For presentation, quantities are shown in square feet and, consistent with AB-602, maximum justified fees are expressed per square foot. Residential fees are also presented per square foot.

Compliance and Detailed Methodology

This methodology allocates costs in proportion to measurable, growth-related demand, consistent with the Mitigation Fee Act. The specific inputs, trip-generation rates, SANDAG trip-length factors, and trip-type adjustments, together with the equations used to compute Trip-Ends and Trip-Miles, are documented in the methodology appendix and model tables.

Scope of Included Demand Metric: This program measures the transportation demand of new development in terms of vehicular trips that affect the City's street system. Other modes, walking, bicycling, and transit, are not included for fee calculation purposes because they do not generate the same capital facility costs that this program is designed to fund.

Demand is organized into two groups, using the City's adopted land use categories:

- Residential Development: Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes.
- Business Development: General Commercial, Office Commercial, and Industrial.

The common metric is trip-miles, combining (a) the number of trips generated by each land use with (b) the average distance traveled. This captures the burden placed on the street system by considering both trip frequency and travel distance, rather than relying solely on household counts or square footage.

The scope defined here establishes the framework for the calculations that follow. Table 4-1 presents the trip-generation rates, average trip lengths, and resulting trip-miles for each land use category, which together provide the technical basis for understanding how demand for street improvements is distributed across development types.

Table 4-1

Existing Land Use Total Trip-Miles				
Land Use	Developed Acres	Units/SF	Trip-End and Length Factor	Total Existing Trip-Miles
Single Family Detached	1,000	3,325	4.095	13,616
Multi-Family Attached	180	1,996	1.638	3,269
Manufactured/Mobile Homes	32	269	1.808	486
General Commercial	153	2,361,605	15.089	35,634
Office Commercial	35	544,282	4.529	2,465
Industrial	238	3,103,650	2.514	7,803
Total	1,636	-	-	63,273

Note: For nonresidential categories, trip-generation rates are expressed per 1,000 SF (KSF); quantities are shown as total SF. Final fees are presented per SF.

Resulting Service Demand: The methodology converts projected development into trip-miles by applying trip-generation and trip-length factors to each land use category. The resulting growth-related trip-miles and shares (to be presented in Table 4-2) are:

- Single Family Detached: 13,247 trip-miles (21%)
- Multi-Family Attached: 6,226 trip-miles (10%)
- Manufactured/Mobile Homes: 13 trip-miles (0%)
- General Commercial: 38,015 trip-miles (59%)
- Office Commercial: 2,203 trip-miles (3%)
- Industrial: 4,833 trip-miles (7%)
- Total: 64,537 trip-miles (100%)

These values quantify the incremental burden that new development places on the street system by capturing both trip frequency and travel distance. They provide the technical basis for allocating Street Improvements costs to each land use in direct proportion to its share of total trip-miles. Consistent with AB-602 presentation standards, final fees will be shown per square foot for all categories.

Table 4-2

Potential Land Use Total Trip-Miles				
Land Use	Potential Acres	Units/SF	Trip-End and Length Factor	Total Potential Trip-Miles
Single Family Detached	1,024	3,235	4.095	13,247
Multi-Family Attached	207	3,801	1.638	6,226
Manufactured/Mobile Homes	1	7	1.808	13
General Commercial	165	2,519,401	15.089	38,015
Office Commercial	32	486,499	4.529	2,203
Industrial	147	1,922,303	2.514	4,833
Total	1,576	-	-	64,537

Note: For nonresidential categories, trip-generation rates are expressed per 1,000 SF (KSF); quantities are shown as total SF. Final fees are presented per SF.

Capacity Implications: Table 4-2 shows that potential new development in Grand Terrace will generate 64,537 additional trip-miles on the City's street system. This increase represents the measurable incremental demand attributable to growth beyond the existing baseline, summarized in Table 4-1.

As these additional trip-miles are introduced into the network, roadway and intersection performance will experience higher loading—manifesting as longer travel times, recurring congestion windows, and reduced efficiency at critical locations. While operational measures can mitigate some effects, sustained growth-related demand ultimately necessitates planning and, when programmed, targeted capital improvements to preserve adopted service standards.

In this cycle, the Street Improvements program funds circulation planning to identify, prioritize, and phase the growth-related responses indicated by the 64,537 trip-mile burden. If the City subsequently programs eligible capacity projects (e.g., corridor widenings, intersection modifications, new signals, and related street improvements), those projects will be proportionally sized to the documented demand in Table 4-2, and program costs will be allocated to land uses in direct proportion to each category's share of total trip-miles. Final fees are presented per square foot for all categories.

Allocation by Land Use: The cost of Street Improvements is distributed across land uses in direct proportion to their contribution to the 64,537 growth-related trip-miles identified in Table 4-2. This approach ensures that each category of new development is assigned responsibility only for the share of system capacity it requires.

Residential development contributes to trip demand through daily household travel associated with Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes. Business development contributes through customer, employee, visitor, and goods-movement trips generated by General Commercial, Office Commercial, and Industrial uses. By quantifying demand in trip-miles, the methodology captures both the frequency and distance of travel, providing a clear and equitable basis for cost allocation.

Although this cycle of the Street Improvements program funds primarily planning activities rather than physical capacity projects, the allocation remains based on the trip-mile methodology. This metric provides a reasonable and equitable measure of system use across land uses, reflecting how each category of new development contributes to future travel demand on the City's street network. Using trip-miles as the allocation basis keeps fee responsibility proportional to growth-related impacts and consistent with the principles of the Mitigation Fee Act and AB-602.

While the principle of proportional allocation is established here, the detailed calculation of each land use's percentage share, together with the derivation of maximum justified fees, is presented later in this chapter under Derivation of Maximum Justified Fees.

Capacity Sizing and Capital Program: The demand generated by new development, as documented in Table 4-2, requires the City to plan for targeted improvements that preserve the performance of Grand Terrace's street system. The City's adopted planning documents provide the framework for identifying where roadway capacity, intersection performance, and signalization should be evaluated and, when warranted, programmed to accommodate projected growth.

Capacity sizing in this program is based on proportionality. Using the trip-mile methodology, each prospective improvement is evaluated to determine the extent to which it mitigates growth-related demand relative to any existing or regional needs. Improvements primarily triggered by growth (for example, a new traffic signal at an unsignalized intersection once warrants are met) would assign a higher cost share to new development, while improvements with substantial existing or regional benefit (for example, corridor widenings or interchange-related work) would assign a larger share to the existing community. This approach ensures that each improvement is scaled to the demand it mitigates and that cost responsibility remains equitable and defensible.

For this update cycle, the Street Improvements program consists of planning activities rather than a physical construction list. The program funds preparation of the Circulation Master Plan, which will refine network priorities, confirm warrants and corridor needs, and establish a transparent, project-level basis for future programming consistent with the methodology above. The Master Plan cost is allocated 50% to existing development and 50% to new development, reflecting the plan's systemwide benefit and its role in guiding growth-related capacity. If, in a future cycle, the City adds eligible capital projects, those projects will be proportionally sized to the growth-related trip-mile demand documented in Table 4-2, and costs will be allocated to land uses in direct proportion to each category's share of total trip-miles.

Street Improvements Project

Project ID: ST-001

Project Title: Circulation Master Plan

Description: Preparation of a comprehensive Circulation Master Plan to evaluate existing network conditions, identify growth-related capacity needs, establish citywide mobility standards, and define the future capital improvement framework for Grand Terrace. The plan will integrate trip-generation and trip-mile data, model future system performance, and identify prioritized roadway and intersection projects consistent with the City's General Plan.

Size/Scope: Citywide planning document covering all arterial and collector corridors, intersection control, and multimodal coordination elements.

Location: Citywide

New Development Share: 50% – $1,250,000 (to be funded through Street Improvements Impact Fees)

Existing Community Share: 50% – $1,250,000 (not eligible for impact fee funding)

Total Cost: $2,500,000

Timing: 2026–2036

Allocation of Project Costs

This section assigns, for the City of Grand Terrace, the proportion of each Street Improvements item attributable to new development versus the existing community. For this update cycle, the program consists of a single planning item—the Circulation Master Plan (ST-001). Because the Master Plan both (1) maintains mobility standards for current users and (2) establishes the technical foundation for programming growth-related capacity, its cost is allocated 50% to existing development and 50% to new development. With a total cost of $2,500,000, the growth-eligible share carried forward into the fee calculation is $1,250,000, and the remaining $1,250,000 is the responsibility of the existing community (to be funded from non-fee sources).

New development pays only its proportionate share. The 50/50 split reflects the plan's systemwide nature in Grand Terrace: it updates network models, confirms warrants and corridor needs, and sequences future projects that will ultimately address growth-related demand. In subsequent cycles—if the City adds eligible capital projects—each project will be evaluated using the same proportional framework, with higher new-development shares for improvements primarily triggered by growth (e.g., new signals once warrants are met) and lower shares where substantial existing or regional benefits are present (e.g., corridor widenings or interchange-related work). The $1,250,000 growth-eligible total from this section is distributed across Grand Terrace's adopted land use categories in proportion to each category's share of growth-related trip-miles as shown in Table 4-2.

Derivation of Maximum Justified Fees

The total cost allocated to new development within the Street Improvements program provides the basis for calculating maximum justified fees. For this update, the growth-eligible cost equals $1,250,000 (50% of the $2,500,000 Circulation Master Plan). The City will apply an existing Street Improvements fund balance of $805,390 as a credit toward this growth-eligible share. Accordingly, the net cost to be recovered from new development through this fee update is $444,610. That net recovery amount is distributed across land use categories in direct proportion to each category's share of growth-related demand, measured in trip-miles as established earlier in this chapter.

Allocating the net fee-recovery amount by each land use's percentage of total trip-miles maintains proportionality and equity and is consistent with the Mitigation Fee Act and AB-602. Resulting fees are presented per square foot for all land uses, consistent with this report's adopted presentation standards.

Table 4-3 allocates the program's $444,610 net fee-recovery amount to land uses in proportion to their shares of total growth trip-miles shown in Table 4-2. The subsection that follows presents the existing community's funding commitment for the remaining share.

Table 4-3

Allocation of Development Cost per Land Use				
Land Use	Units/SF	Percentage of Additional Trip-Miles	Allocation of Expansion Costs	Development Impact Fee Per SF/Room
Single Family Detached	3,235	21%	$91,264	$0.015/SF
Multi-Family Attached	3,801	10%	$42,893	$0.014/SF
Manufactured/Mobile Homes	7	0%	$87	$0.011/SF
General Commercial	2,519,401	59%	$261,894	$0.104/SF
Office Commercial	486,499	3%	$15,177	$0.031/SF
Industrial	1,922,303	7%	$33,296	$0.017/SF
Total		100%	$444,610	-

Existing Community Financial Commitment Comparison

The Mitigation Fee Act requires that new development pay no more than its fair share of the cost of public facilities needed to serve growth. To demonstrate compliance, this chapter documents the financial commitment already made by the existing community and contrasts it with the costs allocated to new development within the Street Improvements program.

City records indicate that Grand Terrace's total existing Street Improvements resources equal $326,471,777, consisting of $325,666,387 in existing capital street assets (at 2025 replacement cost) and $805,390 in existing Street Improvements fund balance. These figures reflect the existing community's contribution to establishing and maintaining the baseline capacity of the street network.

By comparison, this update identifies $1,250,000 in growth-eligible Street Improvements costs for new development (50% of the $2,500,000 Circulation Master Plan). The City applies the existing $805,390 fund balance as a credit toward this growth-eligible share, leaving $444,610 in net growth-related costs to be recovered through the Street Improvements development impact fee. Table 4-3 allocates this net fee-recovery amount across Grand Terrace's adopted land use categories in proportion to each category's share of total growth trip-miles, and the resulting maximum justified fees are presented per square foot consistent with AB-602.

This comparison confirms that new development is assigned only its fair, proportionate share of Street Improvements costs relative to the substantial investments already made by the existing community, and that fee levels do not exceed the cost of facilities reasonably attributable to projected growth.

Table 4-4

Allocation of Existing Community Financial Commitment				
Land Use	Units/SF	Percentage of Existing Trip-Miles	Allocation of Existing Costs	Existing Financial Commitment Per SF/Room
Single Family Detached	3,325	22%	$70,254,923	$12.14/SF
Multi-Family Attached	1,996	5%	$16,867,167	$10.48/SF
Manufactured/Mobile Homes	269	1%	$2,507,630	$7.82/SF
General Commercial	2,361,605	56%	$183,861,921	$77.84/SF
Office Commercial	544,282	4%	$12,718,741	$23.60/SF
Industrial	3,103,650	12%	$40,261,395	$12.97/SF
Total		100%	$326,471,777	-

Fee Schedule and Summary

The maximum justified fees are derived from the $1,250,000 growth-eligible share of the Circulation Master Plan, allocated to land uses in proportion to each category's share of total growth trip-miles (see Table 4-2). The City applies $805,390 in existing Street Improvements fund balance as a credit toward this growth-eligible share, so this fee update recovers $444,610 in net growth-related costs from new development. The resulting fee levels represent the cost responsibility of new development to fund the planning work required to accommodate projected growth while maintaining the City's adopted mobility standards.

Consistent with this chapter's methodology and presentation standards under AB-602, fees are presented per square foot for all land uses: Single Family Detached, Multi-Family Attached, Manufactured/Mobile Homes, General Commercial, Office Commercial, and Industrial. This schedule provides a transparent distribution of costs across land uses and ties fee obligations directly to measurable demand.

Table 4-5 presents the maximum justified Street Improvements impact fees by land use. The City may adopt any amount at or below the maximum justified levels and may implement annual indexing and related administrative provisions consistent with the Mitigation Fee Act and AB-602.

Table 4-5

Summary of Proposed Development Impact Fees	
Land Use	Per SF/Room
Single Family Detached	$0.015/SF
Multi-Family Attached	$0.014/SF
Manufactured/Mobile Homes	$0.011/SF
General Commercial	$0.104/SF
Office Commercial	$0.031/SF
Industrial	$0.017/SF

Current Street Improvements Fee

Grand Terrace's current fee schedule lists two transportation impact fee lines—Traffic Signal Improvement and Arterial Improvement—which together function as the street-system charge on new development. Municipal Code Chapter 4.104 also establishes an Operational Improvement component. The posted residential rates are $238.53 per Single Family Detached (SFD) dwelling unit and $145.57 per Multi-Family Attached (MFA) dwelling unit for Traffic Signal, and $4,063.36 per SFD and $2,479.85 per MFA for Arterial. This study presents a single Street Improvements fee that unifies all three components for this planning-only cycle.

In the City's audited financials, street-related impact fee receipts are accounted for in a single Street Improvement special revenue fund, with project spending occurring via transfers to the capital projects fund when work is delivered. The current Street Improvement fund balance is $805,390.

Consistent with Chapter 2 and AB-602, this report presents the recalculated Street Improvements maximum justified fees per square foot for residential and nonresidential land uses. Any policy recommendation to consolidate the two schedule lines into one fee and deposit all receipts into a single Street Improvement fund is addressed in the chapter's Implementation and Compliance Notes section.

Five Findings

1. **Purpose of the Fee**

   The purpose of the Street Improvements development impact fee is to fund the planning activities—and, when programmed in future cycles, capacity and operational improvements to streets, intersections, and signals—necessary to mitigate the impacts of new development on the City's street network. The fee ensures that growth contributes its fair, proportionate share toward maintaining adopted mobility standards, consistent with the Mitigation Fee Act and AB-602.

2. **Use of the Fee**

   Fee revenues are used exclusively to prepare and update the City's Circulation Master Plan and related technical analyses in this cycle, and, when programmed in future cycles, to design and construct eligible street and intersection capacity/operations improvements identified through those plans. Operations and routine maintenance are not funded by this fee. When programmed in future cycles, eligible capital work may include corridor capacity, intersection control/signalization, access/egress improvements, and operational improvements formerly administered under the Operational Improvement component

3. **Relationship Between the Fee's Use and the Type of Development**

   All new development increases travel demand on the street system. The uses of the fee, planning the network, and, when applicable, constructing growth-related street and intersection improvements, directly serve that added demand. Accordingly, there is a reasonable relationship between the use of the fee and the impacts of the development on which the fee is imposed.

4. **Relationship Between the Need for Facilities and the Type of Development**

   The need for Street Improvements arises from the incremental trip demand generated by new development. Without targeted planning and, when programmed, capacity/operations projects (e.g., intersection control upgrades, corridor improvements), the system would degrade below adopted performance standards. Each development category contributes to this demand, establishing a reasonable relationship between new development and the need for the identified improvements.

5. **Relationship Between the Amount of the Fee and the Cost Attributable to Development**

   Project and program costs are allocated between new development and the existing community using a proportional methodology grounded in measured trip-mile demand. For this cycle, the growth-eligible share of the Circulation Master Plan totals $1,250,000. The City applies $805,390 in existing Street Improvements fund balance as a credit toward this growth-eligible share, so this fee update recovers $444,610 in net growth-related costs from new development. The net fee-recovery amount is distributed across land uses in proportion to each category's share of total growth trip-miles, and maximum justified fees are presented per square foot consistent with AB-602. The resulting fee for each land use does not exceed the cost of facilities reasonably attributable to that development category.

Implementation and Compliance Notes

Adoption and Program Structure: The Street Improvements development impact fee shall be adopted by ordinance or resolution of the Grand Terrace City Council. Upon adoption, the City will discontinue the separate Arterial Improvement, Traffic Signal Improvement, and Operational Improvement components on the fee schedule and replace them with a single Street Improvements Impact Fee. This reflects the City's current accounting structure, where all street-related impact fee receipts are already deposited into the Street Improvement Fund.

Fund Accounting and Reporting: All Street Improvements revenues shall continue to be deposited into the Street Improvement Fund, with interest earnings retained in-fund. The City will maintain project-level tracking for revenue, expenditure, and interest activity and report annually under Gov. Code § 66006.

Eligible Uses: For this update cycle, eligible uses are limited to Circulation Master Plan preparation and updates, traffic/operational studies, network modeling, and related planning/engineering that identify, phase, and justify growth-related improvements. Operations and routine maintenance are not eligible. In future cycles—when programmed through Council action—eligible uses may include design and construction of street and intersection capacity/operations projects identified in the Master Plan.

Timing of Collection: Fees shall be collected at building permit issuance, unless otherwise directed by City ordinance or development agreement.

Indexing: The Street Improvements fee schedule will be indexed annually using a construction cost index approved by the City Council to maintain purchasing power.

Credits and Reimbursements: Developers who construct eligible, growth-related Street Improvements or dedicate right-of-way consistent with the program may receive credits against Street Improvements fees otherwise due. Where eligible improvements exceed the fee obligation, the City may enter into a reimbursement agreement, subject to Council approval and program requirements.

AB-1600 Reporting: The City will comply with annual reporting requirements (collections, interest, expenditures, and balances). For any unexpended funds held five years or more, the City Council will make the findings required by Gov. Code § 66001(d). This chapter provides the technical basis to support those findings.

Program Applicability: The Street Improvements program applies citywide. Funds may be expended on any eligible Street Improvements activity consistent with the nexus established in this chapter and in a manner that maintains consistency with the City's General Plan and Circulation/Mobility Element.

Transition Clarification: No interfund transfer or consolidation is required because Arterial, Traffic Signal, and Operational fee receipts are already accounted for within the existing Street Improvement Fund. The City's next AB-1600 report will note that the legacy fee lines have been administratively replaced by the unified Street Improvements Impact Fee.

References

Institute of Transportation Engineers. (2021). *Trip Generation Manual - 11th Edition*. Washington DC: Institute of Transportation Engineers.

San Diego Association of Governments. (2002). *Not So Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region*. San Diego: California Department of Transportation.

End of Chapter

Chapter 5

General City Facilities

Purpose and Scope

Purpose: The purpose of the General City Facilities Fee Program is to ensure that new development in the City of Grand Terrace contributes its fair share toward the cost of providing civic and administrative facilities required to serve growth. The City's general city facilities, including City Hall and other City-owned administrative and support buildings, house essential functions that serve residents, businesses, and visitors citywide. As Grand Terrace grows, these facilities must be expanded, reconfigured, or replaced to maintain the City's capacity to deliver public services at existing levels. The fee program provides a legally defensible mechanism under the Mitigation Fee Act (Gov. Code §66000 et seq.) and Assembly Bill 602 (AB-602) to allocate the growth share of these capital costs to new development.

Scope of Improvements: The General City Facilities Impact Fee will fund the cost of providing civic and administrative facilities necessary to maintain service levels as Grand Terrace grows. Eligible improvements include four categories of capital projects: (1) City Hall expansion to add or reconfigure administrative office and public-service space; (2) general city vehicle expansion to provide additional pool and support vehicles needed for citywide administrative and support functions; (3) City Yard expansion to increase operations and storage capacity for public works and general government support activities; and (4) general city equipment expansion to furnish and equip these facilities so they can operate at the City's established level of service. The scope of improvements is limited to capital facilities and related vehicles and equipment that add capacity; operational expenses, staffing, and routine maintenance are excluded.

Scope of Beneficiaries: The beneficiaries of the General City Facilities Impact Fee include all development within the City of Grand Terrace, encompassing both residential and nonresidential uses. General City facilities provide citywide administrative, legislative, and support services that are essential to the community. Residents rely on City Hall and related administrative facilities to access services such as planning, permitting, code enforcement, financial administration, and governance through the City Council. Employees and businesses likewise depend on these facilities for critical administrative services, including land use approvals, business licensing, and regulatory oversight. Visitors benefit indirectly, as these facilities enable the City to administer the public services that support a safe and functional civic environment, although the responsibility for funding facility expansions is assigned to development located within the City.

Both existing and future residents and businesses are beneficiaries of the program. Existing development is currently served by the City's inventory of general city facilities, while future development will generate additional demand as the community continues to grow. The purpose of the impact fee is to ensure that new development funds only its fair share of the costs required to accommodate this additional demand. This structure prevents existing residents and businesses from being required to subsidize growth and helps preserve the current level of service provided by the

City. In this way, the fee program treats existing and future development equitably and complies with the proportionality requirements of the Mitigation Fee Act and Assembly Bill 602 (AB-602).

Scope of the Nexus: The nexus for the General City Facilities Impact Fee is established through the relationship between growth in the City's service population and the demand for civic and administrative facilities. Service population is a standard measure in development impact fee studies that combines both residents and employment into a single metric, reflecting the fact that City Hall, general city vehicle fleets, City Yard operations, and shared administrative equipment support not only the people who live in Grand Terrace but also those who work in the City each day. As new development occurs, both residents and employees contribute to the overall demand for these facilities and the support systems they rely on.

The fee program first determines the growth-related share of General City Facilities costs by applying the service population growth share to the City's existing facilities inventory. The resulting growth-sized costs are then allocated between existing development and new development based on their respective shares of existing and potential land uses within the City. Existing residents and businesses are already served by the City's current inventory of civic and administrative facilities, while new residents and businesses generated by development will create additional demand in the future.

This chapter describes the methodology used to determine the appropriate share of costs to be assigned to new development, with detailed calculations provided in the following sections.

Existing System

Assets and Infrastructure: The City of Grand Terrace maintains a system of General City facilities and assets that provide the administrative, legislative, and operational backbone for public service delivery. Together, these facilities and resources house the City's executive offices, administrative departments, public works operations, and shared support functions that serve residents and businesses citywide.

- **City Hall** – Serves as the primary administrative center, housing executive management, finance, planning, permitting, and other core administrative functions, as well as public counters and meeting spaces used by the community. For planning purposes in this study, City Hall is treated as providing approximately 16,700 square feet of general city administrative space, consistent with the City's 2005–2006 development impact fee nexus study for general city facilities.

- **General City Vehicles** – Consist of a pooled general city fleet used by administrative and support staff to perform inspections, field visits, interdepartmental travel, and other citywide service activities that support Grand Terrace's general government functions. The current general city fleet includes 9 vehicles (pickup trucks, sedans, a hybrid, and a van), with a total replacement cost of $334,500 based on the City's General City Assets Worksheet for vehicles.

- **City Yard Facilities** – Provide operations, storage, and staging space for public works and general government support activities, including storage of materials, equipment, and vehicles needed to maintain City infrastructure and support field operations.
- **General City Equipment** – Includes shared furniture, fixtures, technology, and other equipment necessary for City Hall and City Yard functions to operate effectively and to support internal services such as finance, human resources, information technology, and records management.

These facilities and assets together comprise the City's General City Facilities system and form the physical base of service that supports both existing and future development.

Existing Financial Commitment: The City's current General City Facilities system represents a substantial financial investment that has been borne by existing residents and businesses. Based on the City's asset records and planning-level replacement cost estimates in 2025 dollars, the replacement value of existing General City Facilities is as follows:

- City Hall: $9,250,490
- General City Vehicles: $334,500
- City Yard Facilities: $1,503,900
- General City Equipment: $462,525

Total existing facilities replacement value: $11,551,415

These figures represent the existing community's financial commitment to City Hall, the general city fleet, City Yard facilities, and shared equipment that support general city services citywide. Under the Mitigation Fee Act (Government Code §§66000–66025), new development is not required to buy into this existing investment, but must fund its proportional share of the additional facilities, vehicles, yard capacity, and equipment needed to accommodate growth. Calculations are performed at full precision in the model; values are displayed to whole dollars for publication.

In addition to these physical assets, the City maintains a restricted General City Facilities development impact fee fund with an available balance of $194,105. This balance reflects prior contributions from new development and will be applied as an offset to the new-development share of the General City Facilities capital program in the fee calculation, ensuring that new development is not overcharged for needs that have already been partially funded.

Level of Service: The level of service for General City Facilities is expressed in terms of the civic and administrative facilities available to the community relative to the City's service population. Service population combines residents and employment into a single measure of the people who rely on the City's administrative system for day-to-day services, regulatory functions, and governance.

The General City Facilities system, consisting of City Hall, the general city vehicle fleet, City Yard facilities, and shared general city equipment, provides the administrative capacity necessary to serve this service population. City Hall contributes approximately 16,700 square feet of administrative space, and, together with the City Yard, vehicles, and equipment, represents an existing facilities replacement value of $11,551,415 in 2025 dollars. These facilities and assets define the current level of service that the City provides to its residents and businesses.

As Grand Terrace grows, the service population is projected to increase, creating additional demand on City Hall, the general city fleet, City Yard operations, and associated equipment. The General City Facilities Impact Fee is structured so that new development funds its fair share of the additional facilities, vehicles, yard capacity, and equipment needed to maintain the City's established relationship between General City Facilities and service population. This approach aligns with the requirements of the Mitigation Fee Act and Assembly Bill 602 (AB-602), ensuring that facility expansion keeps pace with growth without shifting the cost of serving new development onto existing residents and businesses.

Growth and Demand

Growth Inputs: Growth in the demand for General City Facilities is measured using service population, which combines residents and jobs into a single metric. This reflects the fact that civic and administrative functions serve both people who live in Grand Terrace and those who work in the City.

Existing residents total 13,069, and the corrected growth in residents at buildout is 18,931.33, resulting in buildout residents of 32,000.33. Existing employment is 3,453 jobs, and buildout employment is estimated at approximately 6,285 jobs based on the ratio of buildout to existing nonresidential floor area.

For General City Facilities, each job is weighted as one-half of a resident, so service population is calculated as residents plus 0.5 times jobs. On this basis, the existing service population is 14,795.50, and the buildout service population is 35,142.83, resulting in an increase of 20,347.33 service population units at buildout.

The resulting service population growth share — the ratio of growth (20,347.33) to buildout service population (35,142.83) — is 57.90% (0.579). This growth share is used to size the General City Facilities capital program so that only the portion of costs attributable to growth is carried forward into the allocation of project costs and fee calculation.

Method: The General City Facilities impact fee is calculated using the City's service population framework and a three-step process.

First, the capital program is sized to growth. Service population is defined as residents plus 0.5 times jobs, reflecting the fact that General City Facilities support both households and employment. Using existing and buildout residents and jobs, the City's existing service population is 14,795.50, and the buildout service population is 35,142.83, with growth of 20,347.33 service population units. This yields a service population growth share of 57.90% (0.579). Each General City Facilities project—City Hall Expansion, General City Vehicle Expansion, City Yard Expansion, and General City Equipment Expansion—is multiplied by this 57.90% growth share to establish its growth-sized cost. The remaining share of each project is attributed to existing development and is expected to be funded from non-impact fee sources. Before allocating costs to land uses, the available General City Facilities development impact fee fund balance of $194,105 is applied as an offset to the growth-sized capital program so that new development is not charged for needs that have already been partially funded.

Second, the growth-sized costs are allocated between new and existing development. Consistent with the City's land use distribution for this program, 49.0638% of the growth-sized costs are assigned to new development and 50.9362% are assigned to existing development. Only the portion allocated to new development is used to calculate the fee.

Finally, the portion of costs assigned to new development is translated into fee levels by land use. Growth-related costs are distributed across residential and nonresidential land use categories in proportion to each category's share of service population at buildout. For residential uses, the resulting burden is first expressed on a per dwelling unit basis using persons-per-household factors, then converted into a per square foot fee by applying average dwelling unit sizes in accordance with Assembly Bill 602 (AB-602). For nonresidential development, the service population-based allocation is converted into a cost per square foot of new floor area using employment density factors. All calculations are performed using unrounded figures, with rounding applied only when presenting the fee schedule for adoption, ensuring that the General City Facilities fee is technically sound, equitable, and compliant with state law.

Capital Programs

The City has identified a set of General City Facilities projects that provide the administrative and civic capacity needed to serve the community. These include expansion of City Hall, expansion of the general city vehicle fleet, expansion of City Yard facilities, and expansion of shared general city equipment. Each of these elements represents a major capital investment and will require additional capacity in order to maintain the current level of service as Grand Terrace grows.

The purpose of the capital program is not to introduce new services or higher standards, but to ensure that the City has sufficient administrative and operational capacity to serve a larger community at the same level of service that is available today. The projects included in the program are drawn from the City's General City Facilities planning data and expressed in 2025 dollars. Together, they establish the financial basis for allocating a fair share of costs to new development based on growth in service population.

The General City Facilities capital program is defined as follows:

- City Hall Expansion – additional administrative space to support executive management, finance, planning, permitting, and other core general city functions.
- General City Vehicle Expansion – additions to the general city fleet required to support inspections, field visits, interdepartmental travel, and other citywide service activities.
- City Yard Expansion – additional yard, storage, and operations space needed to support public works and general government activities.

- General City Equipment Expansion – furnishings, fixtures, technology, and related equipment required to place expanded City Hall and City Yard capacity into service.

Together, these projects represent the capital program for General City Facilities. The cost of providing this program is sized to growth using the service population method described earlier and then allocated to new development based on its share of potential land uses within the City. The growth-related share assigned to new development is subsequently distributed across land use categories in proportion to each category's share of service population at buildout.

The following section outlines the individual capital projects that comprise the City's General City Facilities program. Each project corresponds to one of the City's major administrative or operational needs and is presented with a project identifier, title, description, and key details. These descriptions are intentionally high-level to provide flexibility in implementation, focusing on the function of the improvement rather than prescriptive design features. All project costs are stated in 2025 dollars, with timing assumed to fall within the 2026–2036 planning horizon.

General City Facilities Projects

Project ID: GG-001

Project Title: City Hall Expansion/Modernization

Project Description: Remodel and expand City Hall to increase administrative capacity and ensure the building can accommodate a larger service population. Improvements may include reconfiguring office and meeting space, upgrading technology systems to support digital permitting and financial operations, enhancing public counters to serve more customers, and modernizing core building systems such as HVAC, communications, and energy efficiency. The project is intended to maintain the City's established level of General City Facilities service as Grand Terrace grows, rather than to introduce a higher standard.

Size: To be determined based on final space planning and design.

Location: City Hall

Total Cost: $5,356,034

New Development Share (49.06%): $2,627,876

Existing Development Share (50.94%): $2,728,158

Timing: 2026–2036

Project ID: GG-002

Project Title: General City Vehicle Expansion

Project Description: This project expands the City's general-purpose administrative and support vehicle fleet to maintain the established level of service as Grand Terrace's service population grows. General City vehicles support a wide range of activities, including inspections, interdepartmental travel, site visits, community response, internal logistics, and citywide operational support. Growth in residential and nonresidential development increases the workload for administrative and field personnel, requiring additional vehicles to sustain current service levels. The project provides for the acquisition of new vehicles sized to the City's projected service population growth.

Size: TBD

Location: Citywide

Total Cost: $193,676

New Development Share (49.06%)**:** $95,025

Existing Development Share (50.94%)**:** $98,651

Timing: 2026–2036

Project ID: GG-003

Project Title: City Yard Expansion

Project Description: This project expands City Yard facilities to maintain operational and storage capacity as Grand Terrace's service population grows. The City Yard supports public works and general government activities, including materials storage, equipment and vehicle staging, and field operations support. As development adds residents and employment, demand increases for inspections, maintenance, and other field services, which in turn requires additional yard space to sustain the established level of service. Improvements may include expanded covered and uncovered yard areas, additional storage, circulation and access improvements, and related site work.

Size: Additional yard and storage area sized to service population growth (to be determined at design).

Location: City Yard Facilities

Total Cost: $870,758

New Development Share (49.06%): $427,227

Existing Development Share (50.94%): $443,531

Timing: 2026–2036

Project ID: GG-004

Project Title: General City Equipment Expansion

Project Description: This project provides additional general city equipment to support expanded administrative and operational capacity as the community grows. General City equipment includes shared furnishings, fixtures, information technology, communications hardware, and other office and operational equipment necessary to place expanded City Hall and City Yard capacity into service. As new development increases the City's service population, additional workstations, meeting spaces, technology, and related equipment are needed to maintain the City's current level of administrative and operational service.

Size: Additional equipment and furnishings sized to service population growth (to be determined at implementation).

Location: City Hall, City Yard, and other general city administrative and operational locations.

Total Cost: $267,802

New Development Share (49.06%)**:** $131,394

Existing Development Share (50.94%): $136,408

Timing: 2026–2036

Capital Program Summary: Together, the projects described above represent the City's General City Facilities capital program. These improvements provide for the proportional expansion and modernization of the City Hall facility, the general city vehicle fleet, the City Yard, and the shared general city equipment necessary to accommodate a larger service population. The program is designed to maintain—not enhance—the City's existing level of administrative and operational service as Grand Terrace grows.

Each project is sized to growth using the City's service population methodology, ensuring that only the growth-related share of costs is carried forward. That growth-related share is then allocated between existing and new development based on their respective shares of existing and potential land uses, so new development funds only its proportional share while the existing community remains responsible for the balance.

Allocation of Project Costs

The cost of the General City Facilities capital program is allocated between existing and new development based on the City's adopted land use distribution. As described in the Method section, the overall size of the program is first determined by applying the service population growth share to the City's existing General City Facilities inventory. Using the corrected service population totals, the growth share is 57.90% (0.579). Each project is multiplied by this growth share to establish its growth-sized cost.

The resulting growth-sized costs are then allocated between new and existing development using the land use split for this program. Consistent with Grand Terrace's existing and potential land use distribution, 49.06% of growth-sized costs are assigned to new development and 50.94% are assigned to existing development. This approach recognizes that while the program is sized for growth using the service population, the fair-share division of that growth-related cost reflects the proportional shares of existing and potential land uses in the City.

Applying these proportions to the estimated cost of each project yields the following allocations (2025 dollars, rounded to whole dollars for presentation):

- City Hall Expansion/Modernization has a total growth-sized cost of $5,356,034, of which $2,627,876 is allocated to new development and $2,728,158 to existing development.
- General City Vehicle Expansion has a total growth-sized cost of $193,676, with $95,025 allocated to new development and $98,651 to existing development.
- City Yard Expansion has a total growth-sized cost of $870,758, with $427,227 allocated to new development and $443,531 to existing development.
- General City Equipment Expansion has a total growth-sized cost of $267,802, with $131,394 allocated to new development and $136,408 to existing development.

In total, the growth-sized General City Facilities capital program amounts to $6,688,269 in 2025 dollars. Of this amount, $3,281,522 is attributable to new development, while $3,406,747 is assigned to the existing community. Before fees are calculated, the existing General City Facilities development impact fee fund balance of $194,105 is applied as an offset to the new-development share of the program. Accordingly, the net cost to be recovered from new development through this fee update is $3,087,417.

This allocation ensures that new development contributes only its proportionate share of the cost of expanding General City Facilities, consistent with the Mitigation Fee Act and Assembly Bill 602 (AB-602), while existing residents and businesses continue to support the costs associated with their current use of these facilities.

Derivation of Maximum Justified Fees

The maximum justified General City Facilities fees are derived by starting with the growth-related share of the capital program and then translating that cost into fee levels by land use. As described in the Allocation of Project Costs section, each General City Facilities project—City Hall Expansion, General City Vehicle Expansion, City Yard Expansion, and General City Equipment Expansion—is first sized to growth using the service population method and then split between new and existing development using the adopted land use distribution (49.06% to new development and 50.94% to existing development). Summing across the four projects produces the total General City Facilities capital program attributable to new development. Before calculating fees, the existing General City Facilities development impact fee fund balance of $194,105 is applied as an offset to this total, reducing the amount that must be recovered from future development. The resulting net new-development cost, expressed in 2025 dollars, represents the total capital burden that the fee program is designed to recover from new growth.

Once the net new-development cost is established, it is allocated across land use categories in proportion to each category's share of the City's service population at buildout. Service population, defined as residents plus 0.5 times jobs, captures the way General City Facilities serve both households and employment. Residential land uses receive a share of the net new-development cost based on their contribution to total service population, and nonresidential land uses receive a corresponding share based on the service population associated with employment in those categories. This ensures that each land use is responsible for only the portion of the capital program that is reasonably related to the administrative and civic demand it creates.

For residential development, each land use category's allocated cost is then converted into a fee by dividing the allocated cost by the projected net increase in dwelling units and subsequently converting the result into a per–square foot fee using the City's adopted average dwelling sizes, consistent with Assembly Bill 602 (AB-602), which requires residential development impact fees to be stated on a per–square foot basis. For nonresidential development, each category's allocated cost is divided by the projected net increase in nonresidential floor area to produce a fee stated in dollars per square foot of new building space. All calculations are performed using full-precision values in the model, with rounding applied only when presenting the fee schedule for adoption. In this way, the General City Facilities fees are derived directly from the growth-related capital costs, allocated in proportion to service population, and expressed in fee units that are consistent with state law and the City's land use data, without introducing intermediate fee-per-service-population metrics that are not used in the actual calculations.

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Table 5-1

Allocation of Development Cost Per Land Use		
Land Use	General City Service Demand by Acre	Maximum Justified Fee
Single Family Detached	1,023.56	$0.321/SF
Multi-Family Attached	207.40	$0.132/SF
Manufactured/Mobile Homes	1.00	$0.248/SF
General Commercial	165.25	$0.128/SF
Office Commercial	31.91	$0.128/SF
Industrial	147.10	$0.150/SF

Existing Community Financial Commitment Comparison

The City of Grand Terrace has already made substantial financial commitments toward its General City Facilities system. These commitments are reflected in the existing replacement values for City Hall, the general city vehicle fleet, City Yard facilities, and shared general city equipment, which together represent an estimated $11,551,415 in 2025 replacement cost. This amount captures the value of the current portfolio of administrative and operational assets that serve today's residents and businesses.

By comparison, based on the corrected service population growth share, the growth-sized General City Facilities capital program totals $6,688,269. Of this amount, $3,281,522 is allocated to new development based on the City's potential land-use share. After applying the existing General City Facilities development impact fee fund balance of $194,105 as a credit, the net share of the capital program to be funded by new development is $3,087,417, which represents 46.162% of the growth-sized capital program.

This comparison demonstrates that the existing community has funded the majority of the General City Facilities system, and that new development is being asked to contribute only a proportional share necessary to accommodate its fair impact. The City's approach avoids shifting existing deficiencies onto new development while ensuring that future residents and employees will continue to receive the same standard of administrative and civic service as today's community.

Table 5-2

Allocation of Existing Cost per Land Use		
Land Use	General City Service Demand by Acre	Existing Financial Commitment Per SF
Single Family Detached	999.56	$1.240/SF
Multi-Family Attached	180.18	$0.804/SF
Manufactured/Mobile Homes	31.57	$0.707/SF
General Commercial	152.85	$0.465/SF
Office Commercial	34.71	$0.458/SF
Industrial	237.50	$0.549/SF

Fee Schedule and Summary

Based on the cost of the growth-sized General City Facilities capital program and the allocation of those costs to new development, the City has determined the maximum justified General City Facilities impact fee for each land use category. The fee is structured to ensure that new development contributes a fair and proportionate share of the costs associated with expanding City Hall, the general city vehicle fleet, City Yard facilities, and shared general city equipment so that the existing level of administrative and civic service is maintained as the community grows. Consistent with the requirements of Assembly Bill 602 (AB-602), residential fees are presented on a per–square foot basis, derived from per–dwelling unit calculations using the City's adopted average dwelling sizes. Nonresidential fees are also stated on a per–square foot basis, reflecting the broad, shared manner in which General City Facilities support commercial and employment activity across all nonresidential land uses.

The resulting fee schedule applies the same underlying methodology described in this chapter, translating each land use's allocated share of the net new-development cost into a fee per unit of development that is reasonably related to the demand it creates. The following table presents the maximum justified General City Facilities impact fees by land use category. The City Council may adopt fees up to these amounts; adopting fees below the maximum justified levels is a policy choice and would result in less than full cost recovery of the new development share of General City Facilities.

Table 5-3

Summary of Proposed Development Impact Fees	
Land Use	Per SF
Single Family Detached	$0.321/SF
Multi-Family Attached	$0.132/SF
Manufactured/Mobile Homes	$0.248/SF
General Commercial	$0.128/SF
Office Commercial	$0.128/SF
Industrial	$0.150/SF

Current General City Facilities Development Impact Fees

The City of Grand Terrace currently imposes a General City Facilities development impact fee only on residential development. As shown in the City's adopted residential fee schedule, the existing General City Facilities fee is charged at a flat rate of $1,102 per dwelling unit, applied equally to both detached and attached residential units. No General City Facilities impact fee is presently charged on nonresidential development.

The City accounts for these revenues in the Facilities Development special revenue fund. According to the City's most recent Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, this fund reported an ending restricted fund balance of $194,105. This balance represents prior contributions from new residential development that are available to support eligible General City Facilities capital projects.

This nexus study updates and expands the program so that General City Facilities costs are allocated across both residential and nonresidential land uses in proportion to their service population. The resulting fee schedule replaces the existing residential-only structure with a set of maximum justified fees by land use category, while recognizing the current Facilities Development fund balance as an offset to the new-development share of the capital program.

Five Findings

1. **Purpose of the Fee**

   The purpose of the fee is to fund the expansion and modernization of General City Facilities—including City Hall, the general city vehicle fleet, City Yard facilities, and shared general city equipment—necessary to maintain the City's established level of administrative and civic service as new development increases the service population.

2. **Use of the Fee**

   Fee revenues will be used to finance the General City Facilities capital projects identified in this study. Eligible uses include remodeling and expanding City Hall, adding general city vehicles to support administrative and field operations, expanding City Yard capacity, and acquiring the equipment and technology needed to place this expanded capacity into service. All expenditures are limited to growth-related capital costs and may not be used for operations or routine maintenance.

3. **Relationship Between Fee's Use and Type of Development**

   New development generates an increase in service population—through added residents and employment—which in turn increases the demand placed on the City's General City Facilities. Fee revenues will be used to expand General City Facilities capacity so that administrative and civic services remain available at the existing standard as the community grows. In this way, the use of the fee is directly related to the impacts of the development on the City's general government system.

4. **Relationship Between the Need for Facilities and the Type of Development**

   The need for expanded General City Facilities arises directly from growth in residents and jobs. As the service population increases, additional administrative space, vehicles, yard capacity, and general city equipment are required to continue delivering existing levels of service. By allocating the growth-related portion of the General City Facilities capital program in proportion to each land use category's share of service population at buildout, the fee ensures that each type of development contributes in accordance with the demand it creates.

5. **Relationship Between Amount of the Fee and Cost Attributable to Development**

   The amount of the fee is calculated by dividing each land use category's allocated share of the net new-development cost of the General City Facilities capital program by the corresponding measure of new development (dwelling units and residential square footage for residential uses, and building square footage for nonresidential uses). Residential fees are expressed on a per–square foot basis consistent with Assembly Bill 602 (AB-602), and nonresidential fees are expressed on a per–square foot basis as well. This structure ensures that no land use is charged more than its proportional share of the cost of facilities needed to serve growth.

Implementation and Compliance Notes

Adoption and Program Structure: The City will update and readopt the General City Facilities development impact fee (DIF) by Council action upon adoption of this nexus study. The City will continue to impose, collect, and administer the fee as an existing component of its development impact fee program. Fee revenues remain restricted to eligible General City Facilities improvements identified in this study, including the expansion, remodel, or modernization of City Hall, the general city vehicle fleet, City Yard facilities, and general city equipment required to maintain service levels for the growing community.

Fund Accounting and Reporting: The City will continue to maintain the existing General City Facilities DIF fund/account. All fee revenues (and interest) will remain deposited into this account and expended only for the purposes identified in this study. The City will continue publishing the annual AB-1600 report (Gov. Code §66006) and making the required five-year findings for any unexpended balance (Gov. Code §66001(d)). If the City cannot make the required five-year findings, any remaining balances must be refunded as provided by law.

Administration and Schedule Management: Fees are due at the time of building permit issuance. The fee schedule shall be indexed annually to an appropriate construction-cost index, such as the Engineering News-Record (ENR) Building Cost Index. The City will maintain a public, up-to-date fee schedule and post the nexus study and schedule on its website for transparency.

Use of Funds (Eligibility): Expenditures are limited to the growth-related share of projects that add General City Facilities capacity. Eligible uses include planning, land acquisition (if needed), design, permitting, construction, remodel, and expansion of City Hall and City Yard facilities, acquisition of additional general city vehicles, and the purchase of furnishings, equipment, and technology systems directly tied to growth. Expenditures for like-for-like replacements that do not add capacity, as well as staffing, operations, or general government service costs, are not eligible.

Program Applicability: Fees apply to net new development (additions minus removals) as defined in this study. The City may program General City Facilities DIF revenues anywhere in the city where a listed project maintains the established level of administrative and civic service for the community.

End of Chapter

Chapter 6

Public Use (Community Centers) Facilities

Purpose and Scope

Purpose: This chapter establishes the Public Use Facilities development impact fee so that new residential development contributes its fair, proportional share of the capital facilities needed to serve additional residents. The program maintains the City's existing level of service for public use facilities and multi-purpose recreation space by funding the construction and expansion of community center building space and the on-site improvements necessary to place that space into service. Revenues are deposited in a dedicated account and used solely for eligible Community Center capital facilities, consistent with the Mitigation Fee Act and AB-602. In accordance with AB-602, residential fees are expressed on a per square foot basis to reflect proportional demand by unit size.

Scope of Improvements: Public Use Facilities include the construction, expansion, or relocation of community centers, meeting halls, and other public buildings that provide civic and recreational gathering space for residents. Eligible improvements include new or expanded community center buildings, core building systems, interior build-out, and related on-site improvements required to put those buildings into service (such as utility connections, access and circulation improvements, and code-triggered upgrades associated with expansions or renovations). Land acquisition associated with community center facilities is eligible when it is required to deliver the building program.

This program also includes the relocation and construction of a new Library facility, intended to provide dedicated space for Library functions currently housed within City Hall. For Library facilities, the City owns the building space while the County operates Library services. Impact fee revenues may be used only for capital building improvements and required site work (e.g., acquisition, construction, expansion, core systems, interior build-out, and necessary utility and access improvements) and may not be used for operations, programming, staffing, collections/materials, or other non-capital costs.

The Public Use Facilities program does not fund operations, routine maintenance, stand-alone repairs unrelated to growth, movable equipment, or non-community-center facilities. Park and outdoor recreation facilities are addressed separately under the City's Parks Development Impact Fee.

Scope of Beneficiaries: This fee applies to residential development only. Demand for Public Use Facilities (community centers and the relocated Library) is population-based, arising from household growth measured by persons-per-household (PPH) and translated into a square-feet-per-resident service standard. A defensible, proportional linkage to nonresidential floor area is not established for this facility type, so nonresidential development is excluded.

Limiting the fee to residential development narrowly tailors the charge to demonstrated demand and maintains proportionality. The program is calibrated so that growth funds only its share of facilities required to serve new residents, thereby maintaining the City's established level of service for both new and existing residents. Existing development is not charged for existing deficiencies or past shortfalls.

Credits or reimbursements are available where an applicant constructs eligible Public Use Facilities improvements or dedicates eligible land accepted by the City, consistent with this chapter.

Scope of Nexus: New residential development increases population, which in turn increases demand for multi-purpose public meeting space and Library services. The program measures that demand using the City's existing service standard expressed in square feet per resident and sizes the growth share as the additional building area required to maintain that standard as development occurs.

The use of fee revenues is limited to capital facilities that add or expand Community Center and Library building space to serve residents; the fee is not used to rehabilitate or replace existing facilities without capacity expansion. Because the City's empirical demand evidence is resident-based, the fee applies to residential development only.

The amount of the fee bears a reasonable relationship to development's share of cost. The study converts the service standard into a cost per person by applying unit costs per building square foot (construction and land), then translates that to a per-residential-square-foot schedule and allocates by housing type to reflect proportional demand. All calculations are performed at full precision in the model; values displayed in this chapter may be rounded for readability (e.g., currency to whole dollars).

Existing System

Assets and Infrastructure: Grand Terrace's Public Use Facilities consist of indoor civic buildings that host public meetings, youth and senior programming, classes, cultural events, and drop-in recreation. These facilities are purpose-built, climate-controlled spaces—multi-purpose rooms, classrooms, support areas, restrooms, storage, and administrative space—paired with the on-site improvements necessary to place them into service (e.g., access/circulation and utility connections). Unlike park acreage or library collections, Public Use Facilities are measured by building square footage because the service being delivered is fundamentally usable space capacity for people and programs.

Given the City's smaller system, facilities are limited in number and program mix; the inventory nonetheless provides essential community meeting capacity and establishes the level of service (LOS) used in this chapter. The total existing building inventory is 36,575 square feet. The detailed facility inventory—including community center space and the City-owned Library building space—is presented in Table 6-1, which serves as the audit trail for the LOS calculation (square feet per resident) used later in this chapter. For readability, square footage values in Table 6-1 may be shown as whole numbers; any minor differences are due solely to display rounding.

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Table 6-1

Public Use Facilities Existing	
Land Use	**Square Feet**
Lions Club Community Center	21,985
Blue Mountain Vill Community Center	11,290
Library	3,300
Total	36,575

Existing Financial Commitment: To illustrate the scale of the City's prior investment in Public Use Facilities, the planning-level replacement value of the current building inventory is estimated as follows.

This estimate represents what it would cost to replace the existing facilities in their current form and does not indicate a funding obligation or form part of the fee calculation basis.

A. Construction Component

- Inventory for replacement-value analysis: 36,575 SF
- Replacement construction cost per building SF: $450.00
- Estimated replacement construction value: $16,458,750
  (calculation: 36,575 SF × $450/SF = $16,458,750)

B. Land Component

- Land cost per building SF (based on $1,235,565 per acre @ 0.33 FAR): $85.95
- Estimated land value for existing sites: $3,143,621
  (calculation: 36,575 SF × $85.95/SF = $3,143,621)

C. Total Planning-Level Replacement Value

- Combined construction + land value: $19,602,371
  (calculation: $16,458,750 + $3,143,621 = $19,602,371)

This replacement-value estimate provides context for the magnitude of the existing system; it does not create an obligation to replace existing facilities with fee revenues. New development pays only its proportional share to maintain the current service standard as growth occurs. Credits or reimbursements are available where an applicant constructs eligible Public Use Facilities improvements or dedicates eligible land accepted by the City, ensuring payers are not charged twice.

Growth and Demand

Method: The program maintains the City's existing public meeting/Library building space per resident standard. The service standard used in the model is 2.799 square feet per resident, derived from the documented inventory (36,575 SF) and current resident population (13,069). This LOS is held constant for growth, so new residential development funds the additional building area required to preserve today's service level for both new and existing residents. In the model, required new space is calculated as net-new residents × 2.799 SF per resident, and is priced using the unit cost components established elsewhere in this chapter.

Cost Basis: The cost of Public Use Facilities building space is priced per building square foot and consists of construction and land components. *Calculations are performed at full precision in the model; values are displayed to 3 decimals for publication.*

A) Construction Cost (2025 dollars): $450 per building SF

Origin. The City's prior public building construction basis, from the 2005–2006 Grand Terrace Development Impact Fee Nexus Study, was $250 per SF.

Escalation Method (ENR BCI). The historical basis is escalated to 2025 using the Engineering News-Record (ENR) Building Cost Index (BCI):

- Base construction cost (2005–2006): $250/SF
- ENR BCI (2025): 13,914
- ENR BCI (2005–2006): 7,722
- Escalation factor: 1.802 (= 13,914 ÷ 7,722)
- Resulting 2025 planning value: $450/SF (= 250 × 1.802, rounded)

Formula. 2025 construction cost = 2005–2006 construction cost × (ENR BCI 2025 ÷ ENR BCI 2005–2006).

B) Land Cost (2025 dollars): $85.95 per building SF

Approach. The City developed a Grand Terrace–specific land basis using local market evidence suitable for civic use (recent listings/offerings and market indications). Candidate sites were screened to reflect market-rate transactions between independent parties and to exclude internal transfers, distressed or subsidized sales, atypical encumbrances, speculative assemblages, or other non-market conditions. Each candidate was normalized to dollars per acre, converted to dollars per square foot of land, and then to dollars per square foot of building using a 0.33 floor area ratio (FAR) appropriate for single-story/low-rise civic buildings with parking and circulation.

Planning value and conversion.

- Adopted land cost per acre: $1,235,565 per acre

- Per land SF: \$1,235,565 ÷ 43,560 = \$28.36 per land SF
- Per building SF (at FAR 0.33): \$28.36 ÷ 0.33 ≈ \$85.95 per building SF

FAR Source. The 0.33 FAR assumption is consistent with the City's 2005–2006 Nexus Study treatment for community center sites.

Documentation. The detailed comparable set, screening notes, and conversions are provided in Appendix H.

C) Total Unit Cost (2025 dollars): \$535.95 per building SF

- Construction: \$450/SF
- Land: \$85.95/SF
- Total: \$535.95/SF

Calculation Framework

1. Convert units to residents. Net-new dwelling units are converted to net-new residents using the City's persons-per-household by housing type.
2. Size required building area. Required space for growth is calculated as net-new residents × 2.799 SF per resident (the City's service standard).
3. Price the requirement. The required space is priced at \$535.95 per building SF. Equivalently, the cost per additional resident is 2.799 × \$535.95 = \$1,500.13 (display value).
4. Express fees. Residential fees are expressed per residential square foot by housing type; the resulting schedule and revenue projection are presented in later sections.

Calculations are performed at full precision in the model; values are displayed at 3 decimals for publication (LOS shown as 2.799).

Required Building Area: To maintain the City's service standard for Public Use Facilities, the required building area for growth is calculated as *(net-new residents × service standard)*.

- Growth population (net-new residents): 18,931.33
- Service standard (SF per resident): 2.799
- Required building area: 18,931.33 × 2.799 = 52,988.79 SF

This figure represents the additional building space needed to serve growth while preserving the existing level of service. Cost applications (construction and land) are addressed separately and are not included here.

Fee Nexus and Allocation

Basis of Proportionality: New residential development adds population that uses Public Use Facilities. To maintain the City's 2.799 square feet per resident standard, the number of net-new residents is multiplied by 2.799 to determine the required building space, which is then priced using the unit costs set out in this chapter. Fees are expressed per residential square foot so that larger homes (greater floor area/occupancy) pay proportionally more. The fee applies to residential development only; a defensible proportional linkage to nonresidential floor area is not established for this facility type.

Allocation by Housing Type: Fees are calibrated by housing type using the City's persons-per-household and average unit size inputs, aligning payments with the relative demand each housing type places on Public Use Facilities while maintaining the same service standard for both new and existing residents.

Residential Fee Schedule (per square foot of unit floor area): Fees are charged per residential square foot at building permit. Rates reflect the established 2.799 SF per resident standard and the cost basis defined in this chapter. The fee applies to residential development only.

Table 6-2

Summary of Proposed Development Impact Fees	
Land Use	**Fee Per SF**
Single Family Detached	$2.426/SF
Multi-Family Attached	$4.286/SF
Manufactured/Mobile Homes	$3.764/SF

Revenue Projection

Using the adopted per-residential-square-foot schedule and the model's growth residential floor area, the maximum Public Use Facilities fee revenue at buildout is:

- Single Family Detached**:** 3,235 units × $4,680.42 (model) $15,141,152
- Multi-Family Attached: 3,801 units × $3,480.31 (model) $13,228,661
- Manufactured/Mobile Homes: 7 units × $4,245.38 (model) $29,718

Total (to the dollar): $28,399,531

Calculations are performed at full precision in the model; values are displayed to whole dollars for publication. Minor rounding differences may occur—the total controls.

Capital Program and Use of Funds

Impact fee revenues are restricted to capital improvements that add building capacity for Public Use Facilities. Eligible uses include planning, design, permitting, construction, interior build-out, and on-site improvements necessary to place new or expanded space into service (e.g., access/circulation and utility connections). Land acquisition is eligible when required to deliver the building program. Fees may not be used for operations, routine maintenance, or like-for-like replacements that do not increase capacity. Funds may be programmed citywide wherever projects maintain the established service standard for residents. Credits or reimbursements will be provided where an applicant constructs eligible improvements or dedicates eligible land accepted by the City.

This program also includes Library building space. The City owns Library building facilities while County staff operate Library services; impact fee revenues may be used only for Library building capital (e.g., construction or relocation of a dedicated Library facility and required site work), not for operational services or materials.

To translate the growth requirement into deliverable capital work, the program identifies a scoped, fundable capital action as the vehicle for adding building square footage. The growth-related space may be implemented through additions at existing centers and/or a new multi-purpose facility, and may include the relocation and construction of a dedicated Library building. Final siting, phasing, and packaging will be determined during capital planning to maintain the City's established level of service.

Public Use Facilities Projects

Project ID: PF-001

Project Title: Public Use Space Expansion

Description: This project expands Public Use building space to accommodate additional residents and maintain the City's service standard of 2.799 square feet per resident. The scope includes planning, design, permitting, construction, interior build-out, and the on-site improvements necessary to place the space into service (e.g., access/circulation and utility connections). The expansion may be delivered through additions at existing centers and/or construction of a new multi-purpose facility. The project provides 52,989 square feet of new building capacity identified in the growth analysis, ensuring that the City's level of service is maintained as development occurs.

Size: 52,989 square feet (growth-related building expansion)

Location: To be determined

New Development Share: 100% – $28,399,531 (funded with Public Use Facilities Impact Fees)

Existing Community Share: 0% – $0 (non-growth cost, funded from other sources)

Total Cost: $28,399,531

Timing: 2026-2036

Current Public Use Facilities Development Impact Fee

The City of Grand Terrace currently levies a Public Use Facilities development impact fee only on residential development. As shown in the City's adopted residential development impact fee schedule, the existing Public Use Facilities fee is set at $674 per detached dwelling unit and $422 per attached dwelling unit. No Public Use Facilities impact fee is imposed on nonresidential development, and this nexus study maintains the existing policy that Public Use Facilities fees apply only to residential development.

Public Use Facilities fee revenues are presently recorded within the City's Facilities Development special revenue fund, which also serves as the accounting home for General City Facilities development impact fees. Historically, the City has pooled facilities-related impact fee revenues into this single fund rather than maintaining separate fund balances by program. As a result, the current Public Use Facilities balance is held within the broader Facilities Development (General City Facilities) fund rather than being tracked as a standalone Public Use Facilities balance.

As part of this nexus study, RCS recommends that the City discontinue commingling Public Use Facilities and General City Facilities fee revenues within a single fund balance. To strengthen compliance with the Mitigation Fee Act—including the Act's requirements for clear identification of each fee program's revenues, expenditures, and fund balances—it is further recommended that the City establish and maintain separate restricted funds or restricted accounts for each program. Separating these balances will improve transparency and help ensure that each program's revenues are used solely for the eligible capital improvements identified for that specific program in this study.

Administrative Provisions

Applicability and Collection: The Public Use Facilities fee applies to net-new residential floor area. Fees are calculated using the per-residential-square-foot schedule by housing type and collected at building permit (or as otherwise specified by City ordinance). Additions are charged on the incremental square footage; demolitions and removals are credited, so applicants are charged only for net increases. Change-of-use situations are addressed by applying the schedule to the net change in residential floor area.

Indexing and Price Date: Published rates reflect 2025. Following adoption, the fee is indexed annually to preserve purchasing power. The construction component is adjusted using the City's adopted Engineering News-Record (ENR) Building Cost Index (BCI) or successor index. The land component is not indexed by ENR; updates to land cost rely on current appraisals and documented comparable acquisitions/listings accepted by the City. Published rates reflect the current index year; the City's model retains full-precision calculations.

Use of Funds: Revenues are restricted to capital improvements that add building capacity, including planning, design, permitting, construction, interior build-out, and on-site improvements required to place space into service (e.g., access/circulation and utility connections). Land acquisition is eligible when required to deliver the building program. This program also includes Library building space; the City owns Library building facilities while County staff operate Library services. Fee revenues may be used only for Library building capital (e.g., construction or relocation of a dedicated Library facility and required site work), not for operational services or materials. Funds may be programmed citywide where projects maintain the established service standard.

Credits and Reimbursements: Where an applicant constructs eligible Public Use Facilities improvements or dedicates eligible land accepted by the City, the applicant is entitled to a credit or reimbursement up to the lesser of: (a) the actual, documented cost of the eligible improvement/land, or (b) the value recognized by this program for the same scope. Credits require a written agreement, apply only to the same project and program, and may not exceed the fee otherwise due. The City may require plans, invoices, appraisals, and other documentation to substantiate eligibility and value.

Adjustments and Appeals: An applicant may request an individualized fee adjustment by submitting substantial evidence (e.g., an independent fee study, current appraisal for land, or other technical documentation) demonstrating that the development's demand or characteristics differ materially from the assumptions used in this chapter. The City will review the submission and may approve an adjustment to ensure the fee remains proportional.

Fund Accounting and Reporting: All revenues and expenditures are tracked in a separate account for Public Use Facilities. The City will complete required annual and periodic findings and reporting for impact fees, including identifying balances, interest earnings, commitments, and project expenditures, and will make the findings available consistent with applicable law.

Effective Date and Transition: The fee applies to projects deemed complete (or receiving building permits) on or after the effective date of the adopting ordinance, subject to any City-adopted transition provisions. Previously paid fees, credits, or development agreements remain in effect pursuant to their terms.

Rounding and Precision: Calculations are performed at full precision in the City's model. For publication, all currency values are displayed to whole dollars, per-residential-square-foot rates are displayed to three decimals per SF, and the level of service is shown as 2.799 SF per resident. Any minor differences are solely due to display rounding — the total controls.

Five Findings

1. Purpose of the Fee

The purpose of the fee is to fund the expansion of Public Use Facilities building space (community centers and City-owned Library building space) necessary to maintain the

City's established level of service as new residential development adds population that uses public meeting and Library space.

2. **Use of the Fee**

   Fee revenues will be used to finance capital building improvements that add capacity, including planning, design, permitting, construction, interior build-out, and on-site improvements required to place space into service (e.g., access/circulation and utility connections). Land acquisition is eligible when required to deliver the building program. Funds are not used for operations or routine maintenance.

3. **Relationship Between Fee's Use and Type of Development**

   New residential development increases population, which increases demand for Public Use Facilities. Fee revenues will be used to add building capacity that serves those residents. Because the empirical demand is resident-based, the fee applies to residential development only; a proportional linkage to nonresidential floor area is not established for this facility type.

4. **Relationship Between Need and Type of Development**

   The need for expanded facilities arises directly from new residents. The City's service standard is 2.799 square feet per resident. Applying this standard to the net-new population of 18,931 results in 52,989 square feet of required building area to maintain the existing level of service as development occurs.

5. **Relationship Between Amount of Fee and Cost Attributable to Development**

   The fee amount is derived by applying the unit cost of $535.95 per building square foot (construction plus land) to the 52,988.79 square feet of growth-required Public Use Facilities space, yielding a total growth cost of $28,399,531. This cost is then apportioned to residential development in proportion to demand by housing type, using persons-per-household and average residential unit size to translate the 2.799 square feet per resident service standard into a per-residential-square-foot schedule. Expressed as rates to three decimals, the resulting schedule is $2.426/SF for Single Family Detached, $4.286/SF for Multi-Family Attached, and $3.764/SF for Manufactured/Mobile Homes. This structure ensures that each housing type pays no more than the cost reasonably attributable to the demand it generates to maintain the City's established level of service.

End of Chapter

Chapter 7

Parkland Acquisition and Park Facilities

Purpose and Scope

Purpose: The purpose of this chapter is to update and revalidate the City's existing Parks Development Impact Fee (DIF) so that new residential development funds its fair, proportional share of parkland acquisition and park facility improvements required to maintain the City's established level of park service as population grows. This update aligns the fee with current requirements of Assembly Bill 602 (AB-602) and the Mitigation Fee Act (Government Code § 66000 et seq.), ensuring that future development contributes appropriately to the park system's capacity to serve residents. Requirements under the Quimby Act (Government Code § 66477) for residential subdivisions remain in effect and are administered separately from this AB-1600 fee.

Scope of Improvements:

Parks improvements funded by the Parks Development Impact Fee include parkland acquisition and capacity-adding park projects that expand the system's ability to serve residents. Eligible capital uses include parkland acquisition and capacity-adding park improvements, including planning, design, permitting, site preparation, and construction. Improvements may include multi-purpose turf and hardscape areas, courts and fields, destination playgrounds, restrooms and support buildings, lighting and fencing, internal paths/trailheads within park sites, and on-site accessibility upgrades necessary to place new or expanded park capacity into service. Land acquisition is eligible when required to deliver the park program. Funds may not be used for operations, routine maintenance, or like-for-like replacements that do not increase capacity.

For residential subdivisions, the City administers parkland dedication and/or in-lieu fees under the Quimby Act (Government Code § 66477). Quimby resources may be used to acquire or develop parkland and neighborhood or community park facilities that will serve the subdivision. Use of Quimby for rehabilitation of existing parks is limited to circumstances allowed by statute, including findings regarding deficiency within the receiving area, foreseeable use by future subdivision residents, consistency with adopted plans, and an appropriate service radius after a public hearing. Quimby is administered separately from the non-subdivision Parks Development Impact Fee; credit order and eligible-cost rules are structured to avoid double-counting, with credits provided only by written agreement and not to exceed the fee otherwise due.

Scope of Beneficiaries: This program is resident-based and applies to residential development citywide. Fees are assessed per square foot of residential floor area consistent with AB-602. For mixed-use projects, assessments are applied by category, and only the residential component is subject to the Parks fee. Residential categories include Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes. Because Parks facilities function as a citywide system, the improvements funded by this program primarily benefit residents in both new and existing development, maintaining a consistent level of service across all neighborhoods.

Scope of Nexus: For Parks, the nexus is resident-based. New dwelling units generate net-new residents, and those additional residents require park capacity to maintain the City's established level of service (LOS). Net-new residents are calculated by multiplying new dwelling units by the applicable persons-per-household (PPH) for Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes. Required park acreage is then determined by applying the City's adopted acres-per-1,000-residents standard to the net-new resident total. That acreage is priced using the City's unit costs per acre for land and park improvements to produce a cost per resident. The result is translated to a cost per unit using PPH and then to a cost per residential square foot (three decimals) by dividing by the average dwelling square footage for each housing type, consistent with AB-602. For mixed-use development, the calculation applies only to the residential component.

Existing System

This section establishes the baseline park system used to evaluate the level of service and to derive the fee. It documents current inventories, states how LOS is measured, and explains how existing capacity represented by fund balances is treated in the calculations.

Park Inventory: This section establishes the baseline park system used for level of service and fee calculations. The City-owned parkland inventory is presented in Table 7-1, which lists each park by name and acreage and identifies the total park capacity used for the level-of-service calculation. The total parkland acreage shown in Table 7-1 reflects the City's current holdings and serves as the benchmark that new development must maintain under this program.

Table 7-1

Total Park Inventory	
Park Name	**Acres**
Grand Terrace Dog Park	0.62
Griffin Park	1.73
Richard Rollins Park	9.92
Veterans Freedom Park	4.31
TJ Austin Park	1.36
Susan Petta Park	2.30
Equivalent Capacity from Fee Fund Balance[1]	0.026
Total	20.28 Acres

Treatment of Existing Capacity and Fund Balances: This section explains how existing Parks impact fee resources are treated so that growth pays only its proportional share. Any existing Parks impact fee fund balance is taken from the City's audited annual financial reports (ACFRs) and

[1] *Footnote:* The capacity-equivalent acreage is derived from legacy Parks DIF subledgers using the study's combined $/acre; calculation and reconciliation are provided in Appendix H.

converted to capacity-equivalent park acres using the combined per-acre cost (fair-market land value plus capacity-adding park improvements) established in this chapter's cost basis. The resulting capacity is considered already in hand and is netted before allocating remaining costs to new development. Balances are tracked within the City's accounting system and reconciled to the audited financials to maintain a clear audit trail. This treatment ensures new development is not charged for capacity that has already been funded.

Current Level of Service: LOS is measured as acres per one thousand residents. Using the current resident population shown in the study tables, the totals above yield the City's baseline LOS for the City's Parks. The fee program is designed to maintain these existing service levels as growth occurs, consistent with the standards adopted in this chapter.

Existing Financial Commitment

This section provides a planning-level indication of the scale of the City's prior investment in its park system. Because Parks are measured in acres, the replacement-value context is expressed in two components: (1) land value per acre applied to the City's total parkland, and (2) capacity-adding park improvements per acre applied to developed park acres. This estimate is for context only; it does not create a funding obligation and is not used to derive the fee.

This estimate represents what it would cost to replace the existing facilities in their current form and does not indicate a funding obligation or form part of the fee calculation basis.

A. Land Component

- Total parkland acreage: 20.277 acres (display)
- Land value per acre: $1,100,000
- Estimated land value: $22,304,543

(calculation: 20.277 acres × $1,100,000/acre = $22,304,543)

B. Park Improvement Component

- Developed park acres: 20.277 acres
- Park improvements cost per acre: $599,660
- Estimated improvements value: $12,159,220 (model, full precision)
- (calculation: 20.277 acres × $599,660/acre = $12,159,220)

C. Total Planning-Level Replacement Value

- Combined land and improvements value: $34,463,763
  (calculation: $22,304,543 + $12,159,220 = $34,463,763)

Calculations are performed at full precision in the City's model; acreage is displayed to three decimals and currency to whole dollars, so minor differences may occur if recomputed from displayed figures — the totals control.

Fund Balance Recognition: Any Parks impact fee fund balance reported in the City's audited financial statements is converted to capacity-equivalent park acres using this chapter's per-acre land and per-acre improvements costs and recognized as capacity already in hand before allocating remaining costs to growth. For the study year, the equivalent capacity reflected by the current balance is 0.026 acres (display basis), which is netted prior to assigning new development's share.

Standards & Application

The City uses two complementary tracks for Parks. For non-subdivision development, the Parks Development Impact Fee (DIF) is applied under the Mitigation Fee Act and expressed per residential square foot consistent with AB-602. For subdivisions, the City administers Quimby parkland dedication and/or in-lieu fees separately. The two tracks are coordinated to maintain the City's adopted level of park service while avoiding double-counting.

Parks standard — Non-Subdivision (AB-1600 Fee): The non-subdivision Parks DIF maintains the City's level of service by translating net-new residents into required park acres using the adopted standard of 1.552 acres per 1,000 residents. Required acres are then costed using the study's per-acre land and park improvement unit costs to derive a cost per resident. That cost is converted to a cost per dwelling unit using persons-per-household for Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes, and expressed per residential square foot by dividing by the average unit size for each housing type, consistent with AB-602.

Parks standard — Subdivision (Quimby Dedication/Fee): For residential subdivisions, the City may require parkland dedication and/or in-lieu fees under the Quimby Act (Gov. Code § 66477). Quimby requirements are administered separately from the non-subdivision Parks DIF and rely on the City's Quimby standard to determine dedication or equivalent in-lieu value. Where statutory conditions are met, Quimby resources may be used to acquire or develop parkland and neighborhood/community park facilities that will serve the subdivision. Quimby credits are sequenced and applied under City rules to ensure the Parks DIF does not double-charge for the same capacity.

Application Rules: For non-subdivision projects, fees are assessed per residential square foot at building permit and calibrated by housing type using the study's PPH and average unit size inputs. Mixed-use projects are assessed by category; only the residential component is subject to the Parks DIF. Change-of-use and additions are assessed on the net increase in impact. Quimby applies only to subdivisions and is administered separately from the Parks DIF, with clearly defined crediting to prevent double-counting.

Growth and Demand

This section quantifies the additional Parks system capacity required to maintain the City's adopted level of service as development occurs. The calculation applies the study's standards to net-new residents and identifies the resulting park acres required to serve growth.

Parks: Based on net-new residents of 18,931.33, applying the 1.552 acres per 1,000 residents standard yields 29.38 acres of additional park capacity required to maintain the existing level of service. Any Parks impact fee fund balance reported in the City's audited financial statements is converted to capacity-equivalent acres using this chapter's per-acre costs and recognized as capacity already in hand before allocating remaining costs to new development.

Cost Basis

Unit costs are stated in current study-year dollars. Parkland acquisition is based on local fair-market value evidence suitable for park use. Park improvements are based on the City's historical per-acre park development baseline escalated to the study year using the Engineering News-Record (ENR) Building Cost Index (BCI). These unit costs price the incremental park acres required by the level-of-service standard.

Parkland Acquisition (Fair-Market Value per acre): The study adopts $1,100,000 per acre as the planning fair-market value for park-suitable sites in Grand Terrace. The value is supported by local evidence, screened for market-rate conditions and park feasibility (frontage, utilities, typical shape/size), and normalized to dollars per acre. The full comparable set, screening notes, and arithmetic are provided in Appendix H (Parks Quality of Life Infrastructure Cost Basis).

Park Improvements (Capacity-Adding Construction per acre): The City's historical turn-key park development baseline (2005–2006 dollars) is escalated to the study year using ENR BCI. The calculation follows the standard formula:

Study-year park improvements ($/acre) = 2005–2006 baseline ($/acre) × (ENR BCI – study year ÷ ENR BCI – 2005–2006)

This escalation method is consistent with the approach applied in the Public Use Facilities chapter, using the same ENR BCI framework and study-year adjustment. The resulting study-year planning value is used throughout this chapter's calculations.

Use in Calculations: For Parks, the combined per-acre cost equals (parkland $/acre) + (park improvements $/acre). Required acres are computed from the adopted 1.552 acres per 1,000 residents standard applied to net-new residents. The product yields total growth cost, which is translated to cost per resident, then cost per dwelling unit using persons-per-household for Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes, and then expressed per residential square foot (three decimals) by dividing by the average unit size for each housing type, consistent with AB-602.

Calculations are performed at full precision in the City's model; currency values shown in this section are displayed to whole dollars for publication.

Derivation of Maximum Justified Fees

Fees are derived and expressed in accordance with AB-602 so that results are stated per square foot. For Parks, the calculation is resident-based and applies to residential development. All steps use the study-year costs in the Cost Basis section and the service standards in the Standards and Application section.

Residential — Parks (Non-Subdivision): Required park acreage is determined by applying the Parks standard of 1.552 acres per 1,000 residents to net-new residents. The resulting acres are priced using the combined per-acre park cost to determine a cost per resident, translated to a cost per unit using persons-per-household for Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes, and then to a cost per square foot by dividing by the average dwelling square footage for each housing type. For mixed-use development, only the residential component is subject to the Parks fee.

Subdivision — Parks (Quimby): For subdivisions, the City administers Quimby requirements as parkland dedication, in-lieu fee, or a combination, using a standard of 3.000 acres per 1,000 residents as authorized by Gov. Code §66477 (Quimby Act). This Quimby standard is distinct from the Mitigation Fee Act framework that governs the non-subdivision Parks impact fee. Dedicated land is valued at the current fair market value and must meet this chapter's eligibility, and in-lieu fees are programmed consistent with statutory geographic and timing requirements. To prevent double-counting where both mechanisms apply, the City recognizes Quimby contributions first for their eligible purpose and then assesses the non-subdivision Parks impact fee only for remaining, non-duplicative, growth-related costs.

Mixed-Use, Change of Use, and Additions: Mixed-use projects are assessed by category, with only the residential portion subject to the Parks residential fee. Changes of use and additions are assessed on the net increase in impact relative to the prior legal use.

Capital Program and Eligibility

The capital program identifies the growth-eligible projects and defines what costs qualify for **Parks**. Projects are selected to maintain the City's adopted service standards as development occurs, and each appropriation will be documented elsewhere in this chapter to preserve a clear audit trail under the Mitigation Fee Act.

Eligibility Test — Parks: Parks funds may be used for parkland acquisition and for capital improvements that add usable recreation capacity to the City's park system. Eligible work includes site acquisition; site preparation and utility extensions; multi-purpose turf and hardscape areas; fields and courts; destination playgrounds; restrooms and support buildings; lighting and fencing;

internal paths and trailheads; irrigation; and accessibility features necessary to place new capacity into service. Planning, environmental review, design, permitting, construction management, and prudent contingencies are eligible when they are capitalized to deliver new capacity. Operations and routine maintenance, programming, rolling stock, and like-for-like replacements that do not add capacity are not eligible.

Quimby Interface — Eligible Uses and Coordination: Quimby requirements may be satisfied through parkland dedication, in-lieu fees, or a combination. Quimby contributions may be used to acquire or develop neighborhood or community park and recreation facilities that will serve the subdivision, and—where statutory conditions and findings are met—to rehabilitate existing park facilities. This chapter coordinates Quimby with the non-subdivision Parks impact fee by recognizing Quimby contributions first for their eligible purpose and then applying the Parks impact fee only to remaining, non-duplicative, growth-related costs. The City will make any required geographic and service findings at appropriation to ensure compliance with the Subdivision Map Act.

Land Dedication and Site Control: Where a development dedicates parkland that meets the eligibility criteria of this chapter, the land is credited at fair market value and can be incorporated into the capital program. For City acquisitions, fee revenues may be combined with grants or other sources to assemble sites of sufficient size and configuration to function as neighborhood or community parks.

Soft Costs and Delivery: Capital soft costs that are integral to delivering new capacity are allowable within the Parks improvements cost basis, including planning, environmental clearance, design, permitting, construction management, and prudent contingencies. These costs are tracked by project to support clear crediting and reimbursement.

Replacement and Rehabilitation: Replacement or rehabilitation projects are eligible only when they create additional usable recreation capacity, such as converting underutilized space to multi-use courts or expanding a facility's functional area. Work that merely restores existing capacity without expansion is not eligible under this fee.

Joint and Partnership Projects: Projects delivered with schools, other public agencies, or non-profits are eligible where they add recreation capacity that is available to City residents under enforceable joint-use or access agreements. The fee contribution is limited to the proportional share of capacity made available to the public consistent with this chapter.

Project List: This subsection presents the growth-eligible capital program for Parks as program-level, citywide entries. For Parks, the program aggregates all AB-1600 receipts to acquire new parkland and construct capacity-adding park facilities needed to maintain the adopted level of service. Each entry is formatted using the standard headings used throughout this study so the scope, size, cost, and timing are clear and auditable.

The project entry that follows establishes the citywide Parks program and prices the growth-related capacity at the study-year unit costs. Subsequent entries can be added in the same format as additional program or site needs are identified.

Parkland Acquisition and Park Facilities Projects

Project ID: PK-001

Project Title: Parkland Acquisition & Facilities Improvements – Citywide Program

Description: This program explicitly authorizes the acquisition of new parkland and the construction of capacity-adding park improvements to maintain the adopted level of service as development occurs. Eligible work includes land acquisition and construction of new or expanded park facilities that increase usable recreation capacity (for example, multi-purpose turf and hardscape areas, fields and courts, destination playgrounds, restrooms and support buildings, lighting and fencing, internal paths and trailheads, irrigation, and accessibility features). Operations and maintenance, programming, rolling stock, and like-for-like replacements that do not add capacity are excluded.

Size (Gross Program)**:** 29.38 acres (growth-related parkland acquisition and development)

Location: Citywide

New Development Share: 100% — $49,938,431 *(*funded with Parkland Acquisition and Park Facilities Impact Fees*)*

Existing Community Share: 0% — $0

Total: $49,938,431

Timing: 2026–2036

Credits, Reimbursements, and In-Lieu

This section establishes how development-provided parkland and park improvements are recognized, how reimbursements may be issued when a project delivers more than its fee obligation, and how Quimby subdivision obligations are coordinated so costs are not duplicated. Credits apply only to eligible, capacity-adding parkland or park improvements under the Parks component and are calculated using the valuation methods in this chapter. Credits do not fund operations, maintenance, or like-for-like replacements that do not increase usable capacity.

Land Dedication Credits: Where a development dedicates parkland that meets this chapter's eligibility, the City grants a credit valued at current fair-market value for park-suitable sites. Eligibility includes appropriate size, configuration, and characteristics to function as a neighborhood or community park consistent with the level-of-service standard. The City may require an appraisal or other accepted valuation evidence and may adjust the credit to reflect encumbrances, unusable areas, or conditions that limit recreation capacity.

Construction Credits: Where a development constructs eligible, capacity-adding park improvements, the City grants a credit for the documented, eligible construction cost. Valuation relies on approved engineers' estimates, awarded bids, or verified costs for the eligible scope. Improvements must add usable recreation capacity; like-for-like replacements, cosmetic upgrades, and routine maintenance do not qualify.

Application and Limits: Credits are applied to the corresponding Parks fee at permit issuance or at another defined milestone consistent with City procedures. Credits may not exceed the fee otherwise due for the same project and component unless the City enters into a reimbursement agreement. Credits are recorded to preserve the audit trail required by the Mitigation Fee Act and are applied before calculating any residual fee for the same component and project phase.

Reimbursements: When a developer delivers eligible park capacity that exceeds the project's creditable obligation and the improvement or acquisition appears on, or is added to, the capital program for this chapter, the City may enter into a reimbursement agreement. Reimbursements are paid when funds are available and in accordance with City priorities. Agreements identify the eligible scope, the documented cost basis, and the terms that govern reimbursement without double-counting.

Quimby Coordination: Quimby obligations for residential subdivisions are administered under the Subdivision Map Act and are separate from this impact fee. Where both mechanisms apply to the same project, the City recognizes Quimby parkland dedication or in-lieu fees first for their eligible purpose, then applies the non-subdivision Parks impact fee only to remaining, non-duplicative, growth-related costs. This sequencing ensures the Parks fee does not duplicate capacity already provided under Quimby.

Documentation: Each credit or reimbursement is memorialized in a written instrument that describes the facility or land, the eligible scope, the valuation method used, and the fee component to which the credit applies. The City maintains records sufficient to demonstrate that credited or reimbursed items add usable recreation capacity, align with this chapter's eligibility, and remain consistent with the level-of-service standards used to derive the fees.

Summary of Development Impact Fees

Proposed Parks Fees (AB-1600 — Table 7-2): The table below summarizes the study-year Parks Development Impact Fees expressed per square foot under AB-602, derived from the 1.552 acres-per-1,000 residents standard and this chapter's cost basis. Use Table 7-2 as the official schedule for residential projects outside the subdivision process.

[This space left blank to fit the following table on one page.]

Table 7-2

Proposed AB-1600 Park Development Impact Fees	
Land Use	**Impact Fee per SF**
Single Family Detached	$4.267/SF
Multi-Family Attached	$7.537/SF
Manufactured/Mobile Homes	$6.618/SF

Quimby Park Fees (Subdivision — Table 7-3): The following table summarizes Quimby subdivision obligations—parkland dedication, in-lieu fee, or a combination—based on the City's adopted standard. Quimby is administered separately from the AB-1600 fee; contributions in Table 7-3 are recognized first to avoid double-counting.

Table 7-3

Proposed Quimby Park Fees	
Land Use	**Impact Fee per SF**
Single Family Residential	$8.247/SF
Multiple-Family Residential	$14.569/SF
Mobile Home Dwelling Units	$12.793/SF

Current Park Development Impact Fees

The City of Grand Terrace currently levies a Parks-related development impact fee on residential development under the "Parkland and Open Space Acquisition Fund" line in the adopted Residential Permit & Impact Fees schedule. The existing fees are set at $7,241 per detached dwelling unit and $4,534 per attached dwelling unit. No Parks impact fee is imposed on nonresidential development at this time, and this nexus study maintains the existing policy that Parks fees apply solely to residential development.

Parks fee revenues are recorded within the City's Park Development special revenue fund. In the City's most recent Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, the Park Development fund reports a restricted ending fund balance of $43,698. This balance represents accumulated Parks impact fee revenues available for eligible parkland acquisition and capacity-adding park improvements consistent with this chapter.

Although the current schedule presents Parks charges as a per-dwelling-unit fee, this nexus study converts the Parks Development Impact Fee to a per residential square foot schedule consistent with Assembly Bill 602 (AB-602). This conversion improves proportionality by aligning payments with residential floor area, preserves the City's adopted level of park service as new residential development adds population, and supports compliance with the Mitigation Fee Act by clearly identifying the fee's use, cost basis, and fund accounting treatment.

Administrative Provisions

This section sets the rules for how fees are calculated, collected, indexed, documented, and administered so the program remains consistent, auditable, and simple to apply in day-to-day permitting.

Adoption and Effective Date: Fees are established by ordinance and become effective as provided by law. Applications that are vested or deemed complete before the effective date are processed under the prior rules; all others use this chapter. Subdivision Park requirements are administered separately under the Subdivision Map Act.

Point of Collection: For development subject to this chapter, fees are calculated using the schedules in effect on the date of permit issuance and are collected at building permit issuance unless City procedures specify an earlier milestone. For phased projects, fees are calculated and collected by phase based on the floor area or units permitted in each phase. Payment timing conforms to Government Code § 66007; fees are due at building permit unless otherwise provided by ordinance or agreement, and the City may allow collection at final inspection/certificate of occupancy or earlier by agreement.

Calculation Inputs: Applicants must provide residential floor area by housing type so the City can apply the per-square-foot schedules. Persons-per-household and average dwelling square footage are the study inputs used to translate the level-of-service standard to per-square-foot rates.

Mixed-Use, Change of Use, and Additions: For mixed-use projects, only the residential component is subject to the Parks fee. Change-of-use and additions are assessed on the net increase in impact based on the incremental residential floor area.

Indexing: Fee schedules are updated annually using the City's adopted construction cost index. For Parks, the improvements component is indexed annually using the City's adopted ENR Building Cost Index (or successor). The land component is not indexed by ENR and is recalibrated during formal study updates using current appraisals and documented local market evidence.

Rounding and Publication: All computations use full precision in the City's model. For publication, per-square-foot rates are shown to three decimals ($0.001), and totals are shown to whole dollars. Any per-unit amounts shown for reference are rounded to the nearest dollar. The City will publish the schedules and a plain-language guide showing how to read and apply them.

Administrative Adjustments and Appeals: If an applicant believes a fee has been misapplied under this chapter (for example, an incorrect housing type classification or floor-area measurement), the City may process an administrative adjustment based on substantial evidence submitted by the applicant. Requests for adjustment must be made before fee payment. Appeals follow the procedures set out in the adopting ordinance and applicable law.

Severability and Interpretation: If any provision of this chapter is held invalid, the remaining provisions remain in effect. Terms are interpreted to further the purpose of maintaining adopted levels of park service and funding growth-related capacity consistent with this study.

Five Findings

1. **Purpose of the Fee**

   The purpose of the fee is to fund the expansion of park capacity required to maintain the City's established level of park service as new residential development adds population. The fee ensures that growth contributes its fair, proportional share toward acquiring parkland and delivering capacity-adding park improvements needed to serve new residents.

2. **Use of the Fee**

   Fee revenues will be used to finance parkland acquisition and capacity-adding park improvements necessary to place new park capacity into service. Eligible improvements include planning, design, permitting, site preparation, multi-purpose turf and hardscape areas, fields and courts, destination playgrounds, restrooms and support buildings, lighting and fencing, internal paths and trailheads within park sites, irrigation, and accessibility features. Operations and maintenance, programming, landscaping or aesthetic work that does not add capacity, rolling stock, and like-for-like replacements are not funded. Quimby subdivision obligations are administered separately.

3. **Relationship Between the Fee's Use and the Type of Development**

   New residential development increases population, which increases demand for parkland and park facilities. The fee applies to residential development (non-subdivision) and funds park capacity that serves those residents. For mixed-use projects, only the residential component is subject to the Parks fee. Fee uses therefore match the type of development that creates the need.

4. **Relationship Between the Need for Facilities and the Type of Development**

   The City's park standard is 1.552 acres per 1,000 residents. Applying this standard to the net-new residential population of 18,931.33 results in 29.38 acres of additional park capacity required to maintain the existing level of service. Any Parks impact fee fund balance reported in the City's audited financial statements is converted to capacity-equivalent acres using this chapter's per-acre costs and recognized as capacity already in hand before allocating remaining costs to new development.

5. **Relationship Between the Amount of the Fee and the Cost Attributable to Development**

   The fee amount is derived by pricing the required park acres using study-year unit costs per acre for land and capacity-adding park improvements. The resulting growth cost is translated to a cost per resident, then to a cost per dwelling unit by housing type using persons-per-household for Single Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes, and then expressed per residential square foot by dividing by the average dwelling size for each housing type, consistent with AB-602. Published per-square-foot rates are shown to three decimals; no housing type is charged more than the cost reasonably attributable to the demand it generates to maintain the City's adopted level of service.

End of Chapter

APPENDIX A

MASTER DEVELOPMENT IMPACT FEE SCHEDULE

City of Grand Terrace Development Impact Fee Master Fee Schedule

Development Impact Fee Per Infrastructure

Land Use	Cost Basis	Law Enforcement Facilities	Street Improvement	General City Facilities	Public Use Facilities	Parkland Acquisition and Park Facilities
Single Family Detached	Per Square Foot	$0.058	$0.015	$0.321	$2.426	$4.267
Multi-Family Attached	Per Square Foot	$0.155	$0.014	$0.132	$4.286	$7.537
Manufactured/Mobile Homes	Per Square Foot	$0.069	$0.011	$0.248	$3.764	$6.618
General Commercial	Per Square Foot	$0.154	$0.104	$0.128	n/a	n/a
Office Commercial	Per Square Foot	$0.109	$0.031	$0.128	n/a	n/a
Industrial	Per Square Foot	$0.052	$0.017	$0.150	n/a	n/a

Development Impact Fee Per Land Use Total

Land Use	Cost Basis	Total DIF
Single Family Detached	**Per Square Foot**	**$7.087**
Multi-Family Attached	**Per Square Foot**	**$12.123**
Manufactured/Mobile Homes	**Per Square Foot**	**$10.710**
General Commercial	**Per Square Foot**	**$0.386**
Office Commercial	**Per Square Foot**	**$0.268**
Industrial	**Per Square Foot**	**$0.219**

APPENDIX B

GRAND TERRACE LAND USE CROSSWALK

Appendix B: Grand Terrace Land Use Crosswalk

Purpose: Align Grand Terrace General Plan land use designations and Housing Element categories to the standardized Nexus Study land use categories for use in the Access Study and Development Impact Fee program.

General Plan Designation	Housing Element / Overlay	Nexus Category	Notes
Hillside Low Density Residential	N/A	Single-Family Detached	Low intensity hillside areas.
Low Density Residential	RHNA SFR Sites	Single-Family Detached	Conventional SFR neighborhoods.
Medium Density Residential	RHNA Mixed Density	Single-Family Detached / Multi-Family Attached	Depends on product type.
Medium High Density Residential	Higher-Density RHNA Sites	Multi-Family Attached	Townhomes, apartments, condos.
General Commercial	Commercial Corridors	General Commercial	Retail, service, dining, commercial pads.
Office Commercial	Medical/Office Sites	Office Commercial	Professional/office uses.
Light Industrial	Employment Areas	Industrial	Light manufacturing, warehousing.
Floodplain Industrial	Employment Areas (FP)	Industrial	Industrial uses with FP constraints.
Mixed Use	MU Overlays	Split by entitlement	Residential = SFD/MFA; Nonres = Commercial/Office.
Manufactured Housing Areas	Mobile Home Parks	Manufactured/Mobile Homes	Per Housing Element inventory.
Public	Schools / Civic	Excluded	Government, civic, educational; excluded from fees.
Hillside Open Space	Open Space	Excluded	Permanent open space.
Streets / R/W	N/A	Excluded	Non-developable public right-of-way.

APPENDIX C

PERSONS-PER-HOUSEHOLD (PPH) METHODOLOGY

Appendix C: Persons-Per-Household (PPH) Methodology

Purpose

This appendix documents the derivation and application of persons-per-household (PPH) factors used to translate population impacts into dwelling-unit equivalents for fee allocation. It supplements Chapter 2 with full methods, category definitions, quality assurance (QA), and a worked application pattern. The approach is designed to meet transparency and proportionality standards under the Mitigation Fee Act (Gov. Code §§66000 et seq.) and AB-602.

Data Sources & Fixed Household Structure Approach

Primary data are the U.S. Census Bureau American Community Survey (ACS) 2019–2023 five-year estimates for the City of Grand Terrace. Households by structure type and tenure are taken from ACS Table B25032 (Tenure by Units in Structure). Population by structure type and tenure is taken from ACS Table B25033 (Total Population in Occupied Housing Units by Tenure by Units in Structure). The analysis applies the Fixed Household Structure Method, pooling owner-occupied and renter-occupied households into three residential categories aligned with this Nexus Study's adopted land use structure.

Category Definitions ("Buckets")

For Grand Terrace, the adopted residential categories are:

- Single Family Detached: 3.12 persons per household
- Multi-Family Attached: 2.32 persons per household
- Manufactured/Mobile Homes: 2.83 persons per household

Note on numerical presentation: All calculations are performed at full precision in the underlying model. For readability and consistency with Chapter 2, persons-per-household (PPH) factors are displayed to two decimals in this appendix.

Calculation Method

For each residential category (c), persons per household (PPH) are calculated as: PPHc = Populationc ÷ Householdsc. Household totals by structure type are taken from ACS Table B25032 for both owner-occupied and renter-occupied units. Population totals by structure type are taken from ACS Table B25033. Because ACS Table B25033 provides a combined population total for "1, detached or attached," population within that group is allocated between detached and attached structures proportionally to their respective household shares from ACS Table B25032. Owner and renter results are then pooled to yield the final PPH factors by category.

Grand Terrace — Step-by-Step (from ACS B25032/B25033)

Structure Type	Owner Units	Renter Units
1, detached	2,287	426
1, attached	192	116
Two or more units (all attached types)	85	1,129
Mobile home	205	103

Structure Type	Owner Population	Renter Population
1, detached or attached (combined)	7,375	2,098
2 to 4 units	219	1,043
5 or more units	44	1,212
Mobile home	662	211

Population is split based on detached vs. attached household shares within the 1-unit category for each tenure group, using B25032 household counts.

Residential Category	Population	Households	Persons per Household (PPH)
Single-Family Detached	8,452.088	2,713	3.12
Multi-Family Attached	3,539.819	1,522	2.32
Manufactured/Mobile Homes	873	308	2.83

Results — Adopted PPH Factors (ACS 2019–2023, Grand Terrace)

Application of the Fixed Household Structure Method to Grand Terrace's ACS data yields the following persons-per-household (PPH) factors by residential category:

- Single Family Detached: 3.12 persons per household
- Multi-Family Attached: 2.32 persons per household
- Manufactured/Mobile Homes: 2.83 persons per household

These PPH assumptions are applied consistently throughout the Grand Terrace Development Impact Fee Nexus Study to project population growth attributable to new residential development and to allocate capital facility costs proportionally.

Application in the Fee Program

PPH factors convert new housing units into the number of new residents added to the City. That projected population growth defines the service population basis for facilities such as Law Enforcement, Street Improvements, General City Facilities, Public Use Facilities, and Parks. By translating dwelling units into residents consistently by residential category, the study ensures that growth-related capital costs are distributed proportionally across land uses.

Sensitivity, Reasonableness & Quality Assurance (QA)

Five-year ACS data are used for city-level stability and reproducibility. The use of ACS Tables B25032 and B25033 provides a transparent link between households and population by structure type and tenure. QA steps confirm that household totals reconcile to ACS totals by tenure, that allocated 1-unit population fully reconciles to the combined B25033 totals, and that pooled PPH factors match those used in Chapter 2 and throughout the fee model.

APPENDIX D

AVERAGE RESIDENTIAL UNIT SIZE

Appendix D: Average Residential Unit Size (ARUS)

Purpose

This appendix documents the adopted Average Residential Unit Sizes (ARUS) used in the Grand Terrace Development Impact Fee Study. These values are required to convert between dollars per dwelling unit ($/DU) and dollars per square foot ($/SF) and to support transparent, replicable fee calculations consistent with the Mitigation Fee Act (Gov. Code §§ 66000 et seq.) and AB-602. The methodology mirrors the adopted Hemet ARUS approach, expanded to incorporate empirical market observations for Grand Terrace, consistent with consultant practice for cities without adopted unit-size standards.

Scope

Applies to the Grand Terrace residential land use categories documented in Chapter 2: Single-Family Detached, Multi-Family Attached, and Manufactured/Mobile Homes. Accessory Dwelling Units (ADUs) are addressed separately.

Method & Justification

Grand Terrace does not adopt minimum or typical residential unit sizes in its General Plan or Zoning Code. Therefore, an empirically derived ARUS method is used, relying on reproducible observations from local listings, apartment floorplans, and manufactured home listings within the City of Grand Terrace. These sources provide transparent, documentable square-footage data sufficient to support legally defensible ARUS assumptions under AB-602. All observations were captured November 2025 and are reproducible from public listing platforms and property-manager floorplan pages.

Public Data Sources

The ARUS values for Grand Terrace rely on the following public sources:

• Highlands at Grand Terrace — Floorplans (Greystar): 668 sq ft (1×1), 861 sq ft (2×1), 884 sq ft (2×2).

• Heights at Grand Terrace — Floorplans (Harbor Group): 750 sq ft (1 BR), 1,000 sq ft (2 BR).

These values were used to compute the 1BR and 2BR means and the equal-weight multi-family average.

• Grand Terrace single-family listings (Redfin) with explicit living-area values, including: 1,485 sq ft (Vivienda Ave), 1,515 sq ft (Miriam Way), 1,780 sq ft (Eton Dr), 1,916 sq ft (sample listing), 1,955 sq ft (Miriam Way), 1,991 sq ft (Lark St), 2,061 sq ft (Robin Way), 2,284 sq ft (Lark St). Median derived from the observed set.

• Manufactured/Mobile homes in Grand Terrace (Realtor.com): observed sizes included 690, 701, 940, 1,128, 1,288, 1,344, and 1,440 sq ft. Median used for ARUS.

Calculation Notes

Each ARUS value is derived using a category-appropriate method. Multi-family averages were calculated using a two-step process: (1) calculate 1BR and 2BR mean unit sizes using the site floorplans; and (2) take the equal-weight average of those two means. SFR used the median of observed Grand Terrace listings. Manufactured/Mobile Homes used the median of all observed listings with explicit size values. All ARUS values are rounded to whole square feet for publication, with full precision maintained internally.

Adopted Average Unit Sizes

Residential Category	Adopted ARUS (SF/Unit)	Use in Fee Program
Single-Family Detached	1,916	Convert $/DU ↔ $/SF; residential fee calculations
Multi-Family Attached	812	Convert $/DU ↔ $/SF; residential fee calculations
Manufactured/Mobile Homes	1,128	Convert $/DU ↔ $/SF; residential fee calculations

Examples

• A multi-family fee of $10,000 per dwelling unit equals $10,000 ÷ 812 = $12.32 per square foot.

• A single-family fee of $14 per square foot equals 1,916 × $14 = $26,824 per dwelling unit.

APPENDIX E

NET NEW FEE APPLICATION

Appendix E: Net New Fee Application

Purpose

This appendix documents the City of Grand Terrace's net new Development Impact Fee (DIF) calculation method. The calculation ensures that only the net new development impact is subject to DIFs, with credits for existing legal uses and fees applied solely to incremental increases. This approach is consistent with the Mitigation Fee Act (Government Code §§66000–66025), Assembly Bill 602 (AB-602), and prevailing case law requiring that impact fees reflect the additional burden created by development rather than the full replacement value of demolished structures.

Applicability (Programs & Units)

This method applies to the City of Grand Terrace's adopted Development Impact Fee programs assessed on a per-square-foot ($/SF) basis. The examples below use the combined recommended maximum DIF rates from Chapter 2 (Table 2-4) as a uniform demonstration across land uses.

Applicable land uses and reference rates:

- Single Family Detached – $6.708/SF
- Multi-Family Attached – $14.785/SF
- Manufactured/Mobile Homes – $10.841/SF
- General Commercial – $0.397/SF
- Office Commercial – $0.280/SF
- Industrial – $0.232/SF

Calculation Rules (Net New)

- Establish Existing Legal Use — Determine the fee credit from the existing legal use based on its current floor area and the applicable rate at the time of permit. Credits apply only to permitted, legal existing development.
- Establish Proposed Use — Calculate the proposed fee using the adopted rate and the new floor area.
- Compute Net New — Net New DIF = Proposed DIF − Existing DIF (minimum zero). Fees are applied only to the incremental increase in impact.
- Change of Use — Existing credits are based on prior legal uses verified by permits or other City records (e.g., certificates of occupancy, assessor data, or utility records).
- Mixed-Use Sites — Apply the method by component (e.g., residential, commercial, industrial) and sum the net new fees across all components.
- Partial Demolition/Additions — Fee credits are proportional to the remaining existing area. Demolished floor area does not receive a fee credit beyond the documented existing legal use.

Worked Examples (Using Combined DIF Demonstration Rates)

Example A — Commercial Rebuild (General Commercial → General Commercial):

Demolish 5,000 SF of General Commercial space and construct 7,000 SF of new General Commercial space on the same site. General Commercial rate = $0.397/SF.

Existing Credit = 5,000 × $0.397 = $1,985

Proposed Fee = 7,000 × $0.397 = $2,779

Net New DIF = (7,000 − 5,000) × $0.397 = $794

Example B — Change of Use (Industrial → General Commercial):

Convert 10,000 SF of Industrial space to 10,000 SF of General Commercial space. Industrial rate = $0.232/SF; General Commercial rate = $0.397/SF.

Existing Credit = 10,000 × $0.232 = $2,320

Proposed Fee = 10,000 × $0.397 = $3,970

Net New DIF = 10,000 × ($0.397 − $0.232) = $1,650

Example C — Residential Addition (Single Family Detached → Single Family Detached):

Add 700 SF to an existing 1,800 SF Single Family Detached dwelling unit. Single Family Detached rate = $6.708/SF.

Existing Credit = 1,800 × $6.708 = $12,074.40 (rounded to $12,074)

Proposed Fee = 2,500 × $6.708 = $16,770.00 (rounded to $16,770)

Net New DIF = (2,500 − 1,800) × $6.708 = $4,695.60 (rounded to $4,696)

Example D — Mixed-Use Redevelopment (General Commercial + Multi-Family Attached):

Demolish 2,000 SF of General Commercial space and construct 3,000 SF of General Commercial space plus 5,000 SF of Multi-Family Attached residential units. General Commercial rate = $0.397/SF; Multi-Family Attached rate = $14.785/SF.

General Commercial Credit = 2,000 × $0.397 = $794

General Commercial Fee = 3,000 × $0.397 = $1,191

Net General Commercial DIF = $1,191 − $794 = $397

Multi-Family Fee = 5,000 × $14.785 = $73,925

Total Net New DIF = $397 + $73,925 = $74,322

Example E — Industrial Expansion (Industrial → Industrial):

Expand an Industrial building from 20,000 SF to 25,000 SF. Industrial rate = $0.232/SF.

Existing Credit = 20,000 × $0.232 = $4,640

Proposed Fee = 25,000 × $0.232 = $5,800

Net New DIF = (25,000 − 20,000) × $0.232 = $1,160

Submittal Requirements

To apply the net new fee method consistently, applicants must provide the following at the time of building permit or fee calculation:

- Site plan and floor area summary showing existing and proposed building areas by land use category.
- Documentation of prior legal use (e.g., building permits, certificates of occupancy, assessor records, or utility records) sufficient for the City to verify the existing credit.
- Identification of any phased demolition or additions so that existing credits can be applied proportionally.
- Completed calculation worksheet or City-approved form demonstrating the net new fee computation.

Administrative Notes

- Negative results (Proposed DIF − Existing DIF < 0) yield a $0 net new fee.
- Totals are rounded to the nearest whole dollar for billing and collection; intermediate calculations maintain full precision in the City's model.
- Updated rates apply if the City's adopted Development Impact Fee schedule changes before permit issuance; the applicable schedule is the one in effect at the time the fee obligation is fixed.
- Separate utility or district connection fees, where applicable, follow their own schedules but use the same net new principle for redevelopment and expansions unless superseded by specific district policy or agreement.

APPENDIX F

ACCESSORY DWELLING UNIT (ADU) IMPACT FEE APPLICATION

Appendix F: Accessory Dwelling Unit (ADU) Impact Fee Application

Purpose & Legal Framework

This appendix explains how the City of Grand Terrace applies Development Impact Fees (DIFs) to Accessory Dwelling Units (ADUs). State law (Government Code §65852.2(f)(3)(A)) prohibits DIFs on ADUs smaller than 750 square feet. For ADUs 750 square feet or larger, DIFs must be proportional to the size of the primary dwelling. Grand Terrace uses a per-square-foot DIF structure, which directly satisfies proportionality requirements under §65852.2 and the Mitigation Fee Act (Government Code §§66000–66025).

Proportionality Requirement Under State Law

Government Code §65852.2(f)(3)(A) establishes two mandatory rules: (1) ADUs under 750 square feet are exempt from all impact fees; and (2) ADUs 750 square feet or larger may be assessed impact fees only if those fees are imposed proportionately relative to the square footage of the primary dwelling unit. This proportionality requirement protects smaller ADUs from disproportionate fee burdens and ensures that larger ADUs are charged only for the impacts they actually create.

Two calculation methods satisfy this requirement. The first is the statutory proportionality formula: ADU Fee = (ADU SF ÷ Primary SF) × Primary Fee. This guarantees that the ADU is never charged more per square foot than the primary residence. The second method, used by the City of Grand Terrace, is the per-square-foot DIF method. When both the primary dwelling and the ADU are charged the same Single-Family Residential rate per square foot, proportionality is achieved automatically. This is because ADU SF × Rate = (ADU SF ÷ Primary SF) × (Primary SF × Rate). Thus, both approaches yield identical results and fully comply with §65852.2 and AB-602.

ADU Fee Structure in Grand Terrace

Grand Terrace applies residential DIFs on a per-square-foot basis across all residential development types, including ADUs where applicable. The Street Improvement DIF program is used as the demonstration program for this appendix.

Street Improvement Single-Family Residential Rate: $0.01462 per square foot.

Rules for Applying DIFs to ADUs

ADUs under 750 square feet are exempt from DIFs.

ADUs 750 square feet or larger may be charged DIFs at the Single-Family Residential $/SF rate.

Fees are calculated only on the ADU's square footage.

Per-square-foot DIF methodology satisfies the proportionality requirement in state law.

Net-new credits apply if the ADU replaces existing legal floor area.

Totals are rounded to whole dollars for billing; internal calculations maintain full precision.

Examples (Using Street Improvement Rate)

Example 1 — 700 SF ADU (Exempt): Under 750 SF → No DIF may be charged.

Example 2 — 850 SF ADU: 850 × $0.01462 = $12.43 → $12

Example 3 — 1,100 SF ADU: 1,100 × $0.01462 = $16.09 → $16

Submittal Requirements

Scaled floor plan identifying ADU square footage.

Primary dwelling square footage for proportionality verification.

Documentation of any demolished or replaced floor area (for net-new calculations).

Completed City DIF calculation worksheet showing ADU fee computation.

APPENDIX G

PUBLIC SAFETY BUILDING MODEL

Appendix G: Public Safety Building Model for Sheriffs Station

Model Project Used: 2,240 SF Police Station

Target Total Cost Basis: $530 per SF (No Land)

Total Building Cost: 2,240 SF × $530 = $1,187,200

Cost Breakdown (Per Station):

Component	Basis	Cost per SF	Amount ($)
	2,240 SF × $30	$30	$67,200
Police Station Building	2,240 SF × $275	$275	$616,000
Direct Construction Subtotal	Site Work + Building	$305	$683,200
General Conditions (12 months)	≈8% of Direct Subtotal	$25	$56,000
Construction Contingency	≈20% of Direct Subtotal	$60	$134,400
Escalation to Midpoint of Construction	≈7.5% of Prior Subtotal	$30	$67,200
Construction Subtotal (No Soft Costs)	Direct + GC + Contingency + Escalation	$420	$940,800
Estimated Soft Costs	Design/PM, CA, CM, permitting, testing, bidding, utilities	$110	$246,400
Total — Station Construction (No Land)	2,240 SF × $530	$530	$1,187,200

APPENDIX H

PARKS QUALITY OF LIFE INFRASTRUCTURE COST BASIS

Appendix H: Quality of Life Cost Basis

Purpose

This appendix documents the land acquisition and construction cost bases used to develop the City of Grand Terrace's quality of life development impact fees. It consolidates the inputs for both of the City's quality of life programs: the Parks Development Impact Fee, which funds parkland acquisition and park improvements, and the Public Use Facilities Development Impact Fee, which funds community centers, public meeting space, and the Library building program.

Parkland Acquisition Cost Basis

The adopted 2025 planning value for parkland acquisition in Grand Terrace is $1,100,000 per acre. This value is derived from publicly available listings within the Grand Terrace trade area and represents fair-market pricing suitable for neighborhood and community park sites.

Key comparable listings used for the valuation include:

21911 De Berry St — 4.65 acres listed at $4,608,000 = $990,967.74 per acre

70,001 SF lot (1.606 ac) listed at $1,750,000 = $1,088,984.44 per acre

Colton Center St — $2,178,000 per acre (upper-bound context only)

These data points establish a defendable planning band for park-suitable land between approximately $0.99M and approximately $1.09M per acre. The City adopts a midpoint rounded to $1,100,000 per acre to reflect local conditions, allow for parcel variability, and maintain conservative funding adequacy while excluding industrial and frontage premiums.

Park Improvements (Construction Cost Basis)

The City's park improvement cost basis is $599,660 per acre. This value reflects the escalated 2005–2006 Grand Terrace park development baseline updated to the study year using the Engineering News-Record (ENR) Building Cost Index (BCI).

This per-acre improvement value represents turn-key construction of park facilities, including turf and hardscape areas, courts and fields, destination playgrounds, lighting, restrooms, support buildings, internal paths, irrigation, and accessibility features.

Combined Park Cost Basis

Category	Unit	Planning Value
Parkland Acquisition	$/acre	$1,100,000
Park Improvements	$/acre	$599,660
Combined Park Cost Basis	$/acre	$1,699,660

Application to the Parks Development Impact Fee

The combined per-acre cost of $1,699,660 is applied to the additional acreage required to maintain the City's adopted level of service of 1.552 acres per 1,000 residents. Using the net-new population forecast of 20,293 residents, the required new park capacity is 31.495 acres. This required acreage is priced using the unit cost basis documented above.

Public Use Facilities Cost Basis (Community Centers and Library Building Space)

Construction Cost Basis

The Public Use Facilities program prices building construction on a per-square-foot basis using a study-year planning value of $450 per building square foot. The City's prior public building construction basis from the 2005–2006 Grand Terrace Development Impact Fee Nexus Study was $250 per square foot. This historical basis is escalated to 2025 using the Engineering News-Record (ENR) Building Cost Index (BCI): ENR BCI 2025 (13,914) divided by ENR BCI 2005–2006 (7,722) yields an escalation factor of 1.802, which applied to the $250 per square foot basis produces a 2025 planning value of $450 per square foot (rounded).

This $450 per square foot planning value reflects full building construction costs for multi-purpose community center facilities, including core building systems, interior build-out, and code-triggered improvements necessary to place Public Use space into service.

Land Cost Basis

Public Use land is priced on a per-building-square-foot basis using an underlying civic-appropriate land value of $1,235,565 per acre at an assumed floor area ratio (FAR) of 0.33. This converts to a land cost of $85.95 per building square foot. Applied to the existing 36,575 square feet of Public Use Facilities inventory, this yields an estimated land value of $3,143,621 (36,575 square feet times $85.95 per square foot).

The City developed this basis from local market evidence suitable for civic and assembly use within the Grand Terrace trade area, consistent with the land research used for the parkland acquisition basis.

Combined Public Use Facilities Cost Basis

For planning and fee-calculation purposes, the combined Public Use Facilities cost basis per building square foot is: $450.00 per building square foot for construction plus $85.95 per building square foot for land, for a combined construction and land cost of $535.95 per building square foot.

Application to the Public Use Facilities Development Impact Fee

The Public Use Facilities program maintains the City's existing service standard of 2.799 square feet per resident, derived from the documented inventory of 36,575 square feet and the current resident population of 13,069. The net-new growth population of 20,293 residents, multiplied by the 2.799 square feet per resident standard, yields 56,801 square feet of required new Public Use space. This required building area is priced using the construction and land unit costs documented above, and the resulting per-person and per-residential-square-foot costs are allocated by housing type to produce the Public Use Facilities fee schedule presented in the main report.

Summary

Grand Terrace's quality of life development impact fees use study-year planning values derived from local market land data and escalated public facility construction costs. For Parks, the combined parkland and improvement cost basis is $1,699,660 per acre, applied to the additional acreage needed to maintain the City's adopted park service standard. For Public Use Facilities, the combined construction and land cost basis is $535.95 per building square foot, applied to the additional 56,800 square feet of building space required to serve growth at the existing 2.799 square feet per resident standard. All inputs are consistent with AB-602 transparency requirements and the Mitigation Fee Act's reasonable-relationship standard, ensuring that new residential development pays only its fair, proportional share of the capital improvements necessary to maintain Grand Terrace's quality of life as growth occurs.

APPENDIX I

DEVELOPMENT IMPACT FEE CAPITAL IMPROVEMENT PLAN

Appendix I: Capital Improvement Plan (CIP) Introduction

Purpose and Scope:

This appendix presents the Capital Improvement Plan (CIP) that supports the City of Grand Terrace's Development Impact Fee (DIF) program. It compiles the growth-related capital projects necessary to maintain the City's established levels of service (LOS) as development occurs. The CIP includes only capital projects that add system capacity—such as facilities, equipment, and infrastructure improvements that directly serve new residents and development.

The CIP excludes operations and maintenance, repair and replacement, and any remediation of existing deficiencies. Each project is presented with its Total Cost, the percentage of that cost attributable to new development, and the resulting Cost to New Development. This structure provides a transparent, auditable basis for calculating maximum justified DIFs under the Mitigation Fee Act and AB-602.

Legal Authority and AB-602 Compliance:

The Mitigation Fee Act (Government Code §66000 et seq.) requires an essential nexus between new development and the need for capital improvements, and proportionality between the fee amount and the share of costs attributable to new development. Public noticing, segregated accounting, and periodic reporting are also required.

Assembly Bill 602 (AB-602) requires residential impact fees to be expressed on a per-square-foot basis, a documented existing level of service (LOS) for each fee program, and a Capital Improvement Plan (CIP) adopted as part of the nexus study. This appendix satisfies these requirements by identifying the capacity-adding projects for each program and allocating only the growth share of costs to new development.

How This Appendix Satisfies the Law:

Each project includes a justification describing how the improvement maintains LOS for a larger future service population. Only the growth-related share of each project's cost is assigned to DIFs. Eligible capital uses include land, design, engineering, environmental review, permitting, construction, contingency, and capital-eligible equipment. Existing deficiencies and ongoing O&M are not funded with DIFs. Project tables clearly show Total Cost, Percent to New Development, Cost to New Development, and Estimated Time of Availability, ensuring a fully auditable chain into fee calculations.

Programs Included in This CIP:

- Law Enforcement Facilities
- Circulation / Street Improvements
- General City Facilities

- Public Use / Community Centers
- Parks Development

Each program's CIP table contains: Project Number, Project Title, Department/Category, Location/Scope, Total Cost, Percent of Cost Attributable to New Development, Cost to New Development, and Estimated Availability Window. A brief Description and Justification/Need accompany each project.

How to Read the Tables:

The CIP tables link individual project data to final fee schedule calculations. For each project, Total Cost reflects full capitalized cost; Percent to New Development reflects the portion required to maintain LOS; Cost to New Development forms the fee-eligible contribution; and Estimated Availability shows timing of improvements needed to serve growth. This ensures clear traceability from projects to maximum justified fees.

Summary:

This CIP provides the growth-related capital framework required under the Mitigation Fee Act and AB-602. It identifies improvements necessary to maintain Grand Terrace's LOS standards and assigns only the growth share of cost to new development. The resulting CIP tables form the foundation for calculating maximum justified Development Impact Fees.

City of Grand Terrace AB-1600 Capital Improvement Plan
2026-2036
Law Enforcement Facilities

Project Number	Project Title	Department	Category	Location	Size/Scope	Total Cost	% of Cost to New Dev.	Cost to New Dev.	Est. Availability
LE-001	Sheriff Station Space Expansion	Law Enforcement	Law Enforcement Facilities	TBD	2,611 SF	$1,383,830	100%	$1,383,830	2036

Narrative Project Details

Project Number	**LE-001**
Brief Description	This project expands City-owned law enforcement building space to accommodate the growth-related calls-for-service generated by new development in Grand Terrace. The scope includes planning, design, permitting, and construction or reconfiguration of interior space within City Hall or another City-owned facility to increase the area dedicated to law enforcement functions.
Justification/Need	This project is necessary to provide the additional 2,611 square feet of law enforcement building capacity required to accommodate growth-related increases in calls-for-service and maintain the City's established level of service as new development occurs.

City of Grand Terrace AB-1600 Capital Improvement Plan
2026-2036
Street Improvements

Project Number	Project Title	Department	Category	Location	Size/Scope	Total Cost	% of Cost to New Dev.	Cost to New Dev.	Est. Availability
ST-001	Circulation Master Plan	Public Works	Street Improvements	Citywide	Citywide planning effort covering all arterial and collector corridors, intersections, multimodal connections, and network-level mobility standards	$2,500,000	50%	$1,250,000.00	2036

Narrative Project Details

Project Number	**ST-001**
Brief Description	Preparation of a citywide Circulation Master Plan to evaluate existing street and intersection performance, integrate trip-generation and trip-mile data, and identify and prioritize future roadway and intersection improvements consistent with the City's General Plan.
Justification/Need	The Circulation Master Plan is needed to provide a coordinated, data-driven capital improvement framework that addresses both existing system constraints and growth-related capacity needs, ensuring that future Street Improvements Impact Fees are based on a clear, defensible program of projects.

City of Grand Terrace AB-1600 Capital Improvement Plan
2026-2036
General City Facilities

Project Number	Project Title	Department	Category	Location	Size/Scope	Total Cost	% of Cost to New Dev.	Cost to New Dev.	Est. Availability
GG-001	City Hall Expansion/Modernization	City Administration/ City Manager's Office	General City Facilities	City Hall	TBD	$5,356,034	49%	$2,627,876	2036
GG-002	General City Vehicle Expansion	City Administration/ City Manager's Office	General City Facilities	Citywide	TBD	$193,676	49%	$95,025	2036
GG-003		City Administration/ City Manager's Office	General City Facilities	City Yard Facilities	TBD	$870,758	49%	$427,227	2036
GG-004	General City Equipment Expansion	City Administration/ City Manager's Office	General City Facilities	City Hall, City Yard, and other general city administrative and operational facilities	TBD	$267,802	49%	$131,394	2036

Narrative Project Details

Project Number	**GG-001**
Brief Description	Remodel and expand City Hall to increase administrative and customer-service capacity, including reconfigured office and meeting areas, upgraded technology systems, improved public counters, and modernization of core building systems needed to support a larger service population.
Justification/Need	This project is necessary to provide sufficient General City Facilities capacity to serve growth and maintain the City's established level of service, ensuring that administrative, permitting, financial, and public-facing functions can continue operating effectively as Grand Terrace's population and service demands increase.

Project Number	**GG-002**
Brief Description	Acquisition of additional general-purpose administrative and support vehicles to serve citywide inspections, site visits, interdepartmental travel, and operational support as Grand Terrace's service population grows.
Justification/Need	This project is needed to expand the City's general vehicle fleet in proportion to growth so that General City Facilities services can maintain the City's established level of service, with the growth-related share funded through the General City Facilities impact fee program.

Project Number	**GG-003**
Brief Description	Expansion of City Yard facilities to provide additional storage, staging, and operational space to support public works and general government field activities as Grand Terrace's service population grows.
Justification/Need	This project is necessary to increase City Yard capacity in proportion to service population growth so that inspections, maintenance, materials storage, and other field operations can maintain the City's established level of service as new development adds residents and employment.

Project Number	**GG-004**
Brief Description	Acquisition of additional general city equipment—including shared furnishings, fixtures, information technology, communications hardware, and operational equipment—to support expanded administrative and field capacity as Grand Terrace's service population grows.
Justification/Need	This project is needed to provide the additional equipment required to place expanded City Hall and City Yard capacity into service and to maintain the City's established level of administrative and operational service as new development increases staffing and workload.

City of Grand Terrace AB-1600 Capital Improvement Plan
2026-2036
Public Use Facilities

Project Number	Project Title	Department	Category	Location	Size/Scope	Total Cost	% of Cost to New Dev.	Cost to New Dev.	Est. Availability
PF-001		Parks and Recreation	Public Use Facilities	TBD	52,989 SF	$28,399,531	100%	$28,399,531.00	2036

Narrative Project Details

Project Number	**PF-001**
Brief Description	Construction and expansion of Public Use building space, including planning, design, permitting, construction, interior build-out, and related on-site improvements, to add 52,989 square feet of multi-purpose community facility capacity for Grand Terrace residents.
Justification/Need	This project is necessary to provide 52,989 square feet of additional Public Use building capacity identified in the growth analysis so the City can maintain its established service standard of 2.799 square feet per resident as new development increases the service population.

City of Grand Terrace AB-1600 Capital Improvement Plan
2026-2036
Parkland Acquistion and Park Facilities

Project Number	Project Title	Department	Category	Location	Size/Scope	Total Cost	% of Cost to New Dev.	Cost to New Dev.	Est. Availability
PK-001	Parkland Acquisition & Facilities Improvements – Citywide Program	Parks and Recreation		Citywide	29.38 Acres	$49,938,461	100%	$49,938,461	2036

Narrative Project Details

Project Number	**PK-001**
Brief Description	Citywide program to acquire approximately 29.38 acres of new parkland and construct capacity-adding park improvements—including new or expanded fields, courts, multi-purpose turf and hardscape areas, playgrounds, restrooms and support buildings, lighting, paths and trailheads, irrigation, and accessibility features—to serve a growing community.
Justification/Need	This program is necessary to provide growth-related parkland and facility capacity so the City can maintain its adopted parks level of service as new residential and nonresidential development increases the service population.

APPENDIX J

DEVELOPMENT FEASIBILITY ANALYSIS

Appendix J: Development Feasibility Analysis

Purpose and Scope

This appendix evaluates the financial feasibility implications of the City of Grand Terrace's Development Impact Fee (DIF) program. Assembly Bill 602 (AB-602) requires local agencies to consider the relationship between residential impact fees and the cost of housing construction. Although AB-602 focuses on residential development, best practice and recent case law support evaluating commercial feasibility as well. This appendix therefore examines residential and nonresidential development prototypes commonly built in the Inland Empire and evaluates whether the proposed DIF schedule would materially affect development feasibility.

The analysis uses a prototype-based feasibility framework consistent with industry practice and RCS standards. It incorporates market rents, vacancy and operating expense assumptions, construction cost benchmarks, land cost expectations, and financing parameters to estimate return-on-cost (ROC). The appendix compares feasibility outcomes with and without the adopted DIF levels to determine whether the fees represent a binding constraint on new development in Grand Terrace.

Regulatory Context

The Mitigation Fee Act (Government Code §66000 et seq.) requires that development impact fees be reasonably related to the need for public facilities created by new development and be proportionate to the cost of the infrastructure attributable to that development. Agencies must also demonstrate that fee adoption will not be confiscatory and will not impede development to such an extent that fees lose their rational nexus to facility demand.

Assembly Bill 602 (AB-602) requires nexus studies to clearly document how residential fees relate to housing feasibility. While the statute centers on residential affordability, it does not prohibit feasibility evaluations for nonresidential uses; in fact, many jurisdictions now conduct such analyses to maintain defensibility and avoid claims that fees materially suppress commercial investment.

This appendix fulfills these expectations by providing a transparent evaluation of how the proposed fee levels interact with typical project economics across all major land uses in Grand Terrace.

Methodology Overview

The feasibility analysis relies on a standardized return-on-cost (ROC) approach, which compares annual net operating income (NOI) to total development cost. Prototypes were selected to reflect typical product types in the Inland Empire market:

- Single-Family Detached (SFD) residential;
- Multi-Family Attached (MF) garden-style residential;
- General Commercial (Retail);

- Office / Medical Office;
- Industrial / Warehouse.

Key inputs include market rents derived from published Inland Empire datasets, construction cost ranges reflecting RSMeans 2025 benchmarks calibrated to Inland Empire conditions, operating assumptions including vacancy and expense ratios, and total development cost per square foot inclusive of the applicable DIF. ROC is computed for each prototype under two conditions: (1) with DIFs included in total development cost and (2) without DIFs, removing only the fee component. This isolates the incremental impact of DIFs on feasibility while holding all other variables constant.

Development Prototypes and Market Inputs

Residential Prototypes:

Single-Family Detached (SFD): A representative new SFD home in Grand Terrace is modeled at 1,916 square feet, consistent with the adopted Average Residential Unit Size (ARUS). Based on recent Grand Terrace housing trends and regional comparables, a realistic new-construction price assumption is approximately $390 per square foot, or roughly $747,000 per home.

Multi-Family (MF): Garden-style apartment prototypes reflect unit sizes of approximately 850 square feet, aligning with local projects such as The Heights and The Highlands at Grand Terrace. Market rents for modern Inland Empire apartments indicate a central rent anchor of approximately $2.60 per square foot per month, yielding annual effective NOI of approximately $19.27 per square foot after vacancy and operating costs.

Nonresidential Prototypes:

Retail: Neighborhood-serving retail in the Inland Empire rents for approximately $1.72 per square foot per month. A 10,000-square-foot retail shell building is used as the prototype.

Office: Small-scale office and medical office spaces in the Inland Empire typically achieve approximately $2.15 per square foot per month on a full-service basis. A 10,000-square-foot office prototype is used for testing.

Industrial: Modern tilt-up industrial buildings in the region achieve approximately $1.45 per square foot per month. A 50,000-square-foot warehouse prototype is selected to match market norms.

Development Cost Assumptions

Construction cost ranges were selected to align with RSMeans 2025 benchmarks for the Inland Empire. These ranges include hard costs, soft costs, land, professional fees, and contingency, and are applied to each prototype as follows:

- Retail: $275–$375 per square foot;
- Office / Medical Office: $300–$450 per square foot;
- Industrial tilt-up warehouse: $125–$200 per square foot;
- Garden-style multi-family: $250–$325 per square foot.

Single-family feasibility is assessed primarily relative to sale price rather than ROC because SFD projects are typically financed and evaluated on a for-sale basis. For SFD, the analysis focuses on the share of total home value represented by DIFs and the approximate impact on a conventional 30-year mortgage.

Fee Load and Cost Impact

Using the adopted Grand Terrace DIF schedule, the analysis calculates total fee loads per unit for residential prototypes and per square foot for nonresidential prototypes. These fee loads are compared to total development costs and sale prices.

Residential Fee Loads:

For Single-Family Detached, the DIF rate is approximately $6.71 per square foot. Applying this rate to the 1,916-square-foot ARUS yields a total DIF load of approximately $12,852 per new SFD home. At a $747,000 home value, this equates to roughly 1.7% of the home price and adds about $85 per month to a 30-year mortgage at 7% interest.

For Multi-Family, the DIF rate is approximately $14.78 per square foot. Applied to an 850-square-foot unit, this results in a total DIF of approximately $12,567 per unit. Across typical MF development cost ranges ($250–$325 per square foot), this fee represents roughly 4.5%–6% of total development cost.

Nonresidential Fee Loads:

For a 10,000-square-foot General Commercial (retail) prototype, the combined DIF burden is approximately $0.40 per square foot, or $3,974 per building. Across total development cost ranges of $275–$375 per square foot, this represents approximately 0.11%–0.14% of total development cost.

For a 10,000-square-foot Office prototype, the DIF rate of approximately $0.28 per square foot results in a total fee burden of about $2,796 per building. This represents roughly 0.06%–0.09% of total development cost across the $300–$450 per square foot range.

For a 50,000-square-foot Industrial prototype, the DIF rate of approximately $0.23 per square foot results in a total fee burden of about $11,620 per building. This represents approximately 0.12%–0.19% of total development cost across the $125–$200 per square foot range.

Feasibility Results: Return-on-Cost (ROC)

Return-on-cost (ROC) is calculated as annual net operating income divided by total development cost. The feasibility analysis compares ROC outcomes with DIFs included in total development cost and with DIFs removed, in order to isolate the incremental effect of fees.

Single-Family Detached:

For SFD, DIFs are evaluated as a share of total home value and as an incremental mortgage cost. With a total fee load of approximately $12,852 per home, DIFs account for roughly 1.7% of a $747,000 home and do not constitute a binding constraint on new home construction.

Multi-Family Residential:

For the multi-family prototype, annual NOI per square foot is derived from market rents of approximately $2.60 per square foot per month, a 5% vacancy allowance, and operating expenses of about 35% of effective gross income. Across development cost ranges of $250–$325 per square foot, ROC remains within commonly acceptable Inland Empire underwriting thresholds even with DIFs included. Removing DIFs increases ROC by approximately 0.3–0.5 percentage points, indicating that construction costs, financing conditions, and land pricing—not DIFs—are the primary feasibility drivers.

Retail, Office, and Industrial:

For retail, office, and industrial prototypes, the DIF share of total development cost is well below 1%, and the effect on ROC is negligible. For neighborhood retail, the change in ROC from removing DIFs is less than 0.01 percentage points. For office, ROC changes by roughly 0.005 percentage points. For industrial, ROC changes by less than 0.02 percentage points. In each case, project feasibility is overwhelmingly driven by rents, land values, and construction costs rather than by the DIF schedule.

Findings and Conclusions

- Residential DIFs are modest relative to total project costs. For SFD, fees equal approximately 1.7% of a new home price. For MF, fees represent approximately 4.5%–6% of total development cost.
- ROC impacts are minimal across all prototypes. Multi-family ROC reduction is less than 0.5 percentage points; commercial ROC reductions are less than 0.02 percentage points.
- Commercial fee burdens are low relative to total development cost. Across retail, office, and industrial prototypes, DIFs consistently comprise less than 0.2% of total development cost.
- Primary feasibility drivers are external to DIFs. Construction costs, land pricing, and financing terms exert far more influence on development viability than the adopted DIF schedule.

- The DIF program complies with AB-602 and the Mitigation Fee Act. The fees maintain proportionality, remain modest relative to development economics, and do not inhibit feasible project delivery in Grand Terrace.

Based on this analysis, the proposed maximum justified Development Impact Fees are not a binding constraint on new development in Grand Terrace. They remain consistent with AB-602, the Mitigation Fee Act, and widely accepted feasibility standards.

Market Data Sources and Assumptions

This section documents the market data sources and supporting references used to develop the Development Feasibility Analysis. The information below summarizes publicly available sources that inform revenue assumptions, construction cost ranges, operating cost estimates, and rental and pricing benchmarks for the development prototypes evaluated in this appendix.

Residential Market Data Sources:

- Redfin – Grand Terrace median sale price trends, price per square foot, and recent transaction summaries.
- Zillow – Local home value index, recent sale listings, and price per square foot indicators.
- Realtor.com – Listing prices, price per square foot, and 92313-submarket housing statistics.
- ATTOM Data Solutions – City-level home price and sales activity summaries.
- ApartmentHomeLiving – Published rent ranges and unit sizes for local multi-family properties.

These sources were used to establish typical unit sizes and realistic modern market rents for new or recently built multi-family projects, as well as representative sale price assumptions for new single-family homes in Grand Terrace.

Commercial and Industrial Market Data Sources:

- Kidder Mathews – Inland Empire Retail, Office, and Industrial market reports.
- Cushman & Wakefield – Inland Empire MarketBeat reports for Office and Industrial.
- CommercialEdge – Regional industrial and multi-family rent analytics.
- NAI and similar brokerage reports – Southern California industrial and logistics market conditions.
- Local retail and office listings in the Grand Terrace / Colton / Loma Linda trade areas.

These reports support modeled rental rates of approximately $1.72 per square foot per month for retail, approximately $2.15 per square foot per month for office, and approximately $1.45 per square foot per month for industrial space, consistent with Inland Empire market conditions.

Construction Cost Data Sources:

Construction cost assumptions were derived from RSMeans 2025 category benchmarks and adjusted for Inland Empire regional cost factors. While proprietary RSMeans values are not reproduced directly, the feasibility model reflects cost ranges consistent with Inland Empire market construction pricing, including the ranges listed in Section 5 of this appendix.

Operating and Financial Assumptions:

- Vacancy rate: generally 5% across residential and commercial prototypes.
- Operating expense ratios: approximately 35% for retail and office, and approximately 25% for industrial.
- Return-on-cost thresholds: consistent with Inland Empire underwriting standards for each product type.
- Financing parameters: industry-standard loan-to-cost ratios, interest assumptions, and capitalization rates.

All market assumptions used in this feasibility analysis are derived from publicly available, industry-standard sources. Detailed workpapers, internal calculation files, and underlying market data excerpts may be made available to the City for audit or validation purposes. These sources collectively provide a transparent, objective foundation for the feasibility modeling in this appendix.

End of Report

City of Grand Terrace Development Impact Fee Master Fee Schedule

Development Impact Fee Per Infrastructure

Land Use	Cost Basis	Law Enforcement Facilities	Street Improvement	General City Facilities	Public Use Facilities	Parkland Acquisition and Park Facilities
Single Family Detached	Per Square Foot	$0.058	$0.015	$0.349	$2.279	$4.007
Multi-Family Attached	Per Square Foot	$0.155	$0.014	$0.143	$5.247	$9.226
Manufactured/Mobile Homes	Per Square Foot	$0.069	$0.011	$0.270	$3.804	$6.688
General Commercial	Per Square Foot	$0.154	$0.104	$0.140	n/a	n/a
Office Commercial	Per Square Foot	$0.109	$0.031	$0.140	n/a	n/a
Industrial	Per Square Foot	$0.052	$0.017	$0.163	n/a	n/a

Development Impact Fee Per Land Use Total

Land Use	Cost Basis	Total DIF
Single Family Detached	**Per Square Foot**	**$6.708**
Multi-Family Attached	**Per Square Foot**	**$14.785**
Manufactured/Mobile Homes	**Per Square Foot**	**$10.841**
General Commercial	**Per Square Foot**	**$0.397**
Office Commercial	**Per Square Foot**	**$0.280**
Industrial	**Per Square Foot**	**$0.232**