

## Staff Report June 14, 2022

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**TO:** Honorable Mayor and Town Council  
**FROM:** Merrill Buck, Town Engineer  
**DATE:** May 27, 2022  
**RE:** Dry Creek Watershed Mitigation Fee Increase

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### **Recommendation**

Staff recommends that the Town Council adopt a resolution increasing the Dry Creek Watershed Drainage Mitigation Fee, along with an authorizing an adjustment each year for inflation.

### **Issue Statement**

The Dry Creek Watershed Drainage Mitigation fee was established by Ordinance 161, adopted by the Town in December 1995. The purpose of the fee was to fund capital improvement projects identified in a 1992 Placer County Flood Control and Water Conservation District (District) Dry Creek Flood Control Plan. This plan contained projects that were designed to mitigate drainage impacts from new development in the Dry Creek watershed area; as new development adds additional impervious surface areas, which contributes to more runoff, at increased discharged rates, which can pose a downstream flooding threat, endangering life and property.

The entire Town of Loomis is within the Dry Creek watershed. (See Basin Map, included as Attachment B). Land use analysis, at expected buildout, makes it possible to estimate the amount of additional runoff generated by different types of land use. This, in turn, makes it possible to determine the various infrastructure or facilities improvements that will be necessary to mitigate that runoff.

Under a General Plan goal of ensuring that adequate public facilities are financed and provided to serve the community, a drainage mitigation fee was established to fund the capital projects identified in the District's Flood Control Plan. The fee, based upon land use and location, equitably distributes the burden of providing drainage infrastructure within the watershed among those who create the need for them. Identified improvements included local detention basins, bridge and culvert replacements, channel work, floodwalls, levees, a floodplain management system and implementation of a flood warning system.

In 2011, the Flood Control Plan was updated to incorporate new flood and drainage condition modeling. It also included an updated Capital Improvements Plan for additional improvements that would be needed to mitigate flood risks. A 2013 Nexus Study was prepared to update and determine the appropriate cost-distribution of drainage mitigation fees that would be necessary to fund the operations, maintenance and replacement cost associated with flood control

facilities. The Nexus Study was also necessary to satisfy AB 1600, which requires that fees imposed on new development have the proper nexus to any project on which they are imposed.

Recently, the Flood Control District completed an update to their Capital Improvement Program costs and corresponding drainage mitigation fees. This was approved by the District's Board of Directors on May 9, 2022, per Resolution 22-02. The update used the same methodology for distributing costs as the original Nexus Study, while also identifying new infrastructure needs from the District's Dry Creek Capital Improvements Program.

For the Town of Loomis, the current and proposed mitigations fees resulting from the District's updated Nexus Study are shown below. Fees are collected for each single family residential (four dwelling units per acre and less), high density residential (greater than four dwelling units per acre), and commercial/industrial uses.

	<u>Current Fee</u>	<u>Proposed Fee</u>
Single Family Residential (per Unit)	\$ 311	\$ 353
High Density Residential (per Unit)	\$ 119	\$ 135
Commercial/Industrial (per impervious Acre)	\$ 1,427	\$ 1,844

The Town of Loomis has not updated their drainage mitigation fee since its inception, in January 1996. It is recommended that the Council authorize an increase to the mitigation fee, as shown, along with authorizing an annual adjustment to the fee to reflect the inflationary cost of construction, based upon the Engineering News Record Construction Cost Index (CCI) inflationary adjuster, averaging the national 20 City Average CCI with the San Francisco CCI.

If approved, under State law, the proposed fees require a 60-day period before taking effect.

### **CEQA Requirements**

The proposed action involves the modification of an existing development fee for the purpose of obtaining additional funds to support the District's Capital Improvements Program. Under CEQA Guidelines Section 15273(a)(4) and Public Resources Code Section 21080(b)(8), CEQA does not apply to the modification of fees for the purpose of funding capital projects that are limited to an existing area.

### **Financial and/or Policy Implications**

Mitigation fee are collected for, and on behalf of, the Placer County Flood Control and Water Conservation District when new development occurs. As a result, the proposed fee increase will have no effect on the Town's General Fund.

### **Attachments**

- A. Resolution
- B. Dry Creek Watershed Basin Map

### **On File with the Town Clerk:**

- A. March 2013 Dry Creek Nexus Study
- B. May 9, 2022 District Staff Report Approving Updated Impact Fees

**TOWN OF LOOMIS**

**RESOLUTION 22- \_\_\_\_**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS APPROVING AN INCREASE TO THE DRY CREEK WATERSHED DRAINAGE MITIGATION FEE AND AUTHORIZING AN ADJUSTMENT EACH YEAR FOR INFLATION**

**WHEREAS**, the Town of Loomis approved the establishment of a Dry Creek Watershed Mitigation Fee in December 1995 based upon a Placer County Flood Control and Water Conservation District (District) Dry Creek Watershed Flood Control Plan prepared in 1992 that identified capital improvement projects that were necessary to mitigate drainage impacts from new development; and

**WHEREAS**, in 2011, the District updated the Dry Creek Watershed Flood Control Plan and in 2013 completed a Nexus Study for the plan which identified the drainage mitigation fees that would be necessary to fund the identified capital project needs; and

**WHEREAS**, the 2013 Nexus Study, consistent with AB 1600, included a methodology for determining a fee that equitably distributed the burden of providing drainage infrastructure improvements within the Dry Creek watershed among those who create the need for them, based upon land use and location; and

**WHEREAS**, on May 9, 2022, the District’s Board of Directors approved an update to their Capital Improvement Program costs and corresponding drainage mitigation fees, as identified in Table “A” of this resolution, consistent with AB 1600, using the same methodology for distributing fees as the original Nexus Study. Updated infrastructure needs were also identified from the District’s Dry Creek Watershed Capital Improvement Program, summarized in Table “B” of this resolution; and

**WHEREAS**, the Town of Loomis is within the Dry Creek watershed, and as such, has an obligation which the Town accepts, to adopt the updated drainage mitigation fees, on behalf of the District, to be adjusted each year for inflation.

**NOW, THEREFORE**, the Town Council of the Town of Loomis hereby resolves as follows:

Section 1. The Town Council hereby adopts the new Dry Creek Watershed Drainage Mitigation Fee in the amounts specified in Table “A” below and directs staff to begin collecting the fee from future developers beginning sixty (60) days from the effective date of this resolution.

Table A: Dry Creek Watershed Drainage Mitigation Fee

<u>Land Use</u>	<u>Prior Fee</u>	<u>New Fee</u>
Single Family Residential (per Unit)	\$ 311	\$ 353
High Density Residential (per Unit)	\$ 119	\$ 135
Commercial/Industrial (per impervious Acre)	\$ 1,427	\$ 1,844

Section 2. The Town Council makes the following findings, supported by substantial evidence in the record, justifying the types and amounts of fees enumerated in Table “A”:

1. The fees do not constitute a special tax because the fee adjustments calculated in the District's updated Nexus Study assure that the fee amounts do not exceed the cost of services that the fees are applied to; and
2. There is a reasonable relationship between the uses to which the fees will be put, and the types of development projects on which the fees are imposed because the methodology employed in the District's updated Nexus Study and the fee adjustments assure that the Town will assess differing types of development (e.g. residential, commercial, industrial) differing fee amounts in accordance with the degree to which they contribute to the need for the increased services required; and
3. There is a reasonable relationship between the need for public services, infrastructure and facilities that the fees will pay for and the improvement projects identified by the District for which the fees are imposed, which are shown in Table "B" below.

Table B: Dry Creek Watershed Capital Improvement Program

<u>Capital Improvement Project</u>	<u>Total Project Costs</u>	<u>Funding Sources</u>	
		<u>Other</u>	<u>Dry Creek Impact Fees</u>
Antelope Creek Flood Control Project Phase 1, Upper Weir Long Term Mitigation and Monitoring (Years 4 – 10)	\$ 130,000	\$ 0	\$ 130,000
Antelope Creek Flood Control Project Phase 1, Upper Weir remaining Advance Loan Payment Reimbursement balance 2021	\$ 482,636	\$ 0	\$ 482,636
Antelope Creek Flood Control Project Phase 2, Lower Weir	\$ 5,311,150	\$ 500,000	\$ 4,811,150
ALERT System Upgrades	\$ 293,415	\$ 233,415	\$ 60,000
Totals:	\$ 6,217,201	\$ 733,415	\$ 5,483,786

4. Adoption of these fees is not subject to the California Environmental Quality Act (CEQA) because this action constitutes the establishment of fees to obtain funds to maintain services within existing service areas. As such the action is expressly exempted from CEQA by State CEQA Guidelines Section 15273(a)(4) and Public Resources Code Section 21080(b)(8).

Section 4. The adoption of this resolution shall entirely supersede the previously approved Dry Creek Watershed Drainage Mitigation Fee amounts shown in Table "A" of this resolution.

Section 5. The new Dry Creek Watershed Drainage Mitigation Fee amounts shown in Table "A" of this resolution shall be adjusted annually, at the start of each new fiscal year, to reflect the inflationary cost of construction, based upon the Engineering News Record Construction Cost Index (CCI) inflationary adjuster, averaging the national 20 City Average CCI with the San Francisco CCI.

PASSED AND ADOPTED this 14<sup>th</sup> day of June 2022 by the following vote:

AYES:

NOES:

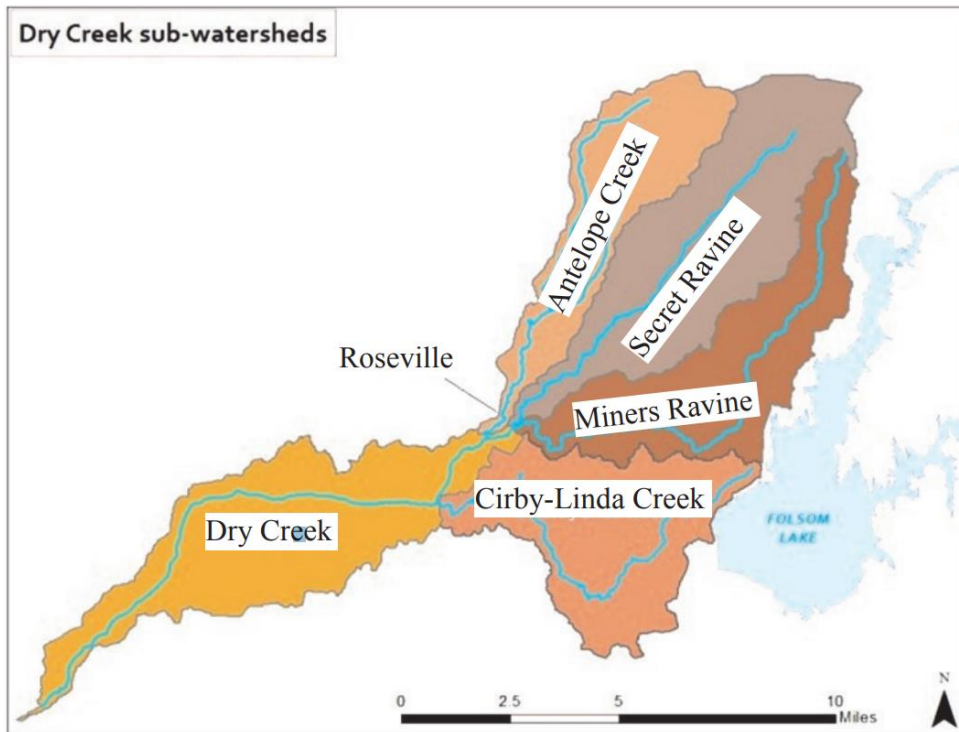
ABSENT:

ABSTAINED:

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Mayor

ATTEST:

\_\_\_\_\_  
Deputy Town Clerk



DRY CREEK WATERSHED BASIN MAPS