

# **Gridley City Council – Regular Meeting Agenda**

Monday, May 1, 2023; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on May 1<sup>st</sup>, 2023, via email to [csantana@gridley.ca.us](mailto:csantana@gridley.ca.us) or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

<https://us06web.zoom.us/j/86287626176?pwd=VWpaNVdrcVhhS1lYdXM2Vk81V0R6QT09>

Passcode: 730048

Webinar ID: 862 8762 6176

**CALL TO ORDER** - Mayor Farr

**ROLL CALL**

**PLEDGE OF ALLEGIANCE** – Councilmember Roberts

**INVOCATION** – Jim Olson, Church of Jesus Christ of the Latter-day Saints

**PROCLAMATION** – None

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES**

- Ruth Moreno, Administrative Service Clerk I
- Jacob Tanabe, Accountant I

**COMMUNITY PARTICIPATION FORUM** - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

**CONSENT AGENDA**

1. City Council Minutes Dated April 17<sup>th</sup>, 2023
2. GPOA MOU Addendum – Holiday Pay
3. Grant Opportunity from Everybody Healthy Body

## ITEMS FOR CONSIDERATION

### 4. Public Hearing: Nexus Study

- Resolution 2023-R-011: Approval of the Sutter Butte Basin Regional Levee Improvement Program Levee Development Impact Fee (Nexus Study) and Related Collection Agreement

### 5. Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee

- Resolution 2023-R-012: A Resolution of the City of Gridley Establishing the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee
- Ordinance No. 846-2023 First Reading by Title Only: An Ordinance of the City of Gridley, Amending Gridley Municipal Code, Title 14 Development Impact Fees, By the Addition of a New Chapter 14.05, Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee

### 6. Gridley Industrial Park Complex Subdivision Map 2-22

- Resolution No. 2023-R-013: a resolution of the City Council authorizing the City Administrator to accept dedications of public lands, rights-of-way, and easements on behalf of the City Council; and,
- Determination of road name in order to complete and file the Final Map of the Industrial Park Complex; and,
- Consideration of the proposals for the development of Parcel 8 and Parcel 10 of the Industrial Park Complex. (APN 021-240-027, 021-270-042)

### 7. Orchard View Subdivision Map 1-23

- Resolution No. 2023-R-014: A resolution of the City Council of the City of Gridley authorizing the City Administrator to accept offers of dedications, public right of way, and easements on behalf of the City Council.
- Resolution No. 2023-R-015: A resolution of the City Council approving the instrument entitled Subdivision Improvement Agreement and authorizing the City Administrator to execute any documents and agreements on behalf of the City Council to enable the recordation of the Final Subdivision Map 1-23.  
Owner: Jagtar Madare (APN: 021-110-033)

**CITY STAFF AND COUNCIL COMMITTEE REPORTS** - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

**CITY ADMINISTRATOR REPORTS** - *Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.*

**POTENTIAL FUTURE CITY COUNCIL ITEMS** - *(Appearing on the Agenda within 30-90 days):*

Industrial Park Final Map	5/15/2023
Request for Proposal for Audit Services	6/19/2023
Finance Policies	6/19/2023
Cost of Services Study Findings and Recommendations	6/19/2023

**CLOSED SESSION**

8. Closed Session Conference with Legal Counsel Pursuant to California Government Code 54956.9 to Discuss Potential Anticipated Litigation: One (1) Potential Case

**ADJOURNMENT** – adjourning to a Regular meeting on May 15<sup>th</sup>, 2023.

**NOTE 1: POSTING OF AGENDA-** This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., April 28<sup>th</sup>, 2023. This agenda along with all attachments is available for public viewing online at [www.gridley.ca.us](http://www.gridley.ca.us) and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

**NOTE 2: REGARDING UNSCHEDULED MATTERS** – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.



## **Gridley City Council – Regular Meeting Minutes**

Monday, April 17, 2023; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

### **CALL TO ORDER**

**Mayor Farr called the meeting to order at 6:00 pm.**

### **ROLL CALL**

#### **Councilmembers**

Present:

Farr, Johnson, Calderon, Sanchez

Absent:

Roberts

Arriving after roll call:

None

Staff Present:

Cliff Wagner, City Administrator

Todd Farr, Police Lieutenant

Tony Galyean, City Attorney

Elisa Arteaga, Finance Director

Dave Harden, City Engineer

Donna Decker, Planning Director

Ross Pippitt, Public Works Director

Jake Carter, Utility Director

Ashley Ayala, Recreation Coordinator

### **PLEDGE OF ALLEGIANCE**

**Mayor Farr led the Pledge of Allegiance.**

**INVOCATION – None**

**PROCLAMATION – None**

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None**

### **COMMUNITY PARTICIPATION FORUM**

**The forum was opened, and seeing no one present to speak, was closed.**

### **CONSENT AGENDA**

1. City Council Minutes Dated April 17<sup>th</sup>, 2023

## 2. February 2023 and March 2023 Expenditure Reports

**Motion to approve consent agenda was made by Vice Mayor Johnson, seconded by Councilmember Calderon.**

### **ROLL CALL VOTE**

**Ayes: Farr, Johnson, Calderon, Sanchez**

**Motion passed, 4-0**

### **ITEMS FOR CONSIDERATION**

#### 3. Informational Update – Recreation Coordinator, Ashley Ayala

**Mrs. Ayala provided Council with a brief informational report on the recreation programs that will soon be available to the community.**

#### 4. Appointment of One Gridley City Council Representative to Serve on the Ad-Hock Working Group for the Renewal of the City of Biggs Electric Utility Services Operations and Maintenance Agreement

**Motion to appoint Councilmember Roberts to the Ad-Hock Committee was made by Vice Mayor Johnson, seconded by Councilmember Calderon.**

### **ROLL CALL VOTE**

**Ayes: Farr, Johnson, Calderon, Sanchez**

**Motion passed, 4-0**

#### 5. Budget Study Session Calendar

**Finance Director, Elisa Arteaga, requested feedback on how the Council would like to hold the upcoming budget study sessions and ask them to send blackout dates to her for May or June. Council agreed.**

#### 6. Consideration of Proposal to Enter into a Memorandum of Understanding (MOU) with the Cities of Biggs, Chico, Gridley, Oroville, and Butte County to Meet SB 1383 Edible Food Recovery Regulatory Requirements

**City Administrator Wagner presented the staff report and explained this MOU with neighboring jurisdictions would assist the City of Gridley in meeting the requirements of SB 1383.**

**Motion to approve was made by Councilmember Calderon, seconded by Councilmember Sanchez.**

### **ROLL CALL VOTE**

**Ayes: Farr, Sanchez, Calderon**

**Noes: Johnson**

**Motion passed, 3-1**

7. Consideration of Proposal to Enter into a Memorandum of Understanding (MOU) with FEMA for Temporary Storage of Trailers and Supplies at the Industrial Park through June 15, 2023

**Administrator Wagner requested approval of the MOU with FEMA for temporary storage at the Industrial Park.**

**Motion to approve was made by Councilmember Sanchez, seconded by Councilmember Calderon.**

**ROLL CALL VOTE**

**Ayes: Farr, Sanchez, Calderon**

**Noes: Johnson**

**Motion passed, 3-1**

8. M&D Development, S&S Construction - Engineering, Inspecting, Plan Check Billing Concerns (Councilmember Sanchez)

**Mike Visinoni, with M&D Developments, presented his concerns of the City's plan check process and provided hard copy documents to Council.**

**Steve Stapley, with S&S Construction, presented slides to Council and expressed his concerns about the City's developmental impact fees.**

**Ray Borges addressed Council in public comment about his lot split that he felt was a lengthy process.**

**Sunny Dhami spoke during public comment in support of the developers and shared their concerns.**

**After brief Council discussion, motion to continue the item and allow City staff to respond at a future meeting was made by Vice Mayor Johnson, seconded by Councilmember Calderon.**

**ROLL CALL VOTE**

**Ayes: Farr, Johnson, Calderon, Sanchez**

**Motion passed, 4-0**

**CITY STAFF AND COUNCIL COMMITTEE REPORTS**

**Councilmember Calderon reported on his attendance at the BCAG meeting.**

**Vice Mayor Johnson informed Council of his attendance at the LAFCO, Sutter Butte Flood Control Agency and the Mosquito and Vector Control District meetings.**

## CITY ADMINISTRATOR REPORTS - None

## POTENTIAL FUTURE CITY COUNCIL ITEMS - *(Appearing on the Agenda within 30-90 days):*

SBFCA Development Fee	5/1/2023
Industrial Park Final Map	5/15/2023
Request for Proposal for Audit Services	6/19/2023
Finance Policies	6/19/2023

## CLOSED SESSION

9. Closed Session Conference with Legal Counsel Pursuant to California Government Code 54956.9 to Discuss Potential Anticipated Litigation: One (1) Potential Case

**Council went into closed session and came out at 9:47 pm with no reportable action.**

## ADJOURNMENT

**With no further items left to discuss, Mayor Farr adjourned to the next regular meeting on May 1<sup>st</sup>, 2023.**

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**Cliff Wagner, City Administrator**



**City Council Agenda Item #2**  
Staff Report

**Date:** May 1, 2023  
**To:** Mayor and City Council  
**From:** Cliff Wagner, City Administrator

<b>X</b>	Regular
	Special
	Closed
	Emergency

**Subject:** GPOA MOU Addendum – Holiday Pay

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**Recommendation**

City staff respectfully recommends the approval of the addendum to the GPOA MOU in regard to Holiday Pay to clarify and memorialize the City's past practice of including incentives in the calculation of Holiday Pay.

**Background**

The City of Gridley offers multiple incentives to all employees that meet specific requirements. These incentives are included in the employee's hourly pay. This addendum to the holiday pay is to satisfy the CalPERS regulations to have memorialized that the City also would like holiday pay to include these incentives.

**Financial Impact**

The City of Gridley has been practicing this policy, there is no financial impact.

**Compliance with City Council Strategic Plan or Budget Goals**

The City Council and City staff are committed to providing quality benefits and fair and equal treatment by way of policies and procedures that are clear and informative.

**Attachments**

Letter of Agreement

Letter of Agreement between the Gridley Police Officer Association (GPOA) and the City of Gridley  
(City) regarding **Title 19 RETIREMENT**

To clarify and memorialize the City's past practice of including incentives in the calculation of Holiday Pay, the following wording is to be added to the Gridley Police Officer Association Memorandum of Understanding under **Title 19 RETIREMENT**

**"Section 19.3 - Holiday Pay Calculation**

For purposes of calculating Holiday Pay and reporting Holiday Pay to CalPERS, the City's practice has been to include all incentives received by the employee in the holiday pay rate. With this Section, it is the City's intent to clarify and memorialize this practice. Therefore, when an employee submits for Holiday pay, the holiday rate used to calculate pay will include incentives the employee was approved to receive at the time the hours were worked.

Incentives to be included in the holiday rate are POST certifications, bilingual pay, education incentives, assignment pay and longevity.

This section does not apply to PEPRAs members per CalPERS regulations.

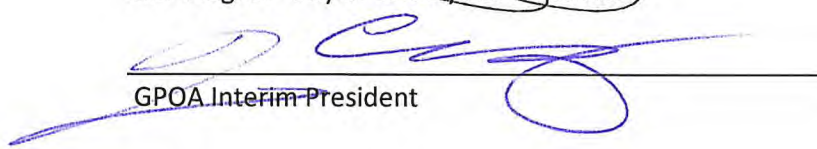
As an example: An Officer whose base pay is \$5000 and incentive pay is \$500 would have the following calculation:

Base hourly rate: \$28.85  
Hourly rate w/incentives: \$31.73  
Holiday pay rate = hourly rate w/incentives x 1.5 (31.73 x 1.5) or \$47.60 hour. So \$47.60 (Holiday Pay rate) would be the reportable amount to CalPERS."

In Agreement:

Date: 4-18-23

  
Cliff Wagner- City of Gridley Administrator

  
GPOA Interim President

**Council Agenda Item #3**  
Staff Report

**Date:** May 1<sup>st</sup>, 2023

**To:** Mayor and City Council

**From:** Ashley Ayala, Recreation Coordinator

**Subject:** Grant Opportunity from Everybody Healthy Body

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<b>X</b>	Regular
	Special
	Closed
	Emergency

**Recommendation**

City staff respectfully requests approval to apply for the pass-thru scholarship funding Grant of \$5,000.00 offered by the Organization: Everybody Healthy Body, to use for Scholarship opportunities for underserved youth in our area for Soccer Registrations.

**Background**

Gridley Recreation has been invited to be a part of a grant opportunity from Everybody Healthy Body, North Valley Community Foundation, and BSF-Aaron Rodgers NorCal Fire Recovery Fund at NVCF called Building Sports Capacity in the Northern California Region.

The Grant Opportunity would offer pass-thru funding to go towards Scholarship Opportunities for underserved youth in the area by supplying \$5,000.00 for our Gridley Recreation Soccer League. Gridley Recreation would in turn have to hold four workshops with staff to develop new ideas and strategies to promote more inclusivity, more outreach, learn marketing skills, generate fundraising ideas etc. There is reporting required that the Recreation Coordinator would complete, five high quality images of the participants to be submitted with EBHB logo visible, EBHB to be recognized in some capacity on social media and in a newsletter once per season.

Everybody Healthy Body (EBHB) is an independent non-profit with its own 501(c)3 status with a mission to build a healthy community through physical activity. EBHB's vision is to make it easy for everyone to get more physically active through increased access to facilities and programs.

**Financial Impact**

There is no financial impact to the City.

**Compliance with City Council Strategic Plan or Budget Goals**

Applying for the above funds is compliant with the City's ongoing efforts to provide equal opportunities to all City residents. Granted funds would be directly towards Registration Fees for underserved youth.

**Attachments**

Reach Out Letter from EBHB  
Project Fact Sheet from EBHB



Dear Ashley,

We would like to invite you to be a part of a grant opportunity from Everybody Healthy Body, North Valley Community Foundation, and BSF-Aaron Rodgers NorCal Fire Recovery Fund at NVCF called **Building Sports Capacity in the Northern California Region**.

Everybody Healthy Body (EBHB) is an independent non-profit with its own 501(c)3 status with a mission to build a healthy community through physical activity. EBHB's vision is to make it easy for everyone to get more physically active through increased access to facilities and programs.

*"All people, regardless of their backgrounds, whether they differ racially, in their gender, or in socioeconomic status, deserve to enjoy the benefits of sport and exercise and profit from sport psychology knowledge."* <https://humankinetics.me/2018/12/11/diversify-sport/>

EBHB has identified a need for local sports and organizations to adopt a strong **IDEA initiative** (Inclusivity, Diversity, Equity, and Accessibility) to ensure they are able to meet the needs of the whole community.

For example, Latinx communities make up more than 40% of the region's demographics, yet many sports organizations have not had the resources to translate materials or websites into Spanish, or have volunteers who match these demographics. Furthermore, several sports organizations have not been able to offer scholarships or a sliding scale-based fee structure to accommodate community members who cannot afford their full fee. These organizations will be able to better serve the community if they can increase awareness of their organizations in multiple languages, and foster an inclusive and equitable environment.

*"As ethnic minority populations increase in the U.S., the call for greater diversity in sports will become louder and more pervasive. To encourage individuals of all backgrounds to participate in sports, athletic departments, sports associations, and other relevant bodies must recognize the need to begin developing and applying diversity strategies today."* ~ <https://onlinemasters.ohio.edu/blog/fighting-for-diversity-inclusion-in-scholastic-sports/>

Everybody Healthy Body has secured funds through the North Valley Community Foundation to work toward this objective. **Phase 1 of this project is to work with FIVE committed organizations in Spring 2023 to achieve their immediate goal of growing their capacity and serving a more diverse population.**

Each participating organization would receive **\$5,000 of pass-thru scholarship funds** for under-resourced participants plus workshops, translation services, and technical support to help establish and implement a successful IDEA (Inclusivity, Diversity, Equity, and Accessibility) plan to ensure long-term success.

Please look at the Building Sports Capacity ‘**Fact Sheet**’ attached to this letter to review the project’s requirements and **submit the attached application via email to [sophia@everybodyhealthybody.org](mailto:sophia@everybodyhealthybody.org) by 5 pm PST Wednesday, April 5.** A grant committee will review the applications and **in person interviews will take place during the week of April 17.**

Please let me know if you have any questions. We look forward to hearing from you and hopefully including you in this amazing project!

Thank you!

Sophia Warzybok  
Program Coordinator  
Everybody Healthy Body

## Project Fact Sheet



### **Commitment:**

#### 10-12 months

- 4 months of workshops through the Spring and Summer of 2023
- 5 months (or one season) of implementation in your program (Fall 2023)

#### 4 Workshops

- One in person 80 minute workshop per month in the evenings for 4 months (May-August)

#### Workshop Topics

- IDEA (Inclusivity, Diversity, Equity, and Accessibility) Strategy
- Marketing and Outreach: Volunteers and Participants
- Funding: Development, Diversification, Grant Writing, Fundraising
- Translation: Promotional and Outreach Materials

#### Reports

- Mid year report after completion of workshops
  - Creating a Strategic Plan for increased capacity with IDEA goals
- End of Grant Report to highlight outcomes and achievements
- Submit a minimum of 5 high-quality photos of participants and/or coaches where the EBHB logo is visible.

#### Commitment of Implementation

- Willingness and capacity to grow/expand your organization
- Willingness to implement scholarship strategy to serve more under-resourced participants
- Willingness to increase outreach through social media platforms and print materials (and recognize EBHB on social media and in a newsletter once per season)
- Willingness to participate and be an advocate for the EBHB Sports Commission

### **Funds**

- \$5,000 pass-thru funds per organization used specifically for participants from under-resourced households

Determinations for IDEA Expansion grants will be based on the strength of each application and the anticipated metrics and milestones that will be achieved.

**The deadline for applications is 5pm PST Wednesday, April 5th.**

A grant committee will review the applications and make funding recommendations. **The committee will also hold in person interviews during the week of April 17.** The first workshop and orientation meeting will be held during the first week of May. Funds will be distributed by July or August 2023, provided the organization has attended the workshops, submitted their mid-way Strategic Plan and report, and the funds have been received from NVCF.

Questions about the partnership can be sent to [sophia@everybodyhealthybody.org](mailto:sophia@everybodyhealthybody.org)

Thank you!





## City Council Item #4

### Staff Report

**Date:** April 17<sup>th</sup>, 2023  
**To:** Mayor and City Council Members  
**From:** Cliff Wagner, City Administrator  
**Subject:** Public Hearing Nexus Study - Resolution 2023-R-011: Approval of the Sutter Butte Basin Regional Levee Improvement Program Levee Development Impact Fee (Nexus Study) and Related Collection Agreement

<b>X</b>	Regular
	Special
	Closed
	Emergency

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#### Recommendation

Staff respectfully requests the City Council Conduct a public hearing to consider the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study, receive public input, and upon conclusion of public hearing, adopt a resolution that, (1) adopts the Nexus Study, and (2) delegates authority to the City Administrator to execute the collection agreement, substantially in the form attached, with the Sutter Butte Flood Control Agency (SBFCA), the Counties of Butte and Sutter and the Cities of Biggs, Live Oak, and Yuba City.

#### Summary

Before the City Council is the first step in the process of implementing the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee (Regional LDIF). The purpose of the Regional LDIF is to ensure complete and full levee improvements to provide 200-year level of protection to the urban (Northern) portion of the Sutter-Butte Basin and 100-year level of protection to the rural (southern) portion of the Basin. New requirements in the law pertaining to development impact fees require a 30-day noticed public hearing prior to the approval of a Nexus Study to support a new or increased development impact fee. This public hearing and notice is separate of the requirement to have a noticed public hearing prior to the adoption of the fee itself.

The recommended action includes conducting a required public hearing and approval of the Nexus Study as well as the approval of a collection agreement with SBFCA for the fee. Separately, as the next item on this Agenda, City Staff is presenting a new Fee Ordinance for the Council's consideration that would approve and implement the fee.

#### Background

The Sutter Butte Flood Control Agency was formed in 2007 for the purpose of consolidating efforts of several agencies and communities with flood management responsibilities and implementing locally led flood protection projects. SBFCA's membership is comprised of the Counties of Butte and Sutter and the Cities of Biggs, Gridley, Live Oak, and Yuba City, and Levee District 1 and 9. SBFCA's City and County members have land use authority and are responsible for making key decisions that impact development in the floodplain.

As part of its comprehensive capital facilities fee program, Yuba City started collecting a flood protection development impact fee in October 2007. The fee was collected throughout Yuba City as well the City's sphere of influence within Sutter County. Through coordination with Yuba City, SBFCA reviewed the levee fee component of Yuba City's AB 1600 Nexus Study and subsequent to that review, prepared the attached Nexus Study to justify a fee that works in concert with SBFCA's overall funding and financing plan for levee improvements within the Sutter-Butte Basin. Yuba City rescinded their impact fee in June 2021 with the understanding that SBFCA would consider establishing a Regional Impact Fee.

Since 2007, several key facts and circumstances that supported the Yuba City Nexus Study have changed, necessitating the development of a new Regional Levee Impact Fee Program. SBFCA in coordination with the Cities and Counties is working to implement the new Levee fee that address the following key issues. In summary, the Regional LDIF reflects the following:

- A detailed update of planned developments in all jurisdictions within the boundaries of SBFCA
  - The Regional LDIF only applies to planned development within the Sutter-Butte Basin that benefits from the facilities providing reduced flood risk. For determining the allocation base for the fee, planned development is all development that has been identified by the land use jurisdictions and is expected to obtain a building permit after the implementation of the fee program. The study provides a summary of planned new development by land use that expected to be subject to the fee for the duration of the fee program.
- Inclusion of the full scope of SBFCA's levee improvement program
  - The benefits identified in SBFCA's Assessment District Engineer's Report were based on all elements of the Sutter-Butte Basin protection system being completed, with the assumption that the required improvements to the Southern portion of the Sutter-Butte Basin would be completed by the Department of Water Resources (DWR). However, it is clear that DWR will not have sufficient funding available to prioritize the repairs and improvements along the Southern portion of the Basin. As such the overall funding plan reflected in the Regional LDIF Nexus Study takes into consideration updated assumptions regarding cost sharing for the improvement required to complete SBFCA's charge reflected in its adopted Strategic Plan.
- Recognition of SBFCA's current Assessment District and the funding provided
  - Since 2010, SBFCA's Assessment District has collected assessments from all properties benefiting from a completed system of improvements within the Sutter-Butte Basin. This includes the benefits to be conveyed by repairs and improvements to both the Feather River West Levee (FRWL) and the Sutter Bypass East Levee. The investment of Assessment collected in the rural portion of the Basin, have helped advance improvements to the northern urban portion of the Basin based on the prioritization of risk and consequence. The Regional LDIF, when collected and utilized to help complete rural Basin repairs will help ensure that the benefits of the completed improvements are realized by all properties being assessed.
  - Within the Regional LDIF Nexus Study, the amount of funding expected to be generated by the Fee considers the Assessment District, existing grants, and reflects an assumption for future State/Federal cost sharing of remaining projects.

SBFCA staff and consultants prepared drafts of required documentation needed to implement the proposed Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee. This document includes the following items attached to this report:

- Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study, Dated December 14, 2022.

- Agreement for Collection of Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee.

The following discussion summarizes the attached materials and provides additional context for council's consideration.

### Nexus Study

The preparation of a Nexus Study is the first step in the process of approving the Sutter-Butte Basin Regional Levee Improvement Development Impact Fee Program. The Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.), identifies the required findings which must be made in any action establishing, increasing, or imposing a development impact fee as a condition of approval of a development project. The attached Nexus study has been prepared in a manner that establishes an equitable and fair share impact fee that can be imposed on all planned development projects that are provided 200-year level of protection to the urban (Northern) portion of the Sutter-Butte Basin and 100-year level of protection to the rural (Southern) portion of the Basin. Impact Fees would be collected to continue providing the funding necessary to pay for the levee system improvements. In general, the study establishes the "nexus" between the impacts of the development project and the costs associated with the construction of public facilities to mitigate the impacts.

The Nexus Study documents the findings required by the Mitigation Fee Act and include the following:

- Identify the purpose of the fee.
- Identify the use to which the fee is to be put.
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
- Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
- Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility (or portion of the public facility) attributable to the development project on which the fee is imposed.

The required findings and supporting discussion for the Development Impact Fee are presented within the Nexus Study. **Tables 1** below summarizes the preliminary initial fee rates documented and justified within the Nexus Study. **Table 2** details the demonstrative rates on a per unit basis and provides a comparison to the previously rescinded Yuba City rates that were in effect till June 2021. It is Staff's goal to work with the Member Land Use Agencies to implement the new fee rates effective by July 1, 2023. This timing is subject to approval of the Nexus Study Update by the land use agencies.

**Table 1 – Preliminary Initial Fee Rates**

<b>Land Use</b>	<b>Cost Share Table 8</b>	<b>Admin Fee 3%</b>	<b>Fee Rate Per 1,000 Sq Ft [1]</b>
Single Family Residential	\$416	\$12	\$428
Multi-Family Residential	\$261	\$8	\$269
Commercial	\$423	\$13	\$436
Industrial	\$271	\$8	\$279

[1] These initial Fee Rates are effective upon adoption through the end of FY 2022-2023 after which annual Fee escalation, as described in the Nexus Study, will be applied starting July 1, 2023. Rounded to the nearest whole dollar.

**Table 2 – Demonstrative Rates on Per Unit Basis**

<b>Land Use</b>	<b>Per Unit Fee Rates</b>		
	<b><i>Proposed SBFCA Fee (Estimated)</i></b>	<b><i>Current Yuba City [1] Flood Protection</i></b>	<b><i>Estimated Reduction</i></b>
Single Family Residential [2]	\$642	\$3,951	84%
Multi-Family Residential [2]	\$215	\$2,832	92%
Commercial / KSF	\$436	\$632	31%
Industrial / KSF	\$279	\$316	12%

[1] Per Yuba City Permit Calculation Sheet Effective January 1, 2021 (now rescinded)

[2] Assumes a 1,500 sq. Ft Single Family Residential unit and a 800 Sq. Ft Multi-Family Residential Unit

### Collection Agreement

To facilitate collection of the Regional LDIF, SBFCA proposes to enter into the attached collection agreement with each of the land use jurisdictions within the Sutter-Butte Basin to administer and collect the Regional LDIF. The Regional LDIF will apply to all Planned Development in the Sutter-Butte Basin that creates a flood protection impact.

Staff requests that the Council delegate authority to the City Manager, after consultation with the City Attorney, to execute an Agreement substantially in the form attached to this report. The following summarizes the substantive terms reflected with the attached form of agreement:

- On July 1, 2023, or soon thereafter the fee becomes effective within each Land Use Agency consistent with the Mitigation Fee Act, the Land Use agencies will commence collection of the Regional LDIF.
- The Land Use Agencies will deposit all Regional DIF revenues collected, including any interest earned on funds collected less 3% Administrative costs of collection, with SBFCA.
- SBFCA will provide a 60-day notice to the Land Use Agencies of any needed proposed changes to the Regional LDIF including regular escalation of the Fee.

- The agreement also addresses reimbursement of the Regional LDIF in the event of collection errors or building permit cancellation, appeals of Regional LDIF calculations or applicability, indemnity, notice and other standard legal agreement provisions.

**Fiscal Impact**

There is no immediate fiscal impact to the City by adopting the attached Resolution approving the Nexus Study and authorizing the execution of the Collection Agreement. City Staff have coordinated with SBFCA staff to prepare the necessary materials to adopt the proposed fee by ordinance under a separate action as further described below.

**Action to Be Taken Following Approval**

Upon approval of this Resolution, City Staff will work with SBFCA to prepare the necessary documents for approval of the development impact fee. This would include a new Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Ordinance and supporting resolution setting the fee rates consistent with the approved Nexus Study. In addition, City staff will work with SBFCA to finalize and execute the Collection Agreement.

**Attachments**

1. Resolution No. 2023-R-011
2. Exhibit "A" to Resolution - Nexus Study
3. Exhibit "B" to Resolution - Collection Agreement



**RESOLUTION NO.**

**2023-R-011**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY  
APPROVING THE SUTTER BUTTE BASIN REGIONAL LEVEE PROGRAM DEVELOPMENT  
IMPACT FEE NEXUS STUDY; APPROVING THE AGREEMENT OF COLLECTION OF THE SUTTER  
BUTTE BASIN REGIONAL PROGRAM DEVELOPMENT IMPACT FEE; AND AUTHORIZING THE  
CITY MANAGER TO EXECUTE THE COLLECTION AGREEMENT**

**WHEREAS**, the Mitigation Fee Act (Act) (California Government Code Section 66000 et seq.) authorizes a local agency to impose impact fees as a condition of approval of development projects to help defray the costs of public infrastructure and facilities that will be needed to serve the proposed development; and

**WHEREAS**, Section 66016.5(a) of the Act requires that prior to adopting a development impact fee, a local agency must adopt an impact fee nexus study that establishes the connection between the proposed fee and the actual impacts of development on the local public infrastructure and facilities; and

**WHEREAS**, The Sutter Butte Flood Control Agency (SBFCA) is a joint powers authority formed in 2008 for the purpose of improving protection in the Sutter-Butte Basin; and

**WHEREAS**, the Cities of Biggs, Gridley, Live Oak, and Yuba City and the Counties of Butte and Sutter are all member agencies of SBFCA and each has the authority to prescribe, revise, and collect fees as a condition of development of land for the purpose of financing flood control facilities, including the authority to make such fees applicable to development land within their boundaries; and

**WHEREAS**, each of the cities and/or counties has expressed an interest or intent to exercise this authority to collect fees to provide funding for flood protection; and

**WHEREAS**, in its role as a joint powers authority planning and implementing flood control activities in the Sutter-Butte Basin, SBFCA has prepared a Sutter-Butte Basin Regional Levee Development Impact Fee Nexus Study ("Nexus Study") which is attached as Exhibit A to this Agreement, which describes and determines the applicable development impact fee within the city or county ("DIF") and sets forth the required findings required by Government Code Section 66000 et. seq.; and

**WHEREAS**, in accordance with Section 66016.5(a)(7) of the Act, notice was published in the Gridley Bulletin on [DATE], providing 30 days' notification of the time and place for a public hearing to consider and adopt the Nexus Study. Notice of the hearing was also provided 14 days prior to the public hearing to those interested parties who requested, in writing, notice of meetings on new or increased fees or service charges; and

**WHEREAS**, a public hearing was held on May 1<sup>st</sup>, 2023, at a regularly scheduled meeting of the Gridley City Council (Council) to hear and consider the Nexus Study and its findings, as presented by SBFCA staff and consultants, and any written and oral presentations from interested members of the public regarding the Nexus Study and the proposed development impact fee; and

**WHEREAS**, the Nexus Study finds the development impact fee will fund full levee improvements to provide 200-year protection to the Urban (Northern) portion of the Sutter Butte Basin and 100-year protection to the rural (Southern) portion of the Basin; and

**WHEREAS**, the Nexus Study includes appropriate findings that a fee charged on a gross developable acreage basis bears a reasonable relationship between the fee being charged and the burden posed by the development, and that fees charged on housing developments need not be calculated on a square footage basis, consistent with the requirements of Section 66016.5(a) of the Act; and

**WHEREAS**, SBFCA has requested that the four cities and two counties enter into an agreement to collect the proposed development impact fees as a condition of issuing building permits for new development in the Sutter Butte Basin within each party's respective land use authority and provide those funds to SBFCA; and

**WHEREAS**, SBFCA has prepared a Collection Agreement for Collection of the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee (Collection Agreement), attached hereto as Exhibit 2, for the Counties of Sutter and Butte and the cities of Biggs, Gridley, Live Oak, and Yuba City to execute.

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Gridley as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establish the factual basis for the City Council's adoption of this Resolution.
2. The Council hereby approves and adopts the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study prepared by SBFCA and attached hereto as Exhibit A.
3. The Nexus Study adopted by this Resolution supersedes any prior nexus study adopted in relation to development impact fees for the Sutter Butte Basin, and shall be updated at least every eight years, in accordance with Section 66016(a)(8) of the Act.
4. The proposed development impact fee, along with any evidence regarding the proposed fee calculation, assumptions, or methodology, shall be considered for



adoption by ordinance at the second scheduled public hearing on May 15, 2023, to be noticed and held in accordance with Sections 66018 and 66019 of the Act.

5. The Council hereby approves the Agreement for Collection of Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee, attached hereto as Exhibit B, and affirms that any adopted impact development fee will be collected by the City in accordance with the Collection Agreement.
6. The City Manager is hereby authorized to execute the Collection Agreement substantially in the form attached, subject to review and approval by the City Attorney, and take whatever other actions are necessary and appropriate to carry out the purpose and intent of this Resolution.
7. The adoption of this Resolution is not a “project” subject to the California Environmental Quality Act (“CEQA”) because it is in furtherance of the creation of a government funding mechanism which does not involve any commitment to any specific project CEQA Guidelines Section 15378(b)(4)), and because it can be seen with certainty that there is no possibility that the resolved actions may have a significant effect on the environment, in that this Resolution contains no provisions modifying the physical design, development, or construction of residences or nonresidential structures (CEQA Guidelines Section 15061(b)(3)).

**I HEREBY CERTIFY** that the foregoing **RESOLUTION** was duly passed and adopted by the Council of the City of Gridley at a regular meeting thereof, held on the 1<sup>st</sup> of May 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Cliff Wagner, City Administrator

---

Michael W Farr, Mayor





PUBLIC FINANCE  
& MANAGEMENT  
**RESOLVED**

LARSEN WURZEL  
& Associates, Inc.

2450 Venture Oaks Way, Suite 240  
Sacramento, CA 95833

# Sutter Butte Basin

## **Regional Levee Improvement Program Development Impact Fee**

### *NEXUS STUDY*

Prepared for: Butte County, Sutter County, City of Biggs, City of Gridley,  
City of Live Oak, and City of Yuba City

Prepared by: Larsen Wurzel & Associates, Inc.

Prepared on Behalf of: Sutter Butte Flood Control Agency (SBFCA)

December 14, 2022

**RESOLUTION PLACEHOLDER**

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- Appendix A: Planned Development Details
- Appendix B: Funding Sources Detail
- Appendix C: Estimated Cost Allocation By Land Use Agency

## LIST OF ABBREVIATIONS

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2007 Nexus Study	Yuba City Impact Fee Justification Report
2010 SBFCA Assessment ER	SBFCA Assessment District Final Engineer's Report prepared by Parsons Brinckerhoff dated July 14, 2010
AB 602	Assembly Bill 602 (2021)
AB 1600	Assembly Bill 1600, Mitigation Fee Act
DWR	California Department of Water of Resources
CCI	Construction Cost Index
ENR	Engineering News-Record
FEMA	Federal Emergency Management Agency
FRWLP	Feather River West Levee Project
GDA	Gross Developable Acreage
JPA	Joint Powers Authority
Levee Fee	Yuba City flood protection development impact fee
LFMA	Local Flood Management Agency
LWA	Larsen Wurzel & Associates, Inc.
Member Land Use Agencies	Counties of Butte and Sutter and the Cities of Biggs, Girdley, Live Oak, and Yuba City (collectively)
Nexus Study	Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study
Regional LDIF	Sutter Butte Basin Regional Levee Improvement Program Development Impact
SBFCA Board	SBFCA Board of Directors
USACE	U.S. Army Corp of Engineers

## SUMMARY

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### Overview

Larsen Wurzel & Associates, Inc. (LWA) has prepared this Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee (Regional LDIF) Nexus Study (Nexus Study) by request of the Sutter Butte Flood Control Agency (SBFCA) and on behalf of the Counties of Butte and Sutter and the Cities of Biggs, Girdley, Live Oak, and Yuba City (collectively, the Member Land Use Agencies). This Nexus Study has been prepared to support the adoption of a Regional LDIF by each of the Member Land Use Agencies.

Since October 2007, Yuba City has collected a flood protection development impact fee (Levee Fee) as part of its comprehensive capital facilities fee program. This fee applied to all of Yuba City as well as Yuba City's sphere of influence within Sutter County. In addition, Sutter County relied on the same impact fee justification (2007 Nexus Study) to collect the levee fee within Sutter County's jurisdiction in the Sutter Butte Basin.

SBFCA is supporting the implementation of an updated development impact fee program for the entire region because the facts and circumstances supporting Yuba City's 2007 Nexus Study have changed. This study includes the following updates relative to the 2007 Nexus Study:

- A detailed update of the planned development in all jurisdictions within the boundaries of SBFCA;
- The full scope of SBFCA's levee improvement program; and,
- Recognition of SBFCA's current Assessment District and the funding provided through this mechanism.

It is intended that the Regional LDIF be collected throughout the entire Sutter Butte Basin. This Nexus Study provides the basis for a Regional LDIF to ensure that new development pays its proportionate share of the levee improvements that are being advanced by SBFCA to provide protection to the entire Sutter Butte Basin. It is expected that this Nexus Study and a Regional LDIF will be adopted by each of the Land Use Agencies.

### SBFCA Background

SBFCA was formed in 2007 for the purpose of consolidating efforts of several agencies and communities with flood management responsibilities and implementing locally led flood protection projects. SBFCA is a joint powers authority (JPA) composed of the Counties of Butte and Sutter and the Cities of Biggs, Gridley, Live Oak, and Yuba City, and Levee Districts 1 and 9. Among SBFCA's member agencies, the cities and counties bear the responsibility for making key land use decisions and managing the floodplain. The member levee districts are responsible for the operation and maintenance of flood control facilities within their jurisdiction, including levees and appurtenant structures.

The SBFCA Board of Directors (SBFCA Board) is composed of 13 regular members, each of whom is an elected representative of a SBFCA member Agency. The SBFCA Board is the sole authorizing body for all SBFCA operations and actions. All SBFCA programs, projects, funding, financing, and policy decisions are approved by the SBFCA Board.



As provided for in the SBFCA JPA, SBFCA may exercise a broad suite of powers within its jurisdictional boundaries, including, but not limited to:

1. Plan and implement the ways and means to control flood waters within SBFCA boundaries.
2. Enter into contracts.
3. Evaluate, rehabilitate, reconstruct, repair, replace, improve, or add to the facilities of the State Plan of Flood Control in the Central Valley.
4. Acquire, develop, control, construct, manage, maintain, improve, operate, repair, and replace flood control facilities within the SBFCA boundaries.
5. Enter into agreements with any agency/department of the United States of America, the State of California, or any other governmental agency to provide funding necessary for SBFCA projects and programs.
6. Acquire property, by eminent domain or otherwise, and to hold and dispose of property necessary for SBFCA projects and programs.
7. Incur debts, liabilities, or obligations.
8. Levy and collect special benefits assessments, special capital assessments, and issue revenue bonds.
9. Impose and collect property-related fees, special taxes, and general taxes.
10. Prescribe, revise, and collect fees as a condition of land development.
11. Apply for, accept, and receive Federal, State, or local licenses, permits, grants, loans or other aid from any agency of the United States of America or the State of California.

A benefit assessment district, compliant with California Proposition 218, was created in 2010 to fund specific SBFCA operations, projects, and programs. SBFCA has also sought and received grant funding through a variety of sources (primarily from State of California grant programs). These funding agreements were executed following the formation of the JPA and Assessment District.

The SBFCA adopted Strategic Plan, dated April 2018, formulates and articulates a vision for flood management within the Basin and describes an approach to achieve that vision. The plan is updated every five years, or more often if warranted. It describes the accomplishments planned for the subsequent 10 years and who will be involved in accomplishing the goals and objectives identified. The Strategic Plan was intended to be implemented and referenced by the SBFCA Board, staff, consultants, and member and partner agencies. It informs and promotes alignment among the interested public, the State of California (Executive and Legislative branches), and involved flood managers at Federal, State, and local levels.

The Regional LDIF, when coupled with the SBFCA Assessment District and grant funds, generates the funding necessary to implement the SBFCA adopted Strategic Plan.

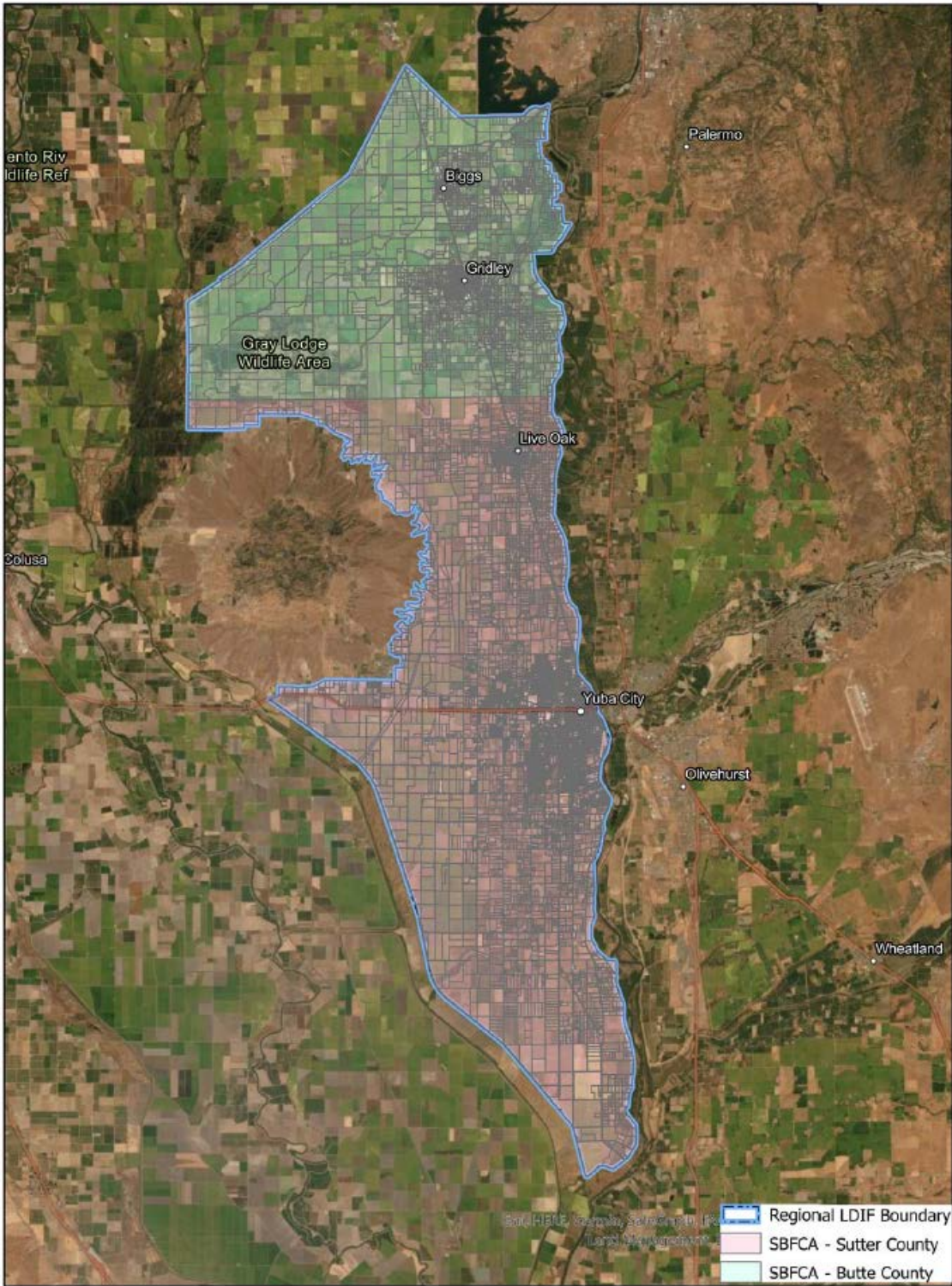
## Regional Fee

This study is being prepared for SBFCA, the Local Flood Management Agency (LFMA) responsible for planning, implementing, funding, and financing the levee improvement program for the Sutter Butte Basin. This study is being prepared as a regional fee with the intent that each Member Land Use Agency will individually approve

the Nexus Study, adopt the Regional LDIF, and collect and remit fees to SBFCA. **Figure 1** shows the Regional LDIF Boundary.

While some portions of the Sutter Butte Basin levee improvement program have been completed, other portions must still be completed to provide the entire Sutter Butte Basin with the reduced flood risk described in the 2007 Nexus Study. At the time of the 2007 Nexus Study, and as late as the approval of SBFCA's Assessment District in 2010, it was expected that improvements in the southern portion of the Basin would be completed by either the U.S. Army Corp of Engineers (USACE) or California Department of Water of Resources (DWR). Because of this, assessments collected from all properties, including those in the southern portion of the Basin, were utilized to advance construction throughout the entire reach of the Feather River West Levee Project, benefitting all properties within the Basin. Since the adoption of the 2010 Assessment, it has become clear to SBFCA that DWR will not be leading the improvements benefitting the southern portion of the Basin as had been expected. Development projects in the northern portion of the Basin that benefit from the improvements advanced by revenues from the entire Basin must now generate additional funding so that the remainder of improvements can be completed for the benefit of the entire Sutter Butte Basin.

Figure 1: Regional Levee Development Impact Fee Boundary



## Authority and Procedures

### ***Assembly Bill No. 1600: Mitigation Fee Act (1987)***

This Nexus Study has been prepared to assist with the establishment of a Regional LDIF program in accordance with the provisions of Assembly Bill No. 1600, also known as the Mitigation Fee Act (AB 1600), as codified in Government Code §66000 *et. seq.* AB 1600 sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that “a reasonable relationship,” or nexus, must exist between a governmental exaction and the purpose of the condition. This Nexus Study documents that a reasonable relationship exists between the development impact fee to be levied on each land use category and the cost of facility improvements.

Nexus Study requirements include:

1. Identifying the purpose of the fee.
2. Identifying how the fee is to be used.
3. Determining how a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
4. Determining how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
5. Demonstrating a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

### **AB 1600 Requirement 1: Purpose of Fee**

The Regional LDIF will provide funding for levee improvements to provide 200-year protection to the urban portion of the Sutter Butte Basin and 100-year protection to the remainder of the basin.

### **AB 1600 Requirement 2: Use of the Fee**

The Regional LDIF will fund repairs, rehabilitations, and improvements including those beyond what is able to be completed solely with funding from the SBFCA Assessment District and State Grants to date. The Regional LDIF will fund:

- Improvements to the Feather River West Levee System including:
  - Star Bend Setback Levee constructed by Levee District 1<sup>1</sup>
  - Feather River West Levee Project (FRWLP) Phase 1
  - Gridley Bridge Erosion Repairs
  - Laurel Avenue Flood System Repair Project
  - Federal Sutter Basin Feasibility Study and Increment Constructed by the US Army Corps of Engineers (local sponsor costs only)
  - Feather River West Levee repairs to Reaches 14 through 16

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<sup>1</sup> The scope and costs of the Star Bend Setback Levee includes only the local share funded by SBFCA.



- Lower Feather River Repairs (remaining repairs between Highway 99 and the Sutter Bypass East Levee)
- Sutter Bypass East Levee Project Phases 1 through 3 (from Wadsworth Canal downstream to Feather River confluence)
  - Includes critical repairs for 3 sub-reaches within Phase 1
- Urban Levee Design Criteria Compliance Projects
  - Ongoing certification reporting and compliance for a period of 30 years consistent with the term of projections of development within a Nexus Study
  - ULDC Compliance projects required to maintain an Urban Level of Protection

All of the costs of the above projects/scope of work are included in the Regional LDIF and all local funding (SBFCA's Benefit Assessment) and non-local funding (State Grants) that offset these costs are reflected in this Nexus Study. The net remaining costs are the basis for a Regional LDIF.

As previously noted, this Nexus Study provides the required findings needed to impose a development impact fee pursuant to AB 1600. AB 1600 requires that the fee be calculated by spreading the costs among the anticipated future development in proportion to the impact that development has on the services provided. The 2007 Levee Fee was imposed and collected by Yuba City as a condition of new development's approval only within a portion of the Sutter Butte Basin. SBFCA has prepared this fee study to be collected on a regional basis and requests that all of the member land use agencies collect the fee on its behalf.

To determine costs associated with the Project and the planned development upon which to allocate the costs, a 30-year planning horizon has been assumed and is generally consistent with the remaining time horizons of each of the member land use agencies' General Plans.

### **AB 1600 Requirement 3: Relationship Between Use of Fees and Type of Development**

Development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin require improved flood control and flood protection services to protect use and life.

Flood risk has two aspects: the probability of flooding and the consequences that follow. An area could have a high probability of flooding, but minimal consequences because it is vacant and contains no infrastructure or people. In this case, flood risk would be considered low. Conversely, a highly urbanized community that has a moderate or low probability of flooding would be considered high risk because of the greater consequences of a flood in that location (i.e., loss of life, livelihood, property, health, and human suffering). There are several ways to quantify flood risk including examining the risk of loss of life and risk of loss to property. The risk of loss to property can be expressed and quantified in terms of Expected Annual Damage (EAD). This Nexus Study uses EAD as a proxy for flood risk. EAD is the product of the probability of flooding (percent chance in any given year) and consequences (dollars of damage as a result of flooding). Without mitigation, additional development increases the EAD by increasing developed property at risk. To protect life and property, it is important for the LFMA to maintain a high level of service (in terms of maintaining low flood risk) within the Sutter Butte Basin as development increases. To maintain the current level of EAD and

reduce the level of flood risk to offset increased EAD, the LFMA must improve the flood protection facilities as development occurs.

Each development project will add to the necessity of flood protection due to the increased EAD because of that development. Additionally, each development project will benefit from the levee infrastructure already in place at the time of development. For the new development described in this Nexus Study to occur in the Sutter Butte Basin, levee improvements that reduce the probability of flooding are necessary.

#### **AB 1600 Requirement 4: Relationship Between Need for Facility and Type of Development**

As stated under **Requirement 3**, development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin require improved flood control and flood protection services to protect use and life.

Each development project will add to the necessity of flood protection due to the increased EAD as a result of that development. Additionally, each development project will benefit from the levee infrastructure already in place at the time of development. For the new development described in this Nexus Study to occur in the Sutter Butte Basin, levee improvements that reduce the probability of flooding are necessary.

#### **AB 1600 Requirement 5: Relationship Between Amount of Fees and Cost of Facility**

This study includes the following components:

1. A determination of the amount of planned development upon which the costs of the fee funded facilities will be allocated.
2. The identification of costs associated with each improvement, facility, or program funded by the fee.
3. The development of a standard metric by which to proportionately allocate the costs of the facilities between land use categories.
4. A determination of the fee cost per acre for each land use category.
5. A determination of the fee per unit by land use category.
6. A discussion of how the program will be administered by the Land Use Agency.

The Regional LDIF is calculated on a gross developable acreage (GDA) basis then converted to a per unit fee. The fee will be collected on a per unit basis for all types of development. For Single and Multi-Family Residential, a unit is a single dwelling unit. For Commercial and Industrial, a unit is 1,000 square feet of building. All development projects requiring a building permit within the Sutter Butte Basin will be categorized into one of the three development type categories and will be subject to the fee. At the option of each Land Use Agency, the fee may be calculated and collected either prior to issuance of a building permit or prior to issuance of a certificate of occupancy. The Fee will be charged at the then current rate at the time of calculation and collection. The details of the calculation and collection of the fee are further described within the **Fee Program Administration** section of this Nexus Study.

**Table S-1** provides a summary of the proposed initial fee rates per 1,000 square foot through Fiscal Year 2022/2023.

**Assembly Bill No. 602 (2021)****Level of Service Identification Requirements**

This Nexus Study has also been prepared in accordance with the provisions of Assembly Bill 602 (2021) (AB 602) as codified in Government Code § 65940.1, 66016.5, and 66019 and Health and Safety Code § 50466.5. AB 602 sets forth additional procedural requirements for the preparation of a Nexus Study and the adoption of a development impact fee. As it relates to the identification of level of service the following must be identified and provided:

1. The existing level of service;
2. The new level of service; and
3. An explanation of why the new level of service is appropriate.

**AB 602 Requirement 1: Existing Level of Service**

Segments of the Feather River levees do not provide adequate protection against 100-year flood flows and could cause the Sutter Butte Basin to fall into higher-risk Federal Emergency Management Agency (FEMA) flood zones. Ultimately this would result in FEMA requiring flood insurance on properties with a federally insured mortgage and issuing increased flood insurance rates accordingly. Many private lenders may also require flood insurance based on FEMA's requirement. As discussed in the **Regional Fee** section above, some portions of the Sutter Butte Basin levee improvement program have been completed, while other portions must still be completed to provide the entire Sutter Butte Basin with the reduced flood risk described in the 2007 Nexus Study. Since the 2007 Nexus Study, it has become clear to SBFCA that DWR will not be leading the improvements benefitting the southern portion of the Basin as had been expected. Development projects in the northern portion of the Basin that benefit from the improvements advanced by revenues from the entire Basin must now generate additional funding so that the remainder of improvements can be completed for the benefit of the entire Sutter Butte Basin.

**AB 602 Requirement 2: New Level of Service**

The Regional LDIF, in combination with other funding sources, will provide funding for levee improvements to provide the urban portion of the Sutter Butte Basin protection against 200-year flood flows within the Feather River and protection against 100-year flood flows within the Feather River for the remainder of the basin.

**AB 602 Requirement 3: Explanation of Why the New Level of Service is Appropriate**

Without the levee improvements, the Sutter Butte Basin would not be protected from 100-year or 200-year flood flows within the Feather River. This would result in increased risk of loss of use and life safety and may ultimately lead to the requirement of flood insurance as well increases to the FEMA flood insurance rates.

**Housing Development Square Footage Basis Exemption Findings**

AB 602 requires that the calculation of the fee on a housing development project be proportionate to the square footage of the proposed units of the development. This Nexus Study complies with the housing development square footage basis requirement.

**Table S-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Summary of Initial Fee Rates per 1,000 Sq Ft by Land Use Category**

Land Use	Cost Share	Admin Fee	Fee Rate Per 1,000 Sq Ft [1]
	Table 8	3%	
Single Family	\$416	\$12	\$428
Multi-Family	\$261	\$8	\$269
Commercial	\$424	\$13	\$436
Industrial	\$271	\$8	\$279

[1] These initial Fee Rates are effective upon adoption through the end of FY 2022/2023 after which annual Fee escalation, as described in the Nexus Study, will be applied starting July 1, 2023. Rounded to the nearest whole dollar.



### ***Procedural Requirements***

The Member Land Use Agencies intend to adopt the Regional LDIF pursuant to the procedural requirements of both AB 1600 and AB 602. The procedures include the following:

- **Conduct a Noticed Public Hearing to Adopt the Nexus Study:** Each Member Land Use Agency shall conduct a noticed Public Hearing, to adopt this Nexus Study, at which oral or written presentations can be made, this may be part of a regularly scheduled meeting or a special meeting. This public hearing shall be noticed at least 30 days prior in accordance with Government Code § 66016.5(a)(7).
- **Conduct a Noticed Public Hearing to Adopt the Development Impact Fee:** Each Member Land Use Agency shall conduct a noticed Public Hearing, to adopt the development fee associated with this Nexus Study, at which oral or written presentations can be made, as part of a regularly scheduled meeting. This public hearing shall be noticed by publication at least 10 days prior in accordance with Government Code § 6062(a). In addition, notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that any data required by Government Code § 66016(a) is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the Local Agency for mailed notice of meetings on new or increased fees or service charges.
- **Provide Public Information:** Each Member Land Use Agency shall provide public information, at least 10 days prior to their Public Hearing, including available public data indicating the amount of estimated costs required to provide the service for which the fee is to be levied.
- **Adopt a Resolution or Ordinance:** AB 1600 requires that any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution.

Note that Government Code § 66017 states that fees adopted pursuant to the provisions of Government Code § 66016 (those outlined above) are effective no sooner than 60 days after final action on the adoption of the new fee or increase to an existing fee.

## LAND USE CATEGORIES & NEW DEVELOPMENT

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### Land Use Categories

AB 1600 sets forth standards by which monetary exactions on development projects are measured. The need for a public facility must be reasonably related to the level of service required, which varies in proportion to a particular land use type.

The following is a list of the land use type categories utilized for the purpose of this Regional LDIF:

- **Single-Family Residential:** Includes structures that are single-family dwellings and duplexes. Half-plexes, rural homes, and mobile homes requiring a build permit are included in this category.
- **Multi-Family Residential:** Includes structures that are occupied by three or more families living independently of each other, under one roof. This category includes condominiums, triplexes, four-plexes, apartment complexes.
- **Commercial:** Includes offices, retail facilities, hotels, motels, restaurants, service stations and car washes, medical and dental offices, banks, and any other development typically serving and open to the general public.
- **Industrial:** Includes development occupied by manufacturing, warehouses, processing plants, heavy and light industry, lumberyards, storage, bulk plants, truck transfer terminals, and any other development typically serving the manufacturing, storage, or processing industries.

Further details with respect to the specifics of each land use category are discussed within the **Fee Program Implementation** and **Fee Program Administration** sections of this Nexus Study.

### Sutter Butte Basin Land Uses

A central principle to determining a development impact fee is to consider the amount of anticipated future growth over the time horizon of the proposed program. In this case, the scope of facilities needed to provide enhanced flood protection within the Sutter Butte Basin are not necessarily functionally related to the amount of planned or existing development. The new facilities will provide a benefit to existing development. As described above, this Regional LDIF program is one of several sources of funding needed to construct the improvements. The facilities funded by this fee need not be allocated to existing development as a separate funding mechanism will cover the benefit received and service provided to existing development.

This fee only applies to planned development within the Sutter Butte Basin that benefits from the facilities providing reduced flood risk. For the purposes of determining the allocation base for the fee, planned development is all development that has been identified by the land use jurisdictions and is expected to obtain a building permit after the implementation of this fee program.

### *Planned New Development*

Planned new development within Sutter Butte Basin was estimated based on extensive research and coordination with the Counties of Butte and Sutter and the Cities of Biggs, Gridley, Live Oak, and Yuba City.

The details of the planned development estimated over the 30-year horizon of the fee program are documented in **Appendix A. Table 1** provides a summary of planned new development by land use that is subject to the fee for the duration of the fee program. This table provides the total GDA by land use category as well as the total number of Single-Family and Multi-Family units and 1,000 building square feet for Commercial and Industrial development throughout the entire basin. The calculation of units and 1,000 square feet per acre is reflective of development throughout the basin and not specific to any individual Land Use Agency.

**Table 1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Planned Development Summary**

<b>Land Use</b>	<b>Gross Developable Acreage (GDA)</b>	<b>1,000 Building Sq Ft</b>	<b>1,000 Sq Ft Per Acre [1]</b>
Reference	Table A-1	Table A-2	
	A	B	C = B / A
Single-Family	3,612	35,235	9.75
Multi-Family	786	8,983	11.42
Commercial	736	6,504	8.84
Industrial	427	5,792	13.57
<b>Total</b>	<b>5,561</b>		

## CAPITAL IMPROVEMENTS AND PROJECTS

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### Capital Costs Allocable to Planned Development

As described above and within the SBFCA Assessment District Final Engineer's Report prepared by Parsons Brinckerhoff dated July 14, 2010 (2010 SBFCA Assessment ER), a series of improvements are needed to ensure that the levee system provides 200-year flood protection to the northern urban portion of the Sutter Butte Basin and 100-Year flood protection to the southern rural portion of the basin. A detailed cost estimate and financing plan has been prepared by SBFCA to demonstrate how the LFMA intends to generate the funds needed to implement its levee improvement program.

The Regional LDIF will fund repairs, rehabilitations, and improvements including those beyond what is able to be completed solely with funding from the SBFCA Assessment District and State Grants to date. The Regional LDIF will fund:

- Improvements to the Feather River West Levee System including:
  - Star Bend Setback Levee constructed by Levee District 1<sup>2</sup>
  - Feather River West Levee Project Phase 1
  - Gridley Bridge Erosion Repairs
  - Laurel Avenue Flood System Repair Project
  - Federal Sutter Basin Feasibility Study and Increment Constructed by the US Army Corps of Engineers (local sponsor costs only)
  - Feather River West Levee repairs to Reaches 14 through 16
  - Lower Feather River Repairs (remaining repairs between Highway 99 and the Sutter Bypass East Levee)
- Sutter Bypass East Levee Project Phases 1 through 3 (from Wadsworth Canal downstream to Feather River confluence)
  - Includes critical repairs for 3 sub-reaches within Phase 1
- Urban Levee Design Criteria Compliance Projects
  - Ongoing certification reporting and compliance for a period of 30 years consistent with the term of projections of development within a Nexus Study
  - ULDC Compliance projects required to maintain an Urban Level of Protection

All of the costs of the above projects/scope of work are included in the Regional LDIF and all local (SBFCA Assessment) and non-local funding (State Grants) that offset these costs are reflected in this Nexus Study. The net remaining costs are the basis for a Regional LDIF.

The Regional LDIF will be only levied on Planned Development within the Sutter Butte Basin. This means that the portion of the costs allocable to existing development, will not be raised through this fee program. The

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<sup>2</sup> The scope and costs of the Star Bend Setback Levee includes only the local share funded by SBFCA.

LFMA will use other local sources (SBFCA Assessment) and non-local (State Grants) to fund the balance of the costs not raised through this fee program.

### **Summary of Capital Improvements Funded by the Development Impact Fee**

The actual costs incurred and estimated costs for the levee improvements are shown in **Table 2**. All estimated costs are in 2021 dollars. **Appendix B** provides details of State Grants and available SBFCA Assessment revenues. The total cost of capital improvements funded are approximately \$625.2 million in 2021 dollars. Other sources of funding are estimated to contribute approximately \$603.9 million which fund existing development's portion of the costs of the levee improvements. The estimated remaining \$21.3 million will be funded by Planned Development through this Regional LDIF program. This amount is used as the basis for calculating the Regional LDIF.

**Table 2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Costs of Flood Control Capital Projects Covered by the Fee**

<b>Item</b>	<b>Total Cost</b>
<b>Program Expenditures</b>	
<b>Feather River West Levee Project Ph 1 &amp; 2</b>	
Star Bend Project Payments (to LD1)	\$2,222,242
Feather River West Levee Phase 1 (EIP / UFRR Project)	\$322,332,310
Gridley Bridge Erosion Repair	\$503,101
Laurel Avenue FSRP	\$11,102,697
Federal Project Feasibility Study & Construction (Local Share)	\$13,088,821
Reaches 14 to 16 Repairs	\$29,479,200
Lower Feather River Remainder Phase 2	\$20,000,000
<b>Sutter Bypass Improvements</b>	
Small Community Studies	\$999,969
Critical Repair Projects	\$30,000,000
Full Repair	\$190,000,000
<b>ULDC Compliance Projects</b>	
	\$5,500,000
<b><i>Subtotal Program Expenditures</i></b>	<b><i>\$625,228,341</i></b>
<b>Program Revenues</b>	
Non-Local Funding Sources [2]	\$473,768,575
Local Funding Sources [3]	\$130,146,977
<b><i>Subtotal Program Revenues</i></b>	<b><i>\$603,915,552</i></b>
<b>Total Cost Funded by the Levee Fee</b>	<b>\$21,312,789</b>

Source: SBFCA Budget

[1] Assumed 30-year timeframe at \$500,000 every 5 years.

[2] See Table B-1 for all grant funded sources.

[3] See Table B-2 for all available SBFCA assessment revenues and bond sale proceeds.

## REGIONAL LDIF METHODOLOGY

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In accordance with AB 1600, a calculation of development impact fees must be accompanied by an analysis with enough detail to justify that a thorough consideration was applied in the process of determining how the fee relates to the impacts from new development. Findings must ensure that a reasonable relationship exists between the proposed fee and the development upon which it will be levied. This section describes the methodology utilized in this report in accordance with the requirements of AB 1600.

The fee methodology utilized here includes the following steps:

1. Qualitatively determine and describe the land use categories utilized as the basis for the fee.
2. Quantify the projected growth within the benefiting area in each of the land use categories in terms of GDA.
3. Describe and estimate the capital improvement costs and their applicability to planned new development.
4. Estimate the total building footprint square feet in each land use category and the resulting damageable square feet of structure per acre for each land use category.
5. Use the estimated damageable square feet per acre, an assumed relative structure value per structure type, and the assumed flood damage percentage to estimate the average structure damage per acre per structure type.
6. Use an estimated relative land value per land use category and assumed flood damage percentage to estimate an average land damage per acre per land use category.
7. Use the estimated structure and land damages to determine an estimated total damage per acre per land use category.
8. Apply a Loss of Use and Life Safety Factor to adjust the total damage per acre to determine an adjusted damage per acre per land use category.
9. Determine a relative Flood Damage Index by relating the adjusted damage per acre for each land use category to that of the adjusted damage per acre for the Single-Family Residential land use category.
10. Utilize the Flood Damage index to determine the adjusted equivalent acreage which represents a weighted amount of planned development acreage by land use type within the Sutter Butte Basin.
11. Proportionately allocate the capital improvement costs to each land use category based upon the adjusted equivalent acreage.
12. Determine the cost per GDA by dividing the allocated costs by the GDA of each land use category.
13. Add to each cost per acre the costs of administration of the fee program.
14. Convert the per GDA fee to a per unit fee using assumed density and FAR data to determine the fee amount per unit per land use category to be collected by the land use agencies.

### Cost Allocation and Calculation

The purpose of allocating the capital improvements costs among the various land uses is to provide an equitable method of funding the required improvements. The key to the cost apportionment of capital improvements to different land use types is the assumption that the benefits derived from the facilities are



related to land use type and that such benefits can be stated in relative terms. Only by relating the benefit received from the facilities and the services they provide to land use types can a reasonable nexus, or relationship, be established for the apportionment of costs to that land use.

Since the nature of the improvements in this Nexus Study relate to reducing the flood risk in the Sutter Butte Basin, the equivalency factor determined in Step 9 above is the Flood Damage Index. The Flood Damage Index is a relative factor that relates the adjusted property damages by land use to the property damage of an acre of Single-Family development. The greater the index value, the greater the impact in terms of property damage and loss of use and life associated with a possible flood. An index value closer to zero would indicate lower damage costs and loss of use and life associated with a flood. Given these facts, utilizing the Flood Damage Index as described above is a reasonable method to allocate costs proportionately based on land use.

The following describes the series of tables that calculate the Regional LDIF using the method described above.

Using the estimated total building square feet and the assumed average building stories, **Table 3** determines the estimated building footprint square feet and the associated damageable square feet of structure per acre.

After calculating the damageable square feet of structure per acre for each land use category, the value is then multiplied by the relative structure value per square foot and the assumed flood damage percentage to find the average structure damage per GDA, as shown in **Table 4**. The relative structure value and assumed flood damage percentage are based upon the 2010 SBFCA Assessment ER. **Table 5** uses the relative land value per acre and assumed flood damage percentage based upon the 2010 SBFCA Assessment ER to calculate the average land damage per acre.

By summing the average structure damage and average land damage per GDA values determined in **Table 4** and **Table 5**, a total damage per GDA can be determined. The total damage is then adjusted by a Loss of Use and Life Safety Factor, a factor determined by how many hours per day individuals occupy structures in each land use category. This factor is multiplied by the total damage per acre to determine an adjusted damage per acre. The adjusted damage per acre amount is then used to find the Flood Damage Index or equivalency factor, as illustrated in **Table 6**.

The Flood Damage Index from **Table 6** is used to determine an adjusted equivalent acreage. This amount is used to allocate the local cost to each land use category on a proportional adjusted equivalent acreage basis for each land use category. The allocated cost is then divided by the total GDA in each land use category to find the cost share per GDA as shown in **Table 7**.

**Table 8** shows the allocated costs per GDA of the fee and the Administrative Fee of 3% to determine the total fee amount on a per GDA basis for each land use type. **Table 8** then calculates the Cost Share, Administrative Fee, and Fee Rate on a per unit or 1,000 building square feet basis based on the density of planned development shown in **Table 1**.

**Appendix C** shows the estimated allocated cost per unit for Residential and the estimated cost per 1,000 square feet for Non-Residential development by each Land Use Agency.

**Table 3**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Damageable Square Feet of Structure Per GDA**

Land Use	Gross Developable Acreage (GDA)	1,000 Square Feet [1]	Estimated Total Building Sq Ft	Assumed Average Building Stories	Estimated Building Footprint Sq Ft	Damageable Structure Sq Ft per GDA
Reference	Table A-1	Table A-2				
	A	B	C = B*1,000	D	E = C/D	F = E/A
Single-Family [2]	3,612	35,235	35,234,973	1.17	30,201,406	8,361
Multi-Family [3]	786	8,983	8,983,350	2.00	4,491,675	5,711
Commercial	736	6,504	6,503,853	1.00	6,503,853	8,835
Industrial	427	5,792	5,792,371	1.00	5,792,371	13,572
<b>Total</b>	<b>5,561</b>		<b>56,514,548</b>		<b>46,989,305</b>	

[1] Single-Family and Multi-Family shown in units; Commerical and Industrial shown in 1,000s of square feet.

[2] Assumes average 2,100 square foot units (all stories) and 1,800 square foot single story units, thus imputing an assumed average number of stories per building.

[3] Assumes average 900 square feet units.

**Table 4**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Relative Structure Damage Per GDA**

<b>Land Use</b>	<b>Relative Structure Value Per Sq Ft</b>	<b>Damageable Structure Sq Ft per GDA</b>	<b>Assumed Flood Damage Percentage</b>	<b>Average Structure Damage Per GDA</b>
Reference		Table 3		
	A	B	C	D = A*B*C
Single-Family [1]	\$60	8,361	35%	\$175,589
Multi-Family [1]	\$60	5,711	35%	\$119,939
Commercial	\$70	8,835	81%	\$500,949
Industrial	\$50	13,572	77%	\$522,520

Source: SBFCA Assessment Final Engineer's Report date July 14, 2010

[1] The Sutter Butte Flood Control Agency Engineer's Report does not distinguish Single-Family from Multi-Family in the Residential land use category therefore the same relative structure value and flood damage percentage were utilized for both land uses.

**Table 5**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Relative Land Damage per GDA**

<b>Land Use</b>	<b>Relative Land Value Per GDA</b>	<b>Assumed Flood Damage Percentage</b>	<b>Relative Land Damage Per GDA</b>
	A	B	C = A*B
Single-Family	\$251,000	10%	\$25,100
Multi-Family	\$278,000	10%	\$27,800
Commercial	\$554,000	10%	\$55,400
Industrial	\$233,000	10%	\$23,300

Source: SBFCA Assessment Final Engineer's Report date July 14, 2010

**Table 6**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Relative Flood Damage Index**

Land Use	Average Structure Value Damage Per Acre	Average Land Value Damage Per Acre	Total Damage Per Acre	Loss of Use & Life Safety Factor [1]	Adjusted Total Damage Per Acre	Relative Flood Damage Index
Reference	Table 4	Table 5				
	A	B	C = A+B	D	E = C*D	F = E/\$602,066
Single-Family	\$175,589	\$25,100	\$200,689	3.00	\$602,066	1.00
Multi-Family	\$119,939	\$27,800	\$147,739	3.00	\$443,218	0.74
Commercial	\$500,949	\$55,400	\$556,349	1.00	\$556,349	0.92
Industrial	\$522,520	\$23,300	\$545,820	1.00	\$545,820	0.91

[1] A ratio of 3:1 based on 24 hours of use for Residential and 8 hours of use for Commerical and Industrial.

**Table 7**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Apportionment of Costs Per GDA**

<b>Land Use</b>	<b>Gross Developable Acreage</b>	<b>Flood Damage Index</b>	<b>Adjusted Equivalent Acreage</b>	<b>Local Cost Share Percentage</b>	<b>Local Cost Share</b>	<b>Cost Share per GDA</b>
Reference	Table 1	Table 6			Table 2	
	A	B	C = A*B	D = C/5,258	E = D*\$21,312,789	F = E/A
Single-Family	3,612	1.00	3,612	68.7%	\$14,640,612	\$4,053
Multi-Family	786	0.74	579	11.0%	\$2,346,651	\$2,984
Commercial	736	0.92	680	12.9%	\$2,757,228	\$3,746
Industrial	427	0.91	387	7.4%	\$1,568,299	\$3,675
<b>Total</b>	<b>5,561</b>		<b>5,258</b>	<b>100%</b>	<b>\$21,312,789</b>	

**Table 8**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Development Fee Rate Summary**

Land Use	Per GDA			1,000 Sq Ft Per Acre	Per 1,000 Square Feet		
	Cost Share	Admin Fee	Fee Rate		Cost Share	Admin Fee	Fee Rate
Reference	Table 7	3%		Table 1			
	A	B = A * 3%	C = A+B	D	E = A/D	F = B/D	G = C/D
Single-Family	\$4,053	\$122	\$4,175	9.75	\$416	\$12	\$428
Multi-Family	\$2,984	\$90	\$3,073	11.42	\$261	\$8	\$269
Commercial	\$3,746	\$112	\$3,858	8.84	\$424	\$13	\$436
Industrial	\$3,675	\$110	\$3,785	13.57	\$271	\$8	\$279

## FEE PROGRAM IMPLEMENTATION

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The Regional LDIF calculations presented in this Nexus Study are based on the best improvement cost estimates, administrative cost estimates, and land use information available at this time. If costs change significantly, if the type or amount of new projected development changes, or if other assumptions significantly change such as Federal or State standards, this Nexus Study and the program should be updated accordingly.

### Regional LDIF Collection

It is expected that each Land Use Agency in the Sutter Butte Basin will individually adopt the Regional LDIF and collect and remit fees to SBFCA. It is expected that as part of the adoption of this Nexus Study by a City or County, the agency will enter into a collection agreement with SBFCA and pursuant to that agreement, SBFCA will support the efficient administration and collection of the fee. SBFCA will support collection by clarifying and specifying any conditions that would trigger the collection of the Regional LDIF or similarly clarifying and specifying any exemption of the Regional LDIF as further described in **Exemptions from the Fee**, below. SBFCA may also support each City or County as requested to specify appropriate development conditions to ensure imposition of the fee, as well as clarify any specifics as to the calculation and collection of the fee. A City or County, at its discretion, may also allow for variations in the method of payment as further described in this section.

### Fee Triggers/Applicability

The Regional LDIF will apply to all Planned Development in the Sutter Butte Basin that creates a flood protection impact. Planned Development is defined as all development that is required to obtain a building permit within the Sutter Butte Basin. At the option of the Land Use Agency, the fee may be calculated and collected either prior to issuance of a building permit or prior to building permit final and/or issuance of a certificate of occupancy. The Fee will be charged at the then current rate at the time of calculation.

### Regional LDIF Program Boundary

The Regional LDIF calculations are based upon the total costs of the levee improvement program and estimated amount of development within the floodplain in the Sutter Butte Basin which encompasses the entire benefit area. By virtue of the cost allocation process, this Regional LDIF program will generate a proportional amount of fee revenue from the share of Planned Development within each of the land use agencies. **Figure 1** (page 4) illustrates the Regional LDIF Program Boundary.

### Exemptions from the Fee

The following land uses and/or projects are exempt from the Regional LDIF:

1. Agricultural Exemption: Development on agricultural zoned land including development of rural residential parcels greater than 5 acres in size.



2. Additions to Pre-Existing Structures: Development projects that 1) require a building permit and 2) are increasing the amount of new structure square footage by no more than 500 new square feet are exempt from the fee. If the project increases the structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a proportionate basis. See details on the proportional basis in the Fee Program Administration, Number of Units section on page 28.
3. Replacement due to Damage (with or without Addition): If the proposed project is an in-kind replacement to a previously existing structure because of fire damage or other natural disaster, the project will be exempt from the fee so long as the replacement does not increase the amount of new structure by more than 300 square feet. If the project increases the structure by more than 300 square feet, the incremental new square footage will be charged the fee on a proportionate basis.
4. Structure raised above the 200-year Floodplain Elevation: Development projects with structures raised above the elevation of the 200-year flood as determined by the Land use agencies or structures removed from the 200-year floodplain by flood control improvements that meet the design standards applicable to the Federal-State flood control system as determined by the Land use agencies, shall be exempt from the fee. The “200-year flood” and “200-year floodplain” are determined without incorporating SBFCA’s completed Feather River West Levee improvements.
5. Open space.
6. Public Agency Owned Land (including Federal, State, and Land use agencies).
7. “Other” land as defined below.

### ***Exceptions to the Exemptions***

With written approval from the Land Use Agency having jurisdiction, any or all portions of the proposed fees may be waived if it can be determined that a proposed project will not derive permanent benefit from the improvements for which the fees are collected (i.e., it can be shown that the property does not benefit from the flood protection). Written fee waivers may be available on a case-by-case basis for certain temporary structures, such as a mobile temporary structure used for construction management purposes.

### **Coverage Period**

The Regional LDIF is to be collected beginning the 61st day after the adoption of the resolution or ordinance approving the fee, as adopted by each Member Land Use Agency’s governing body and for 30-years thereafter, unless updated, amended, or repealed.

### **Administration Costs**

The estimated costs of administration for the Regional LDIF has been included in the fee rates program shown on **Table S1** and **Table 8**. The proposed administrative fee is 3% of the cost of the fee. However, to the extent each Land Use Agency has its own process for determining the administrative cost of the fee, this amount may be adjusted by each Land Use Agency accordingly. These administrative costs will cover the following:

- The development and administration of the Regional LDIF Program.
- Accounting costs associated with the Regional LDIF.

- Any necessary or required annual review of the fee program costs, fees, and policies.
- Any necessary or required annual reporting requirements associated with the fee program.
- Any other ongoing and recurring administrative procedures associated with the program.

## Variations in Method

The Land use agencies will allow for variations in the method of fee payment, including:

- Use of any lawfully created Assessment District or Community Facilities District (CFD) to finance fee payment.
- Voluntary accelerated payment of the fee at the time of filing of any application for a tentative subdivision map, parcel map, or an earlier land use application, at the then-applicable rate.
- The collection of fees or other payments to fund improvements by the land use jurisdictions that are to be used, by agreement, to directly fund or reimburse the cost of the facilities funded by the fee.

The use of these alternative payment mechanisms and the collection of the Regional LDIF may vary among the Land use agencies, however, in any case, the alternative method of payment will be documented within an agreement or memorandum by the Land Use Agency.

## Refunds and Appeals Process

An applicant who has paid the Regional LDIF may request that such fee be refunded at any time prior to commencement of the development, although, to do so would terminate any approved application or permit. Refunds will be made according to the policies and procedures of Land Use Agency, as they are developed, and may reflect deductions to compensate for handling and administrative costs incurred by the land use agencies in processing the fee calculation, collection, and refund request.

Appeals regarding the determination of the applicability and amount of the LDIF are to be made in writing to the Land Use Agency. The Land Use Agency shall respond to the appeal request in writing within 30 days. The determination of the Land Use may be appealed pursuant to any adopted appeal procedures. Any determination by the Land Use Agency's Board of Directors shall be considered final.

## Annual Fee Escalation

To address inflationary costs, the base fee rates shown in this study shall escalate each July 1<sup>st</sup>, commencing July 1, 2023. The fee rates shall escalate annually by the percentage increase in the Engineering News-Record (ENR) 20-City Average Construction Cost Index (CCI) for the period ending April of the previous fiscal year. The base month for this adjustment shall be April 2022. The fee shall be the ratio of the most recent April index to the prior year's April index.

## FEE PROGRAM ADMINISTRATION

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The following describes the general procedures for the administration of the Regional LDIF. The staff of each Land Use Agency may develop more detailed administrative procedures or implement more specific policies after the adoption of the program to more efficiently administer the program and provide needed clarification in certain circumstances.

### Fee Calculation

To calculate the Regional LDIF the following information is required:

- The land use category of the new development.
- The number of residential units or building square footage for non-residential development.
- The current fee rates.

The following provides detailed information on each requirement.

#### ***Land Use Categorization***

The Development Services Department of Yuba City will determine the correct Regional LDIF rate by classifying the proposed development into one of the following four land use categories:

- Single-Family Residential
- Multi-Family Residential
- Commercial
- Industrial

To classify the proposed development into one of the four land use categories, the agency will use the following information:

- The land use type from the zoning code that applies to the land upon which the development is proposed; and
- The descriptions of the four land use categories in this Nexus Study, found in the **Land Use Categories** discussion on page 11.

#### ***Number of Units***

##### **For New Development of Vacant Land**

In the case where a structure is being constructed on vacant land that has not previously been developed:

##### ***Residential Land Uses***

- For all residential land uses, a unit is a single dwelling unit (i.e., a single-family residence is one unit; a duplex is two units; a six-apartment complex is six units).

***Nonresidential Land Uses***

- For nonresidential land uses, a unit is 1,000 square feet of building space and is calculated by dividing the square footage by 1,000.

**For Development of Land with Pre-Existing Structures or Replacement Structures*****Residential Land Uses***

- For a residential expansion project of 500 square feet or more, the incremental new square footage will be charged the fee on a proportionate basis.
- For residential replacement projects, if the project involves development of a new residential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure), and the new structure is larger than the demolished structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a proportionate basis.
- For residential expansion or replacement projects of less than 500 new square feet, no fee will be due.
- For purposes of fee calculation on a proportional basis, a residential unit will be considered 2,000 square feet. Therefore, to calculate the fee for a residential expansion or replacement of 500 square feet or more, the units will be calculated by dividing the new square footage by 2,000. For example, an expansion of 500 square feet would be charged the rate for one-quarter of a unit.

***Nonresidential Land Uses***

- For nonresidential expansion projects more than 500 new building square feet, the additional square footage will be converted to units the same as for new construction by dividing the additional square footage by 1,000.
- For nonresidential replacement projects, if the project involves development of a new nonresidential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure) and the new structure is larger than the demolished structure by 500 square feet or more, the additional square footage will be converted to units the same as for new construction by dividing the additional square footage by 1,000.
- For nonresidential expansion or replacement projects of less than 500 new building square feet, no fee will be due.

***Calculation Steps***

The following steps are required to calculate the development fee:

1. Determine the land use category based on the characteristics of the development and the descriptions of the land use categories.
2. Determine the units of development using the definitions above.
3. Determine the total Regional LDIF by multiply the fee rate from Step 1 and the units from Step 2.

This is the fee applicable to the New Development.

## Fee Revenue Accounting

The revenues raised by payment of the Regional LDIF shall be placed in a separate fund established by Yuba City (Yuba LDIF Fund). Separate and special accounts may be established in the Yuba LDIF Fund and used to account for collected revenues, along with any interest earnings. Yuba City will remit the collected funds to SBFCA pursuant to the terms of the collection agreement executed between SBFCA and Yuba City.

## Periodic Review and Cost Adjustment

SBFCA will periodically review actual project costs and Regional LDIF collections to determine if any updates to the program are warranted. The periodic review will occur no less than every five years. During these reviews, the following aspects will be analyzed:

- Changes to the improvements to be funded by the Regional LDIF program
- Changes in the cost to update or administer the Regional LDIF program
- Changes in annual financing costs
- Changes in assumed land uses
- Changes in development absorption
- Changes in other funding sources

Any changes to the Regional LDIF based on the periodic update will be presented to the SBFCA Board of Directors for approval before an increase of the fee will take effect. SBFCA will send notice of the fee change to the member land use, pursuant to the terms of the collection agreement(s) between SBFCA and the land use agencies.

The fifth fiscal year following the first deposit into the fee account or fund, and annually thereafter, each Land Use Agency is required to make all the following findings about that portion of the account or fund remaining unexpended:

- Identify the purpose for which the fee is to be used.
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to fulfill the levee improvements.
- Designate the approximate dates that the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

SBFCA must refund the unexpended or uncommitted revenue portion for which a need could not be demonstrated in the above findings unless the administrative costs exceed the amount of the refund.

According to Government Code §66006, SBFCA is required to deposit, invest, account for, and expend the fees in the prescribed manner.

## NEXUS FINDINGS

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### Authority

This report has been prepared in support of the Regional LDIF in accordance with the procedural guidelines established in AB 1600, codified in California Government §66000 et. seq. This code section sets forth the procedural requirements for establishing and collecting development impact fees. The procedures require that a “reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition.”

Specifically, each Land Use Agency imposing a fee must:

6. Identifying the purpose of the fee.
7. Identifying how the fee is to be used.
8. Determining that a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
9. Determining how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
10. Demonstrating a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

### Summary of Nexus Findings

The Regional LDIF to be collected for each land use is calculated based on applicability of planned new development to the capital improvement project and standardized acreage proportion of the land use category to the total cost of the improvement. With this approach, the following findings are made regarding the Regional LDIF:

#### ***AB 1600 Requirement 1: Purpose of Fee***

The capital improvements funded by the Regional LDIF are necessary to serve new residential and nonresidential development as described in Section 5 of the SBFCA adopted Strategic Plan.

#### ***AB 1600 Requirement 2: Use of the Fee***

The Regional LDIF will be used to design and construct levee improvements in order to reduce the probability of flooding within the Sutter Butte Basin as further described in Section 5 of the SBFCA adopted Strategic Plan.

#### ***AB 1600 Requirement 3: Relationship Between Use of Fees and Type of Development***

Development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin will require improved flood control and flood protection services. This Regional LDIF, in conjunction with other funding sources, will fund the improved SBFCA flood protection system as described in Section 5 of the SBFCA adopted Strategic Plan .

***AB 1600 Requirement 4: Relationship Between Need for Facility and Type of***

Each Residential, Commercial, and Industrial development project adds to the incremental need for flood protection because of the increase in damage that would occur as a result of an uncontrolled flood, and the increased burden that the damages will place on the Land use agencies and SBFCA. For the new development described in this Nexus Study to occur within the Sutter Butte Basin, the level of flood control needs to be improved to provide a reduced probability of flooding to the Basin as described in Section 5 of the SBFCA Strategic Plan.

***AB 1600 Requirement 5: Relationship Between Amount of Fees and Cost of Facility***

The appropriate common use factor for allocating costs to each land use is the Relative Flood Damage Index. **Table 6** shows the respective Relative Flood Damage Index for each land use.

SBFCA, acting as LFMA, has estimated the total cost of the required facilities. The allocation of the costs based on the acres adjusted by the Relative Flood Damage Index have been presented in **Table 7**. The result is the cost of the improvements attributed to each acre of Residential, Commercial, and Industrial development. This allocation demonstrates the relationship between the amount of fee and the cost of the portion of the facility attributed to the specific type of development upon which the fee is imposed.

Appendix A: Planned Development Details

Planned Development Details ..... A-1

Table A-1: Total Developable Acreage ..... A-3

Table A-2: Total Developable Dwelling Units and Square Feet ..... A-4



## Planned Development Details

### Summary of Planned Development

Development expected to occur within the Regional LDIF Boundary over the next 30 years is subject to the Fee. Generally, development build-out projections from the member Land Use Agency General Plans were analyzed in conjunctions with historical development rates and it was established that using 75% of build-out projections was appropriate to determine the amount of development expected to take place over the next 30 years. Details of projected development acres by development type and Land Use Agency can be found in **Table A1**. Details of projected units for residential and 1,000s of square feet for nonresidential development by Land Use Agency can be found in **Table A2**. It should be noted that, the densities and floor area ratios (FAR) utilized in the calculation of the Regional LDIF are an aggregate of the data across all land use agencies and are not specific to any individual agency.

### City of Biggs

The City of Biggs General Plan dated January 2014 Land Use Element Table LU-4 provides low, medium, and high housing growth scenarios at 3.3%, 3.7%, and 4.1%, respectively, from 2010 through 2035. The Land Use Element also states that unless regional conditions change significantly, annual growth of 1% to 1.5% is more likely. Extrapolating 1.5 percent growth from 2010 through 2050 results in an increase of 398 units. This is consistent with using 75% of the 2035 increase in units based on the low growth scenario which in turn is also consistent with the methodology utilized for other land use agencies. City staff indicated that over the last four years, six homes had been built. Given this information, it was determined that using the 1.5% growth projected growth would be appropriate. Development was assumed to be low density residential at 6 dwelling units per acre as shown in Table LU-5.

### City of Gridley

The City of Gridley 2030 General Plan Land Use Element Table Land Use-2 provides low and high estimated growth within the City Planned Growth Area by dwelling units for residential and by square feet for nonresidential development. Table Land Use-3 provides the same information for growth within the Existing City and SOI. City staff indicated that over the last ten years, 225 residential units and 15,000 square feet of commercial had been built. Given this information, it was determined that using 75% of the lower projected growth from the General Plan would be appropriate. For residential development, average dwelling units per acre as indicated in Table Land Use-5 were utilized. For nonresidential development, half of the maximum FAR was assumed as indicated in Table Land Use-5.

### City of Live Oak

The City of Live Oak 2030 General Plan Land Use Element Table LU-1 provides low and high build-out estimates for the City. The low build-out data was reduced by the estimated established development. City staff indicated that over the next ten years, approximately 450 residential units are already planned to be built. Given this information, it was determined that using 75% of the low build-out acreage estimates, reduced by

the estimated established development acreages, would be appropriate. To estimate total units for residential and 1,000s of square feet for nonresidential, per acre values were calculate based Table LU-1.

### **City of Yuba City**

The City of Yuba City build-out estimates were developed through coordination with the Department of Development Services and use of the May 2018 General Plan Diagram and Water Master Plan in conjunction with GIS data. Build-out acreage estimates were reduced by the estimated established development acreages. To calculate total units for residential and 1,000s of square feet for nonresidential, the densities and FARs provided in the Land Use Classification section of the Yuba City General Plan dated April 8, 2004.

### **Butte County**

Per Butte County Department of Development Services, Single-Family development is assumed to continue at a rate of 74 units per year for the next 30 years. The average lot size was calculated based the information found in the Butte County General Plan Land Use Element indicating that Single-Family units dispersed throughout the unincorporated County totaled approximately 30,000 units on 117,210 acres, or lot sizes of approximately 0.25 acres. Butte County encompasses approximately 1,064,421 acres, of which, approximately 71,737 acres are within the Regional LDIF Boundary, or about 6.75%. Therefore, development of 5 units per year for 30 years was assumed.

### **Sutter County**

Per Sutter County Department of Development Services, Single-Family development is assumed to continue at an average rate of 21 units per year for the next 30 years. The average lot size for Single-Family Residences varies greatly within Sutter County, therefore, an average lot size of 0.25 acre was assumed, consistent with Butte County. Sutter County encompasses approximately 375,902 acres, of which, approximately 121,017 acres are within the Regional LDIF Boundary, or about 32.2%. Therefore, development of 7 units per year for 30 years was assumed.

**Table A-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Total Developable Acreage**

Area / Project	Residential			Nonresidential			Total
	Single-Family	Multi-Family	Subtotal	Commercial	Industrial	Subtotal	
City of Biggs [1]	139	0	<b>139</b>	0	0	<b>0</b>	<b>139</b>
City of Gridley [2]	358	64	<b>422</b>	41	138	<b>179</b>	<b>601</b>
City of Live Oak [3]	1,653	171	<b>1,824</b>	361	0	<b>361</b>	<b>2,186</b>
City of Yuba City [4]	1,772	593	<b>2,366</b>	372	312	<b>684</b>	<b>3,050</b>
Butte County [5]	38	0	<b>38</b>	0	0	<b>0</b>	<b>38</b>
Sutter County [6]	53	0	<b>53</b>	0	0	<b>0</b>	<b>53</b>
<b>Total Developable Land</b>	<b>4,013</b>	<b>828</b>	<b>4,841</b>	<b>775</b>	<b>449</b>	<b>1,224</b>	<b>6,065</b>
Gross Acreage to GDA Factor	90%	95%		95%	95%		
<b>Total GDA</b>	<b>3,612</b>	<b>786</b>		<b>736</b>	<b>427</b>		<b>5,561</b>

[3] City of Biggs January 2014 General Plan Land Use Element Section states that 1.5% annual growth is most likely. Growth based on the 2010 reported units of 634. Assumed low density development at 6 dwelling units per acre.

[2]City of Gridley 2030 General Plan Land Use Element Section, assumed 25% of the lower estimate of development identified would occur. For calculation of acreage, for Residential, the average dwelling units per acre were assumed; for Commerical and Industrial, half of the maximum FAR was assumed.

[3] City of Live Oak 2030 General Plan Land Use Element Section, 75% of low build-out data less estimates of current development was assumed.

[6] Per City of Yuba City Department of Development Serivces, 75% of build-out estimates developed using the May 2018 General Plan Diagram and Water Master Plan less estimates of current development.

[5] Butte County 2030 General Plan Land Use Element states that Single-Family development is dispersed throughout the County with approximately 30,000 units on 117,210 acres, equating an average lot size of approximately 0.25 acres.

[6] Per Sutter County Department of Development Services, Single-Family average lot size varies greatly throughout the County, therefore, an average lot size of 0.25 acre was assumed which is consistent with Butte County.

**Table A-2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Total Developable Dwelling Units and Square Feet**

Area / Project	1,000s Square Feet			1,000s Square Feet		
	Single-Family	Multi-Family	Total	Commercial	Industrial	Total
	[1]	[2]				
City of Biggs [3]	836	0	<b>836</b>	0	0	<b>0</b>
City of Gridley [4]	3,898	894	<b>4,793</b>	806	2,400	<b>3,206</b>
City of Live Oak [5]	13,908	1,660	<b>15,568</b>	1,897	0	<b>1,897</b>
City of Yuba City [6]	15,837	6,429	<b>22,266</b>	3,801	3,392	<b>7,193</b>
Butte County [7]	315	0	<b>315</b>	0	0	<b>0</b>
Sutter County [8]	441	0	<b>441</b>	0	0	<b>0</b>
<b>Total</b>	<b>35,235</b>	<b>8,983</b>	<b>44,218</b>	<b>6,504</b>	<b>5,792</b>	<b>12,296</b>

[1] Assumes average 2,100 square foot units.

[2] Assumes average 900 square foot units.

[3] City of Biggs January 2014 General Plan Land Use Element Section states that 1.5% annual growth is most likely. Growth based on the 2010 reported units of 634. Assumed low density development at 6 dwelling units per acre.

[4] City of Gridley 2030 General Plan Land Use Element Section, assumed 75% of the lower estimate of development identified would occur. Assumed residential infill within existing City and SOI was 3:1 SFR:MFR.

[5] City of Live Oak 2030 General Plan Land Use Element Section, 75% of low build-out data less estimates of current development was assumed.

[6] Per City of Yuba City Department of Development Services, 75% of build-out estimates developed using the May 2018 General Plan Diagram and Water Master Plan less estimates of current development.

[7] Per Butte County Department of Development Services, Single-Family development throughout the County is assumed to continue at a rate of 74 units per year. Approximately 6.75% of Butte County is within the SBFCA Boundary, therefore, 5 units per year for 30 years was assumed.

[8] Per Sutter County Department of Development Services, Single-Family development throughout the County is assumed to continue at a rate of 21 units per year. Approximately 32.20% of Butte County is within the SBFCA Boundary, therefore, 7 units per year for 30 years was assumed.

# Appendix B: Funding Sources Detail

Table B-1: Non-Local Funding Sources..... B-1

Table B-2: Local Funding Sources..... B-2

**Table B-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Non-Local Funding Sources**

Item	Total Cost
<b>Feather River West Levee Project (Phases 1 &amp; 2)</b>	
Sutter County Grant (Calpine Levee Funding)	\$1,300,000
EIP Design Grant (Prop 1E)	\$21,339,829
EIP/UFRR Construction Grant (Prop 1E)	\$234,748,777
FSRP Laurel Ave. - (Prop 1E & 84)	\$9,920,000
Gridley Bridge Erosion (Prop 13)	\$460,000
Prop 84/1E Emergency Work (R14 - 16)	\$25,000,000
Assumed State Funding for Lower Feather (75%)	\$15,000,000
<b><i>Subtotal Feather River West Levee Project (Phases 1 &amp; 2)</i></b>	<b><i>\$307,768,606</i></b>
<b>Sutter Bypass Improvements</b>	
Small Community Grants	\$999,969
Assumed State Funding for Critical / Full Repair (75%)	\$165,000,000
<b><i>Subtotal Sutter Bypass Improvements</i></b>	<b><i>\$165,999,969</i></b>
<b>Total Non-Local Funding</b>	<b>\$473,768,575</b>

Source: SBFCA Budget

**Table B-2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Local Funding Sources**

Item	Local Funding
<b>Projected Gross Annual Assessment Revenues</b>	
Estimated 2010-45 Capital Portion of Assessment [1]	<b>\$204,125,000.00</b>
<b>Gross Bond / Debt Financing Proceeds (Project Funds made available)</b>	
Combined Proceeds from Sutter, Yuba City and LD 1 Loans	\$5,606,406.00
2011 Line of Credit Draws	\$14,737,649.20
2013 Bonds Project Fund Deposit	\$40,000,000.00
2015 Bonds Project Fund Deposit (Net of 2011 repayment)	\$33,708,415.34
<b><i>Subtotal Bond/Debt Financing Proceeds</i></b>	<b><i>\$94,052,470.54</i></b>
<b>Gross Debt Service Costs (Principal &amp; Interest)</b>	
Loan Payments to Yuba City, Sutter County and LD 1 [2]	\$6,179,084.26
2011 Interest Costs	\$340,001.49
2013 Total Debt Service (P&I)	\$76,835,530.32
2015 Total Debt Service (P&I)	\$84,675,877.92
<b><i>Subtotal Debt Service</i></b>	<b><i>\$168,030,493.99</i></b>
<b>Total Local Funding</b>	<b>\$130,146,976.55</b>

[1] Assessment Revenue includes additional proceeds: gained interest, settlements, etc. and an assumption that in later years, assessments are levied up to the required debt service limit.

[2] Actual interest cost on short-term loans paid back to Yuba City, Sutter County and LD1. Proceeds and principal re-payment has been netted from this analysis.

**Appendix C: Estimated Cost Allocation By Land Use Agency**

Table C-1: Residential Estimated Cost per Unit by Land Use Agency ..... C-1

Table C-2: Commercial & Industrial Estimated Cost per 1,000 Sq. Ft. by Land Use Agency..... C-2



**Table C-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Residential Estimated Cost Per Unit by Land Use Agency**

Area	Single Family Acreage [1]	Multi-Family Acreage [1]	Total Allocated Cost	Cost Share Percentage	Single & Multi-Family	Average Allocated Cost
Reference	Table A-1	Table A-1	Table 7		Table A-2	
	A	B	$C=(A*\$4,053) + (B*\$2,984)$	$D=(C/\$21,312,789)$	E	$F=C/E$
City of Biggs	125	0	\$508,238	2.38%	836	\$608
City of Gridley	322	60	\$1,486,860	6.98%	4,793	\$310
City of Live Oak	1488	162	\$6,515,833	30.57%	15,568	\$419
City of Yuba City	1595	564	\$8,148,003	38.23%	22,266	\$366
Butte County	34	0	\$136,799	0.64%	315	\$434
Sutter County	47	0	\$191,519	0.90%	441	\$434

**Table C-2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Commercial & Industrial Estimated Cost Per 1,000 Square Feet by Land Use Agency**

Area	Commercial Acreage [1]	Industrial Acreage [1]	Total Allocated Cost	Cost Share Percentage	1,000 Square Feet	Average Allocated Cost
Reference	Table A-1	Table A-1	Table 7		Table A-2	
	A	B	$C=(A*\$3,746) + (B*\$3,675)$	$D=(C/\$21,312,789)$	E	$F=C/E$
City of Biggs	0	0	\$0	0.00%	0	\$0
City of Gridley	39	131	\$627,232	2.94%	3,206	\$196
City of Live Oak	343	0	\$1,285,905	6.03%	1,897	\$678
City of Yuba City	354	296	\$2,412,409	11.32%	7,193	\$335
Butte County	0	0	\$0	0.00%	0	\$0
Sutter County	0	0	\$0	0.00%	0	\$0

AGREEMENT BETWEEN  
SUTTER BUTTE FLOOD CONTROL AGENCY,  
CITY OF BIGGS,  
CITY OF GRIDLEY,  
CITY OF LIVE OAK,  
CITY OF YUBA CITY,  
COUNTY OF BUTTE, and  
COUNTY OF SUTTER  
FOR COLLECTION OF SUTTER-BUTTE BASIN REGIONAL LEVEE IMPROVEMENT  
PROGRAM DEVELOPMENT IMPACT FEE

This Agreement for Collection of Sutter-Butte Basin Regional Levee Improvement Program Development Impact Fee (“Agreement”) is made and entered into as of the Effective Date provided below by Sutter Butte Flood Control Agency (“SBFCA”), the Cities of Biggs (“Biggs”), Gridley (“Gridley”), Live Oak (“Live Oak”), and Yuba City (“Yuba City”), and the Counties of Butte (“Butte”) and Sutter (“Sutter”). Each signatory is a party and collectively all signatories are parties. Any of Biggs, Gridley, Live Oak, or Yuba City are a city and are collectively referred to as cities. Any of Butte and Sutter are a county and are collectively referred to as counties.

RECITALS

WHEREAS, SBFCA is a joint powers authority formed in 2008 for the purpose of improving flood protection in the Sutter-Butte Basin; and

WHEREAS, each of the four cities and two counties is a member agency of SBFCA and has authority to prescribe, revise, and collect fees as a condition of development of land for the purpose of financing flood control facilities, including the authority to make such fees applicable to development land within their boundaries.

WHEREAS, each of the cities and/or counties has expressed an intent to exercise this authority or has exercised this authority to provide funding for flood protection, by adopting a

resolution for the purpose of assisting in the funding for levee improvements to provide 200-year protection to the urban portion of the Sutter-Butte Basin and 100-year protection to the remainder of the basin and to thereby offset the increase in damageable property that is placed in the levee-protected floodplain as new development occurs in this area.

WHEREAS, in its role as a joint powers authority planning and implementing flood control activities in the Sutter-Butte Basin, SBFCA has prepared a Sutter Butte Basin Regional Levee Development Impact Fee Nexus Study (“Nexus Study”) which is attached as Exhibit A to this Agreement, which is intended to be used as a template by each of the cities and counties, and that describes and determines the applicable development impact fee within the city or county (“DIF”) and sets forth the required findings required by Government Code Section 66000 et. seq.

WHEREAS, SBFCA has requested that the four cities and two counties, as a condition of issuance of a building permit for new development within the cities and counties, collect and transmit to SBFCA the applicable DIF for the development project for which such building permit is to be issued.

WHEREAS, the undersigned cities and counties are willing and desire to collect the DIF and to transmit the DIF to SBFCA, and the cities and counties and SBFCA desire to set forth the standards applicable to the collection of the DIF through this Agreement.

### COVENANTS

In consideration of the mutual promises and covenants herein contained, the Parties hereto agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated in this Agreement by reference.
2. Collection and Transmission of DIF. Following the adoption of the DIF by a city or county, the City or County shall collect the DIF as a condition of issuance of a building permit for any building, for which a building permit is required, located in the city’s or county’s jurisdiction. The city or county shall transmit to SBFCA all amounts of the DIF that have been collected minus administrative costs, all as provided in Section 8 below. With the transmission of

DIF revenues collected by the city or county, the city or county shall provide a report in mutually agreed upon format of the fee-paying units to facilitate the tracking of fee revenues. The methodology for computing the DIF together with other procedural criteria are specified in the Nexus Study.

3. Deposit of DIF. SBFCA shall establish a separate capital facilities account into which city or county shall, at least quarterly, deposit the DIF funds collected by city or county. Any interest earned on the DIF while held by the city or county shall also be deposited by city or county.

4. Periodic Update of the DIF. SBFCA shall, within 60 days of any adjustments it proposes to make to the DIF, promptly notify the cities and counties of such proposed changes. The cities and counties agree to exercise best efforts to respond to any such proposed changes within 30 days.

5. Refunds. In the event that a city or county collects the DIF or a portion of the DIF in error or a building permit expires without construction taking place, the city or county will recalculate the correct DIF amount and process a refund to the applicant, if necessary. A city or county shall net any refunded amounts from any current DIF not yet remitted to SBFCA under Section 2. If there are insufficient collections held by a city or county not yet transmitted to SBFCA, then SBFCA shall promptly refund any amount due to a city or county to facilitate refunds to the applicant.

6. Payment of DIF under Protest. Pursuant to Title 7, Division 1, Chapter 9 of the California Government Code, commencing with §66020, any aggrieved applicant shall be entitled to pay the applicable DIF under protest. The protest procedures set forth therein shall apply to the DIF paid under protest.

7. Appeal. A city or county shall hear all appeals for waiver or reduction in a city's or county's DIF, and shall follow any applicable existing policy in hearing such appeals. The city or county shall, within 60 days of any modification to the DIF resulting from any such appeal, notify SBFCA of such modification.

8. Compensation of cities and counties. In consideration for collecting the DIF, SBFCA shall reimburse each city and county for its cost of time and materials for calculating, reporting, collecting, and processing functions. Such costs shall include the time and materials expended by, but not limited to, employees of the relevant Development Services, Finance and Information Technology Departments and any other impacted departments. The Parties agree that a charge of 3% of the DIF is a reasonable estimate of each city's and county's cost of time and materials for calculating, reporting, collecting, and processing of the DIF.

9. Indemnification of each city and county by SBFCA. To the full extent permitted by law, SBFCA agrees to defend, indemnify, and hold harmless each city and county executing this Agreement and each of its elected and appointed officers, officials, agents, employees, consultants, attorneys and representatives ("Indemnitees"): (i) from and against any and all actions, proceedings, claims, damages, losses, costs, penalties, fines, obligations, errors, omissions, forfeitures, and liabilities, whether actual or threatened ("Claims and Liabilities"), against Indemnitees arising from or related in any way to the collection of DIF or the transfer of DIF to SBFCA; (ii) from and against any Claims and Liabilities arising from or related to this Agreement. The cities and counties shall promptly notify SBFCA of any such Claim and Liability, and, at the option of the city or county, SBFCA shall either undertake defense of the matter and pay the city's or county's associated legal costs or advance funds to pay for defense of the matter by the city or county. In the event the city or county opts for SBFCA to undertake defense of the matter, the city or county will cooperate reasonably in the defense, but retains the right to settle or abandon the matter without SBFCA's consent. The provisions of this section shall survive termination of this Agreement.

10. Notices. Notice to be provided to any Party to this Agreement arising out of matters pertaining to this Agreement shall be addressed as follows:

[Fill in Addresses]

Any party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other Parties, which shall be effective upon receipt.

11. Term and Effective Date.

- a. This Agreement shall become effective upon the execution of the Agreement by SBFCA and the first city or county to execute it (“Effective Date”). It shall be effective for each additional city or county that executes it upon the date of that city’s or county’s execution.
- b. This Agreement shall remain in effect for each city and each county until either (i) the city or county eliminates the DIF, or (ii) SBFCA or the city or county terminates it in accordance with Section 12.

12. Termination. Each city or county may terminate this Agreement as effective for the city or county by giving SBFCA at least six (6) months written notice of withdrawal. In such event the city or county shall, within 10 days of effective withdrawal, cause to be deposited into SBFCA’s separate capital facilities account all DIF funds collected prior to withdrawal. SBFCA may terminate this Agreement by giving all cities and counties that are parties to the Agreement at least (2) months written notice of withdrawal.

13. Modifications. This Agreement contains the entire understanding of the Parties and no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both Parties. Waiver by either Party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder.

14. Governing Laws And Jurisdiction. This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Superior Court of Sutter County, California.

15. Assignment; Binding on Successors. The rights and duties of the Parties may not be assigned or delegated without the written consent of the other Party. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties

hereto, respectively. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of SBFCA then in effect.

16. Interpretation. This Agreement shall be deemed to have been prepared equally by all of the Parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one Party on the basis that another Party prepared it.

17. Entire Agreement. This Agreement constitutes the entire contract between the Parties regarding the collection, deposit, and reporting of the DIF. Any prior agreements, regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

18. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

19. Duplicate Counterparts. This Agreement may be executed in duplicate counterparts.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first above-written.

SUTTER BUTTE FLOOD CONTROL AGENCY

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By:  
Executive Director

APPROVED AS TO FORM:  
SBFCA Counsel

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By: Scott L. Shapiro



Title: General Counsel

CITY OF BIGGS

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By:  
Title:

ATTEST:

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By:  
Title:

CITY OF GRIDLEY

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By:  
Title:

ATTEST:

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By:  
Title:

CITY OF LIVE OAK

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By:  
Title:

ATTEST:

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By:  
Title:

COUNTY OF BUTTE

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By:  
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ATTEST:

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By:  
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COUNTY OF SUTTER

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By:  
Title:

ATTEST:

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By:  
Title:

CITY OF YUBA CITY

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By:  
Title:

ATTEST:

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By:  
Title:



# EXHIBIT A

## DIF Resolution





## City Council Item #5

### Staff Report

**Date:** April 17<sup>th</sup>, 2023  
**To:** Mayor and City Council Members  
**From:** Cliff Wagner, City Administrator  
**Subject:** Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee

<b>X</b>	Regular
	Special
	Closed
	Emergency

Resolution 2023-R-012: A Resolution of the City of Gridley Establishing the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee

Ordinance No. 846-2023 First Reading by Title Only: An Ordinance of the City of Gridley, Amending Gridley Municipal Code, Title 14 Development Impact Fees, By the Addition of a New Chapter 14.05, Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee

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### Recommendation

Staff respectfully requests the City Council conduct a public hearing, consider all information and public testimony and, if determined to be appropriate, introduce the presented Fee Ordinance and supporting Resolution. Approval of both the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee (Regional LDIF), and amendment to the Gridley Municipal Code to incorporate the new fee, is based on the City making required findings pursuant to the Mitigation Fee Act (also known as “AB 1600,” Government Code sections 66000, et seq.).

### Summary

With the adoption of the December 14, 2022 Nexus Study as part of the previous item on this Agenda, The City Council has taken the first step in the process of implementing the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee. The Nexus Study provides the basis for the proposed Regional LDIF to ensure that new development pays its proportionate share of the levee improvement costs needed to provide 200-year protection to the Urban (Northern) portion of the Sutter-Butte Basin and 100-year protection to the rural (southern) portion of the Basin.

The adopted Nexus Study provides the program cost estimate that would be collected to continue providing the funding necessary to pay for the levee system improvements. It was prepared as a regional fee with the intent that each of the Local Agencies individually adopt the Regional LDIF and collect and remit the fees to the Sutter Butte Flood Control Agency (SBFCA).

The requested action and next step in the process includes conducting a required public hearing to adopt the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Ordinance and supporting Resolution. Exhibit A to the attached Resolution sets the fee rates consistent with the approved Nexus Study.

### Background

The context and background for including the purpose and reason for the Regional LDIF is further detailed within staff report for item 4 in this Agenda, which was prepared in support of the adoption of the Nexus Study.

To implement the fee, the Council will need to update its municipal code through the adoption of an Ordinance and approve the associated fee rates. This action is in addition to approving a Nexus Study

after conducting a public hearing and considering all public comments.

**Financial Impact**

The creation of the Regional LDIF, as collected by the local land use agencies, is expected to generate approximately \$21 million to be used to partially fund the required improvements to the Sutter Butte Basin levee systems. Complete funding for the required improvements will require additional funding sources as described SBFCA's adopted Strategic Plan.

**Attachments**

1. Resolution No. 2023-R-012
2. Exhibit "A" to Resolution – Fee Rates
3. Ordinance No. 846-2023
4. Exhibit "A" to Ordinance – Municipal Code Update
5. Exhibit "B" to Ordinance – Nexus Study

**RESOLUTION NO.**

**2023-R-012**

**RESOLUTION OF THE CITY OF GRIDLEY  
ESTABLISHING THE SUTTER BUTTE BASIN REGIONAL LEVEE IMPROVEMENT PROGRAM  
DEVELOPMENT IMPACT FEE**

**WHEREAS**, the Mitigation Fee Act (Act) (California Government Code Section 66000 et seq.) authorizes a local agency to impose impact fees as a condition of approval of development projects to help defray the costs of public infrastructure and facilities that will be needed to serve the proposed development; and

**WHEREAS**, the Sutter Butte Flood Control Agency ("SBFCA") has directed Larsen Wurzel & Associates, Inc. to prepare the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee dated December 14, 2022 ("Nexus Study"); and

**WHEREAS**, The City of Gridley City Council ("Council") has adopted a Resolution approving the Nexus Study; and

**WHEREAS**, Section 6602(a) of the Act, notice was published in the Gridley Herald on April 21<sup>st</sup> and April 28<sup>th</sup>, providing 10 days' notification of the time and place for a public hearing to consider and adopt the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee ("Regional LDIF"). Notice of the hearing was also provided 14 days prior to the public hearing to those interested parties who requested, in writing, notice of meetings on new or increased fees or service charges; and

**WHEREAS**, a public hearing was held on May 1, 2023, at a regularly scheduled meeting of the Gridley City Council to hear and consider the adoption of the Regional LDIF; and

**WHEREAS**, the development impact fee will fund levee improvements to provide 200-year level of protection in the urban (Northern) portion of the Sutter Butte Basin and 100-year level of protection in the rural (Southern) portion of the Basin while offsetting the increase in damageable property that will be placed in the levee-protected floodplain as new development occurs in the area.

**WHEREAS**, the Council has adopted an Ordinance amending the City of Gridley Municipal Code, Title 14 Development Impact Fees, by the addition of a new Chapter 14.05 Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee; and

**WHEREAS**, the Council has considered all information related to this matter, as presented at the public hearing of the Council identified herein, including any supporting reports by City Staff, and any information provided during public hearings.

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Gridley as follows:

1. The Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establish the factual basis for the Council's adoption of this Resolution.
2. The Council based on substantial evidence in the administration record of proceedings and pursuant to its independent review and consideration, hereby establishes the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee hereto as Exhibit "A".
3. The Resolution shall take effect 60 days after adoption of the Ordinance amending Title 14 of the City of Gridley Municipal Code.

**I HEREBY CERTIFY** that the foregoing **RESOLUTION** was duly passed and adopted by the Council of the City of Gridley at a regular meeting thereof, held on the 1<sup>st</sup> day of May, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

---

Cliff Wagner, City Administrator

---

Michael W Farr, Mayor

## EXHIBIT “A”

### REGIONAL LEVEE IMPROVEMENT PROGRAM DEVELOPMENT IMPACT FEE (SUTTER BUTTE BASIN, 200-YEAR AND 100-YEAR FLOODPLAIN)

Land Use	Updated Regional Fee Rates	
Single Family Residential	\$4,175	Per Gross Developable Acreage (1)
Multi-Family Residential	\$3,073	Per Gross Developable Acreage (1)
Commercial	\$3,858	Per Gross Developable Acreage (1)
Industrial	\$3,785	Per Gross Developable Acreage (1)

---

1) See Gridley Municipal Code Section 14.05 for calculation of Gross Developable Acreage (“GDA”).



**ORDINACE NO. 846-2023**

**AN ORDINACE OF THE CITY OF GRIDLEY, AMENDING GRIDLEY MUNICIPAL CODE, TITLE 14  
DEVELOPMENT IMPACT FEES, BY THE ADDITION OF A NEW CHAPTER 14.05, SUTTER BUTTE BASIN  
REGIONAL LEVEE IMPROVEMENT PROGRAM DEVELOPMENT IMPACT FEE**

**WHEREAS**, on May 1<sup>st</sup>, 2023, the Gridley City Council ("Council") approved and adopted the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study ("Nexus Study") prepared by the Sutter Butte Flood Control Agency ("SBFCA") and dated December 14, 2022; and

**WHEREAS**, the Nexus Study dated December 14, 2022 has been reviewed and considered by the Council and by reference is hereby entered into the public record; and

**WHEREAS**, a notice of the public hearing on this Ordinance was published in the Gridley City Bulletin on February 24<sup>th</sup>, 2023; and

**WHEREAS**, the findings required by the State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.) are made by Council with this action as contained in the administrative record and hereby incorporated by reference herein; and

**WHEREAS**, the Council did use its independent judgment and considered all of said reports including but not limited to the Nexus Study, recommendations and other evidence in the administrative record, all of which is hereby incorporated by reference herein; and

**WHEREAS**, the council has considered all information related to this matter, as presented at the public hearing of the Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

**WHEREAS**, the City Council of the City of Gridley ordains as follows:

**SECTION 1: APPROVAL OF NEXUS STUDY AND FINDINGS.** The City Council of the City of Gridley does hereby approve the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study report dated December 14, 2022 and attached as Exhibit "B" and incorporated herein by this reference, and Council hereby adopts this new fee based on findings required by the State of California Mitigation Act (also known as "AB 1600," Government Code Sections 66000, et seq.), specifically Council hereby makes all of the following finds:

1. The purposes of the Regional LDIF imposed by this Ordinance are necessary to fund design and construction of Levee System Improvements for the Sutter Butte Basin; collected fees may be used for no other purpose.

2. The geographic area in which the fees will be imposed is the urban (Northern) portion of the Sutter Butte Basin and the rural (Southern) Portion of the Basin, as illustrated by the Regional LDIF Boundary Map within Exhibit "B".
3. The estimated reasonable costs for providing the Levee System improvements, are contained in the Nexus Study report.
4. There is a reasonable relationship between the type of development projects on which the fee is imposed and the uses of the fees for off-site Levee system improvements.
5. There is a reasonable relationship between the amount of the fees and the cost of the specified public improvement attributable to the development projects on which the fee is imposed.

**SECTION 2: APPROVAL OF FEE.** The City Council of the City of Gridley, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, hereby establishes the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee.

The Council may take future action to make other revisions to these fees. These fees shall be in addition to any fees previously imposed by the City. These fees shall be paid at the time of building permit issuance and collected and administered consistent with Title 14 Development Impact Fees of the Municipal Code. These fees shall be effective sixty (60) days after the adoption of this Ordinance.

**SECTION 3: ADDITION TO THE MUNICIPAL CODE.** Chapter 14.05 is added to Title 14 of the Gridley Municipal Code to read as set forth in Exhibit "A", attached hereto and incorporated herein by reference.

**SECTION 4: PUBLICATION.** Within fifteen (15) days after its final passage, the City Clerk shall cause this ordinance to be published in full accordance with Section 36933 of the Government Code.

**SECTION 5: SEVERABILITY.** If any section, sub-section, subdivision, paragraph, clause or phrase in this Ordinance, or any part thereof, is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, sub-section, subdivision, paragraph, sentence, clause or phrase of this Ordinance, irrespective of the fact that any one or more sections, sub-sections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

**SECTION 6: EFFECTIVE DATE.** This Ordinance shall become effective sixty (60) days following adoption.

**I HEREBY CERTIFY** that the foregoing **ORDINANCE** had its first reading and was introduced



during the public meeting of the City Council on the \_\_\_\_ day of \_\_\_\_, 20\_\_, and had its second reading and was adopted and passed during the public meeting of the City Council on the \_\_\_\_ day of \_\_\_\_, 20\_\_, by the following vote:

AYES: COUNCILMEMBER \_\_\_\_\_

NOES: COUNCILMEMBER \_\_\_\_\_

ABSENT: COUNCILMEMBER \_\_\_\_\_

ABSTAIN: COUNCILMEMBER \_\_\_\_\_

ATTEST:

APPROVED:

\_\_\_\_\_  
Cliff Wagner, City Administrator

\_\_\_\_\_  
Michael W Farr, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Anthony Galyean, City Attorney



## EXHIBIT "A"

### AMENDING THE GRIDLEY MUNICIPAL CODE, TITLE 14 BUILDINGS AND CONSTRUCTION, BY THE ADDITION OF A NEW CHAPTER 14.05 TO READ AS FOLLOWS:

#### Chapter 14.05: SUTTER BUTTE BASIN REGIONAL LEVEE IMPROVEMENT PROGRAM DEVELOPMENT IMPACT FEE.

Section 14.05.10. TITLE. This Chapter shall be known as the "Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee" (Regional LDIF) regulation of the City of Gridley. The City of Gridley hereinafter shall be called "City." This chapter shall be applicable in the incorporated territory of the City.

Section 14.05.20. OPERATIVE DATE. "Operative Date" of this chapter begins on the 60<sup>th</sup> day following the adoption of the ordinance codified in this chapter and continuing for 30 years thereafter at which time, unless operative date is amended prior to that date, the collection of the Impact Fee pursuant to chapter shall cease.

Section 14.05.30. PURPOSE. This chapter is adopted to impose a levee improvement development impact fee (Levee Fee) to ensure that new development within the Sutter Butte Basin portion of the City of Gridley pays its proportionate share of the levee improvement costs needed to provide 200-year level of protection to the urban (Northern) portion of the Sutter Butte Basin and 100-year level of protection to the rural (Southern) portion of the Basin. This Levee Fee, in combination with other sources of funding described within the Regional LDIF Nexus Study dated December 14, 2022 (Nexus Study), will fund the Project to provide flood protection to the Sutter Butte Basin as detailed in the Nexus Study.

Section 14.05.40. FEE RATE. The Regional LDIF for the Sutter Butte Basin Levee System, based on the acreage of a project, is detailed within the Nexus Study.

#### Section 14.05.50. NUMBER OF UNITS

- i. For New Development of Vacant Land. In the case where a New Development is being constructed on vacant land or land that has not previously been developed:

##### Residential Land Uses

- For all residential land uses, a unit is a single dwelling unit (i.e., a single-family residence is one unit; a duplex is two units; a six-apartment complex is six units).

##### Nonresidential Land Uses

- For nonresidential land uses, a unit is 1,000 square feet of building space and is calculated by dividing the square footage by 1,000.

- ii. For Development of Land with Existing or Pre-Existing Structures or Replacement Structures.

Residential Land Uses

- For a residential expansion project of 500 square feet or more, the incremental new square footage will be charged the fee on a proportionate basis.
- For residential replacement projects, if the project involves development of a new residential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure), and the new structure is larger than the demolished structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a proportionate basis.
- For residential expansion or replacement projects of less than 500 new square feet, no fee will be due.
- For purposes of fee calculation on a proportional basis, a residential unit will be considered 2,000 square feet. Therefore, to calculate the fee for a residential expansion or replacement of 500 square feet or more, the units will be calculated by dividing the new square footage by 2,000. For example, an expansion of 500 square feet would be charged the rate for one-quarter of a unit.

Nonresidential Land Uses

- For nonresidential expansion projects more than 500 new building square feet, the additional square footage will be converted to units the same as for new construction by dividing the additional square footage by 1,000.
- For nonresidential replacement projects, if the project involves development of a new nonresidential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure) and the new structure is larger than the demolished structure by 500 square feet or more, the additional square footage will be converted to units the same as for new construction by dividing the additional square footage by 1,000.
- For nonresidential expansion or replacement projects of less than 500 new building square feet, no fee will be due.

Section 14.05.60. EXEMPTIONS AND EXCLUSIONS.

The following land uses and/or development projects are exempt from the Regional Levee Fee:

1. Agricultural: Development projects on agricultural land including development of Rural Residential parcels greater than 5 Acres in size.
2. Additions to Pre-Existing Structures: Development projects that require a building permit and are not increasing the amount of new structure square footage are exempt from the fee if the project involves adding less than 500 new square feet. If the project increases the structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a proportionate basis.
3. Replacement due to Damage (with or without Addition): If the proposed project is an in-kind replacement to a previously existing structure because of fire damage or other natural disaster, the project will be exempt from the fee so long as the replacement does not increase the amount of new structure by more than 300 square feet. If the project increases the structure by more than 300 square feet, the incremental new square footage will be charged the fee on a proportionate basis.
4. Structures Raised Above the 200-Year Floodplain Elevation: Development projects with structures raised above the elevation of the 200-year flood as determined by the Land use agencies or structures removed from the 200-year floodplain by flood control improvements that meet the design standards applicable to the Federal-State flood control system as determined by the Land use agencies, shall be exempt from the fee. The “200-year flood” and “200-year floodplain” are determined without incorporating SBFCA’s completed Feather River West Levee improvements.
5. Open Space: Any development project that takes place on open space land.
6. Public Agency Owned Land (including federal, state, and local agencies): Any development project located on land owned by a government agency and is to be used solely for public use.

Section 14.05.70. SEVERABILITY. If any provision of this chapter or the application thereof to any entity or circumstance is held invalid, the remainder of the chapter and the application of such provision to other entities or circumstances shall not be affected thereby.

Section 14.05.80. FEE REVENUE ACCOUNTING. All proceeds of the Levee Fee imposed under this chapter shall be placed in a separate fund established by the City (the Flood Protection Improvement Fund). Separate and special accounts may be established in the Flood Protection Improvement Fund and used to account for collected revenues, along with any interest earnings.

Except for temporary borrowing from one City fund to another, the revenue (and interest) shall be used only for the purposes for which the Flood Protection Improvement Fund was collected.



PUBLIC FINANCE  
& MANAGEMENT  
**RESOLVED**

LARSEN WURZEL  
& Associates, Inc.

2450 Venture Oaks Way, Suite 240  
Sacramento, CA 95833

# Sutter Butte Basin

## **Regional Levee Improvement Program Development Impact Fee**

### *NEXUS STUDY*

Prepared for: Butte County, Sutter County, City of Biggs, City of Gridley,  
City of Live Oak, and City of Yuba City

Prepared by: Larsen Wurzel & Associates, Inc.

Prepared on Behalf of: Sutter Butte Flood Control Agency (SBFCA)

December 14, 2022

**RESOLUTION PLACEHOLDER**



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- Appendix B: Funding Sources Detail
- Appendix C: Estimated Cost Allocation By Land Use Agency

## LIST OF ABBREVIATIONS

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2007 Nexus Study	Yuba City Impact Fee Justification Report
2010 SBFCA Assessment ER	SBFCA Assessment District Final Engineer's Report prepared by Parsons Brinckerhoff dated July 14, 2010
AB 602	Assembly Bill 602 (2021)
AB 1600	Assembly Bill 1600, Mitigation Fee Act
DWR	California Department of Water of Resources
CCI	Construction Cost Index
ENR	Engineering News-Record
FEMA	Federal Emergency Management Agency
FRWLP	Feather River West Levee Project
GDA	Gross Developable Acreage
JPA	Joint Powers Authority
Levee Fee	Yuba City flood protection development impact fee
LFMA	Local Flood Management Agency
LWA	Larsen Wurzel & Associates, Inc.
Member Land Use Agencies	Counties of Butte and Sutter and the Cities of Biggs, Girdley, Live Oak, and Yuba City (collectively)
Nexus Study	Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study
Regional LDIF	Sutter Butte Basin Regional Levee Improvement Program Development Impact
SBFCA Board	SBFCA Board of Directors
USACE	U.S. Army Corp of Engineers

## SUMMARY

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### Overview

Larsen Wurzel & Associates, Inc. (LWA) has prepared this Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee (Regional LDIF) Nexus Study (Nexus Study) by request of the Sutter Butte Flood Control Agency (SBFCA) and on behalf of the Counties of Butte and Sutter and the Cities of Biggs, Girdley, Live Oak, and Yuba City (collectively, the Member Land Use Agencies). This Nexus Study has been prepared to support the adoption of a Regional LDIF by each of the Member Land Use Agencies.

Since October 2007, Yuba City has collected a flood protection development impact fee (Levee Fee) as part of its comprehensive capital facilities fee program. This fee applied to all of Yuba City as well as Yuba City's sphere of influence within Sutter County. In addition, Sutter County relied on the same impact fee justification (2007 Nexus Study) to collect the levee fee within Sutter County's jurisdiction in the Sutter Butte Basin.

SBFCA is supporting the implementation of an updated development impact fee program for the entire region because the facts and circumstances supporting Yuba City's 2007 Nexus Study have changed. This study includes the following updates relative to the 2007 Nexus Study:

- A detailed update of the planned development in all jurisdictions within the boundaries of SBFCA;
- The full scope of SBFCA's levee improvement program; and,
- Recognition of SBFCA's current Assessment District and the funding provided through this mechanism.

It is intended that the Regional LDIF be collected throughout the entire Sutter Butte Basin. This Nexus Study provides the basis for a Regional LDIF to ensure that new development pays its proportionate share of the levee improvements that are being advanced by SBFCA to provide protection to the entire Sutter Butte Basin. It is expected that this Nexus Study and a Regional LDIF will be adopted by each of the Land Use Agencies.

### SBFCA Background

SBFCA was formed in 2007 for the purpose of consolidating efforts of several agencies and communities with flood management responsibilities and implementing locally led flood protection projects. SBFCA is a joint powers authority (JPA) composed of the Counties of Butte and Sutter and the Cities of Biggs, Gridley, Live Oak, and Yuba City, and Levee Districts 1 and 9. Among SBFCA's member agencies, the cities and counties bear the responsibility for making key land use decisions and managing the floodplain. The member levee districts are responsible for the operation and maintenance of flood control facilities within their jurisdiction, including levees and appurtenant structures.

The SBFCA Board of Directors (SBFCA Board) is composed of 13 regular members, each of whom is an elected representative of a SBFCA member Agency. The SBFCA Board is the sole authorizing body for all SBFCA operations and actions. All SBFCA programs, projects, funding, financing, and policy decisions are approved by the SBFCA Board.

As provided for in the SBFCA JPA, SBFCA may exercise a broad suite of powers within its jurisdictional boundaries, including, but not limited to:

1. Plan and implement the ways and means to control flood waters within SBFCA boundaries.
2. Enter into contracts.
3. Evaluate, rehabilitate, reconstruct, repair, replace, improve, or add to the facilities of the State Plan of Flood Control in the Central Valley.
4. Acquire, develop, control, construct, manage, maintain, improve, operate, repair, and replace flood control facilities within the SBFCA boundaries.
5. Enter into agreements with any agency/department of the United States of America, the State of California, or any other governmental agency to provide funding necessary for SBFCA projects and programs.
6. Acquire property, by eminent domain or otherwise, and to hold and dispose of property necessary for SBFCA projects and programs.
7. Incur debts, liabilities, or obligations.
8. Levy and collect special benefits assessments, special capital assessments, and issue revenue bonds.
9. Impose and collect property-related fees, special taxes, and general taxes.
10. Prescribe, revise, and collect fees as a condition of land development.
11. Apply for, accept, and receive Federal, State, or local licenses, permits, grants, loans or other aid from any agency of the United States of America or the State of California.

A benefit assessment district, compliant with California Proposition 218, was created in 2010 to fund specific SBFCA operations, projects, and programs. SBFCA has also sought and received grant funding through a variety of sources (primarily from State of California grant programs). These funding agreements were executed following the formation of the JPA and Assessment District.

The SBFCA adopted Strategic Plan, dated April 2018, formulates and articulates a vision for flood management within the Basin and describes an approach to achieve that vision. The plan is updated every five years, or more often if warranted. It describes the accomplishments planned for the subsequent 10 years and who will be involved in accomplishing the goals and objectives identified. The Strategic Plan was intended to be implemented and referenced by the SBFCA Board, staff, consultants, and member and partner agencies. It informs and promotes alignment among the interested public, the State of California (Executive and Legislative branches), and involved flood managers at Federal, State, and local levels.

The Regional LDIF, when coupled with the SBFCA Assessment District and grant funds, generates the funding necessary to implement the SBFCA adopted Strategic Plan.

## Regional Fee

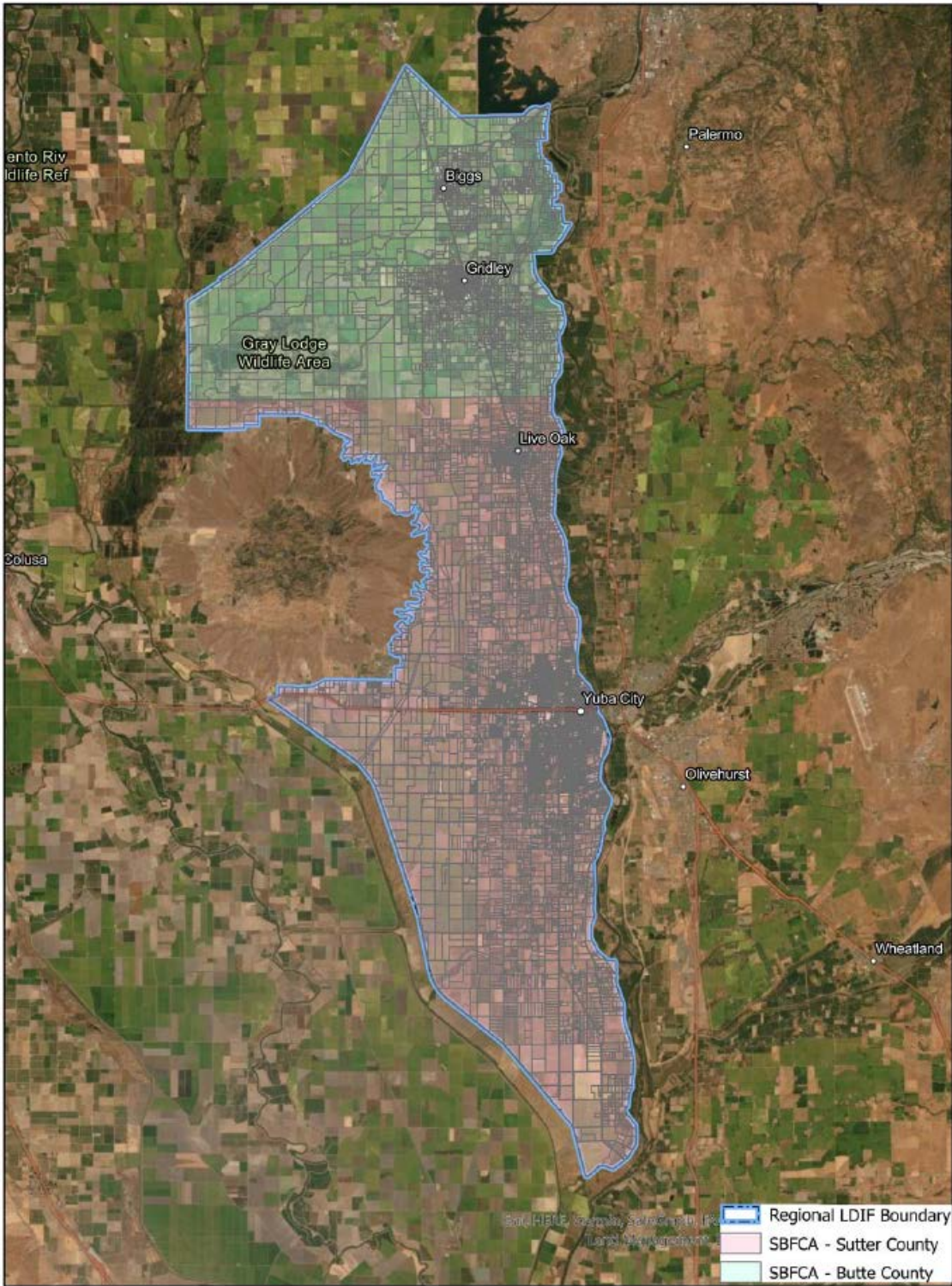
This study is being prepared for SBFCA, the Local Flood Management Agency (LFMA) responsible for planning, implementing, funding, and financing the levee improvement program for the Sutter Butte Basin. This study is being prepared as a regional fee with the intent that each Member Land Use Agency will individually approve

the Nexus Study, adopt the Regional LDIF, and collect and remit fees to SBFCA. **Figure 1** shows the Regional LDIF Boundary.

While some portions of the Sutter Butte Basin levee improvement program have been completed, other portions must still be completed to provide the entire Sutter Butte Basin with the reduced flood risk described in the 2007 Nexus Study. At the time of the 2007 Nexus Study, and as late as the approval of SBFCA's Assessment District in 2010, it was expected that improvements in the southern portion of the Basin would be completed by either the U.S. Army Corp of Engineers (USACE) or California Department of Water of Resources (DWR). Because of this, assessments collected from all properties, including those in the southern portion of the Basin, were utilized to advance construction throughout the entire reach of the Feather River West Levee Project, benefitting all properties within the Basin. Since the adoption of the 2010 Assessment, it has become clear to SBFCA that DWR will not be leading the improvements benefitting the southern portion of the Basin as had been expected. Development projects in the northern portion of the Basin that benefit from the improvements advanced by revenues from the entire Basin must now generate additional funding so that the remainder of improvements can be completed for the benefit of the entire Sutter Butte Basin.



Figure 1: Regional Levee Development Impact Fee Boundary



## Authority and Procedures

### ***Assembly Bill No. 1600: Mitigation Fee Act (1987)***

This Nexus Study has been prepared to assist with the establishment of a Regional LDIF program in accordance with the provisions of Assembly Bill No. 1600, also known as the Mitigation Fee Act (AB 1600), as codified in Government Code §66000 *et. seq.* AB 1600 sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that “a reasonable relationship,” or nexus, must exist between a governmental exaction and the purpose of the condition. This Nexus Study documents that a reasonable relationship exists between the development impact fee to be levied on each land use category and the cost of facility improvements.

Nexus Study requirements include:

1. Identifying the purpose of the fee.
2. Identifying how the fee is to be used.
3. Determining how a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
4. Determining how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
5. Demonstrating a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

### **AB 1600 Requirement 1: Purpose of Fee**

The Regional LDIF will provide funding for levee improvements to provide 200-year protection to the urban portion of the Sutter Butte Basin and 100-year protection to the remainder of the basin.

### **AB 1600 Requirement 2: Use of the Fee**

The Regional LDIF will fund repairs, rehabilitations, and improvements including those beyond what is able to be completed solely with funding from the SBFCA Assessment District and State Grants to date. The Regional LDIF will fund:

- Improvements to the Feather River West Levee System including:
  - Star Bend Setback Levee constructed by Levee District 1<sup>1</sup>
  - Feather River West Levee Project (FRWLP) Phase 1
  - Gridley Bridge Erosion Repairs
  - Laurel Avenue Flood System Repair Project
  - Federal Sutter Basin Feasibility Study and Increment Constructed by the US Army Corps of Engineers (local sponsor costs only)
  - Feather River West Levee repairs to Reaches 14 through 16

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<sup>1</sup> The scope and costs of the Star Bend Setback Levee includes only the local share funded by SBFCA.



- Lower Feather River Repairs (remaining repairs between Highway 99 and the Sutter Bypass East Levee)
- Sutter Bypass East Levee Project Phases 1 through 3 (from Wadsworth Canal downstream to Feather River confluence)
  - Includes critical repairs for 3 sub-reaches within Phase 1
- Urban Levee Design Criteria Compliance Projects
  - Ongoing certification reporting and compliance for a period of 30 years consistent with the term of projections of development within a Nexus Study
  - ULDC Compliance projects required to maintain an Urban Level of Protection

All of the costs of the above projects/scope of work are included in the Regional LDIF and all local funding (SBFCA's Benefit Assessment) and non-local funding (State Grants) that offset these costs are reflected in this Nexus Study. The net remaining costs are the basis for a Regional LDIF.

As previously noted, this Nexus Study provides the required findings needed to impose a development impact fee pursuant to AB 1600. AB 1600 requires that the fee be calculated by spreading the costs among the anticipated future development in proportion to the impact that development has on the services provided. The 2007 Levee Fee was imposed and collected by Yuba City as a condition of new development's approval only within a portion of the Sutter Butte Basin. SBFCA has prepared this fee study to be collected on a regional basis and requests that all of the member land use agencies collect the fee on its behalf.

To determine costs associated with the Project and the planned development upon which to allocate the costs, a 30-year planning horizon has been assumed and is generally consistent with the remaining time horizons of each of the member land use agencies' General Plans.

### **AB 1600 Requirement 3: Relationship Between Use of Fees and Type of Development**

Development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin require improved flood control and flood protection services to protect use and life.

Flood risk has two aspects: the probability of flooding and the consequences that follow. An area could have a high probability of flooding, but minimal consequences because it is vacant and contains no infrastructure or people. In this case, flood risk would be considered low. Conversely, a highly urbanized community that has a moderate or low probability of flooding would be considered high risk because of the greater consequences of a flood in that location (i.e., loss of life, livelihood, property, health, and human suffering). There are several ways to quantify flood risk including examining the risk of loss of life and risk of loss to property. The risk of loss to property can be expressed and quantified in terms of Expected Annual Damage (EAD). This Nexus Study uses EAD as a proxy for flood risk. EAD is the product of the probability of flooding (percent chance in any given year) and consequences (dollars of damage as a result of flooding). Without mitigation, additional development increases the EAD by increasing developed property at risk. To protect life and property, it is important for the LFMA to maintain a high level of service (in terms of maintaining low flood risk) within the Sutter Butte Basin as development increases. To maintain the current level of EAD and

reduce the level of flood risk to offset increased EAD, the LFMA must improve the flood protection facilities as development occurs.

Each development project will add to the necessity of flood protection due to the increased EAD because of that development. Additionally, each development project will benefit from the levee infrastructure already in place at the time of development. For the new development described in this Nexus Study to occur in the Sutter Butte Basin, levee improvements that reduce the probability of flooding are necessary.

#### **AB 1600 Requirement 4: Relationship Between Need for Facility and Type of Development**

As stated under **Requirement 3**, development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin require improved flood control and flood protection services to protect use and life.

Each development project will add to the necessity of flood protection due to the increased EAD as a result of that development. Additionally, each development project will benefit from the levee infrastructure already in place at the time of development. For the new development described in this Nexus Study to occur in the Sutter Butte Basin, levee improvements that reduce the probability of flooding are necessary.

#### **AB 1600 Requirement 5: Relationship Between Amount of Fees and Cost of Facility**

This study includes the following components:

1. A determination of the amount of planned development upon which the costs of the fee funded facilities will be allocated.
2. The identification of costs associated with each improvement, facility, or program funded by the fee.
3. The development of a standard metric by which to proportionately allocate the costs of the facilities between land use categories.
4. A determination of the fee cost per acre for each land use category.
5. A determination of the fee per unit by land use category.
6. A discussion of how the program will be administered by the Land Use Agency.

The Regional LDIF is calculated on a gross developable acreage (GDA) basis then converted to a per unit fee. The fee will be collected on a per unit basis for all types of development. For Single and Multi-Family Residential, a unit is a single dwelling unit. For Commercial and Industrial, a unit is 1,000 square feet of building. All development projects requiring a building permit within the Sutter Butte Basin will be categorized into one of the three development type categories and will be subject to the fee. At the option of each Land Use Agency, the fee may be calculated and collected either prior to issuance of a building permit or prior to issuance of a certificate of occupancy. The Fee will be charged at the then current rate at the time of calculation and collection. The details of the calculation and collection of the fee are further described within the **Fee Program Administration** section of this Nexus Study.

**Table S-1** provides a summary of the proposed initial fee rates per 1,000 square foot through Fiscal Year 2022/2023.

**Assembly Bill No. 602 (2021)****Level of Service Identification Requirements**

This Nexus Study has also been prepared in accordance with the provisions of Assembly Bill 602 (2021) (AB 602) as codified in Government Code § 65940.1, 66016.5, and 66019 and Health and Safety Code § 50466.5. AB 602 sets forth additional procedural requirements for the preparation of a Nexus Study and the adoption of a development impact fee. As it relates to the identification of level of service the following must be identified and provided:

1. The existing level of service;
2. The new level of service; and
3. An explanation of why the new level of service is appropriate.

**AB 602 Requirement 1: Existing Level of Service**

Segments of the Feather River levees do not provide adequate protection against 100-year flood flows and could cause the Sutter Butte Basin to fall into higher-risk Federal Emergency Management Agency (FEMA) flood zones. Ultimately this would result in FEMA requiring flood insurance on properties with a federally insured mortgage and issuing increased flood insurance rates accordingly. Many private lenders may also require flood insurance based on FEMA's requirement. As discussed in the **Regional Fee** section above, some portions of the Sutter Butte Basin levee improvement program have been completed, while other portions must still be completed to provide the entire Sutter Butte Basin with the reduced flood risk described in the 2007 Nexus Study. Since the 2007 Nexus Study, it has become clear to SBFCA that DWR will not be leading the improvements benefitting the southern portion of the Basin as had been expected. Development projects in the northern portion of the Basin that benefit from the improvements advanced by revenues from the entire Basin must now generate additional funding so that the remainder of improvements can be completed for the benefit of the entire Sutter Butte Basin.

**AB 602 Requirement 2: New Level of Service**

The Regional LDIF, in combination with other funding sources, will provide funding for levee improvements to provide the urban portion of the Sutter Butte Basin protection against 200-year flood flows within the Feather River and protection against 100-year flood flows within the Feather River for the remainder of the basin.

**AB 602 Requirement 3: Explanation of Why the New Level of Service is Appropriate**

Without the levee improvements, the Sutter Butte Basin would not be protected from 100-year or 200-year flood flows within the Feather River. This would result in increased risk of loss of use and life safety and may ultimately lead to the requirement of flood insurance as well increases to the FEMA flood insurance rates.

**Housing Development Square Footage Basis Exemption Findings**

AB 602 requires that the calculation of the fee on a housing development project be proportionate to the square footage of the proposed units of the development. This Nexus Study complies with the housing development square footage basis requirement.

**Table S-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Summary of Initial Fee Rates per 1,000 Sq Ft by Land Use Category**

Land Use	Cost Share	Admin Fee	Fee Rate Per 1,000 Sq Ft [1]
	Table 8	3%	
Single Family	\$416	\$12	\$428
Multi-Family	\$261	\$8	\$269
Commercial	\$424	\$13	\$436
Industrial	\$271	\$8	\$279

[1] These initial Fee Rates are effective upon adoption through the end of FY 2022/2023 after which annual Fee escalation, as described in the Nexus Study, will be applied starting July 1, 2023. Rounded to the nearest whole dollar.

### ***Procedural Requirements***

The Member Land Use Agencies intend to adopt the Regional LDIF pursuant to the procedural requirements of both AB 1600 and AB 602. The procedures include the following:

- **Conduct a Noticed Public Hearing to Adopt the Nexus Study:** Each Member Land Use Agency shall conduct a noticed Public Hearing, to adopt this Nexus Study, at which oral or written presentations can be made, this may be part of a regularly scheduled meeting or a special meeting. This public hearing shall be noticed at least 30 days prior in accordance with Government Code § 66016.5(a)(7).
- **Conduct a Noticed Public Hearing to Adopt the Development Impact Fee:** Each Member Land Use Agency shall conduct a noticed Public Hearing, to adopt the development fee associated with this Nexus Study, at which oral or written presentations can be made, as part of a regularly scheduled meeting. This public hearing shall be noticed by publication at least 10 days prior in accordance with Government Code § 6062(a). In addition, notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that any data required by Government Code § 66016(a) is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the Local Agency for mailed notice of meetings on new or increased fees or service charges.
- **Provide Public Information:** Each Member Land Use Agency shall provide public information, at least 10 days prior to their Public Hearing, including available public data indicating the amount of estimated costs required to provide the service for which the fee is to be levied.
- **Adopt a Resolution or Ordinance:** AB 1600 requires that any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution.

Note that Government Code § 66017 states that fees adopted pursuant to the provisions of Government Code § 66016 (those outlined above) are effective no sooner than 60 days after final action on the adoption of the new fee or increase to an existing fee.

## LAND USE CATEGORIES & NEW DEVELOPMENT

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### Land Use Categories

AB 1600 sets forth standards by which monetary exactions on development projects are measured. The need for a public facility must be reasonably related to the level of service required, which varies in proportion to a particular land use type.

The following is a list of the land use type categories utilized for the purpose of this Regional LDIF:

- **Single-Family Residential:** Includes structures that are single-family dwellings and duplexes. Half-plexes, rural homes, and mobile homes requiring a build permit are included in this category.
- **Multi-Family Residential:** Includes structures that are occupied by three or more families living independently of each other, under one roof. This category includes condominiums, triplexes, four-plexes, apartment complexes.
- **Commercial:** Includes offices, retail facilities, hotels, motels, restaurants, service stations and car washes, medical and dental offices, banks, and any other development typically serving and open to the general public.
- **Industrial:** Includes development occupied by manufacturing, warehouses, processing plants, heavy and light industry, lumberyards, storage, bulk plants, truck transfer terminals, and any other development typically serving the manufacturing, storage, or processing industries.

Further details with respect to the specifics of each land use category are discussed within the **Fee Program Implementation** and **Fee Program Administration** sections of this Nexus Study.

### Sutter Butte Basin Land Uses

A central principle to determining a development impact fee is to consider the amount of anticipated future growth over the time horizon of the proposed program. In this case, the scope of facilities needed to provide enhanced flood protection within the Sutter Butte Basin are not necessarily functionally related to the amount of planned or existing development. The new facilities will provide a benefit to existing development. As described above, this Regional LDIF program is one of several sources of funding needed to construct the improvements. The facilities funded by this fee need not be allocated to existing development as a separate funding mechanism will cover the benefit received and service provided to existing development.

This fee only applies to planned development within the Sutter Butte Basin that benefits from the facilities providing reduced flood risk. For the purposes of determining the allocation base for the fee, planned development is all development that has been identified by the land use jurisdictions and is expected to obtain a building permit after the implementation of this fee program.

### *Planned New Development*

Planned new development within Sutter Butte Basin was estimated based on extensive research and coordination with the Counties of Butte and Sutter and the Cities of Biggs, Gridley, Live Oak, and Yuba City.

The details of the planned development estimated over the 30-year horizon of the fee program are documented in **Appendix A. Table 1** provides a summary of planned new development by land use that is subject to the fee for the duration of the fee program. This table provides the total GDA by land use category as well as the total number of Single-Family and Multi-Family units and 1,000 building square feet for Commercial and Industrial development throughout the entire basin. The calculation of units and 1,000 square feet per acre is reflective of development throughout the basin and not specific to any individual Land Use Agency.

**Table 1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Planned Development Summary**

<b>Land Use</b>	<b>Gross Developable Acreage (GDA)</b>	<b>1,000 Building Sq Ft</b>	<b>1,000 Sq Ft Per Acre [1]</b>
Reference	Table A-1	Table A-2	
	A	B	C = B / A
Single-Family	3,612	35,235	9.75
Multi-Family	786	8,983	11.42
Commercial	736	6,504	8.84
Industrial	427	5,792	13.57
<b>Total</b>	<b>5,561</b>		



## CAPITAL IMPROVEMENTS AND PROJECTS

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### Capital Costs Allocable to Planned Development

As described above and within the SBFCA Assessment District Final Engineer's Report prepared by Parsons Brinckerhoff dated July 14, 2010 (2010 SBFCA Assessment ER), a series of improvements are needed to ensure that the levee system provides 200-year flood protection to the northern urban portion of the Sutter Butte Basin and 100-Year flood protection to the southern rural portion of the basin. A detailed cost estimate and financing plan has been prepared by SBFCA to demonstrate how the LFMA intends to generate the funds needed to implement its levee improvement program.

The Regional LDIF will fund repairs, rehabilitations, and improvements including those beyond what is able to be completed solely with funding from the SBFCA Assessment District and State Grants to date. The Regional LDIF will fund:

- Improvements to the Feather River West Levee System including:
  - Star Bend Setback Levee constructed by Levee District 1<sup>2</sup>
  - Feather River West Levee Project Phase 1
  - Gridley Bridge Erosion Repairs
  - Laurel Avenue Flood System Repair Project
  - Federal Sutter Basin Feasibility Study and Increment Constructed by the US Army Corps of Engineers (local sponsor costs only)
  - Feather River West Levee repairs to Reaches 14 through 16
  - Lower Feather River Repairs (remaining repairs between Highway 99 and the Sutter Bypass East Levee)
- Sutter Bypass East Levee Project Phases 1 through 3 (from Wadsworth Canal downstream to Feather River confluence)
  - Includes critical repairs for 3 sub-reaches within Phase 1
- Urban Levee Design Criteria Compliance Projects
  - Ongoing certification reporting and compliance for a period of 30 years consistent with the term of projections of development within a Nexus Study
  - ULDC Compliance projects required to maintain an Urban Level of Protection

All of the costs of the above projects/scope of work are included in the Regional LDIF and all local (SBFCA Assessment) and non-local funding (State Grants) that offset these costs are reflected in this Nexus Study. The net remaining costs are the basis for a Regional LDIF.

The Regional LDIF will be only levied on Planned Development within the Sutter Butte Basin. This means that the portion of the costs allocable to existing development, will not be raised through this fee program. The

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<sup>2</sup> The scope and costs of the Star Bend Setback Levee includes only the local share funded by SBFCA.

LFMA will use other local sources (SBFCA Assessment) and non-local (State Grants) to fund the balance of the costs not raised through this fee program.

### **Summary of Capital Improvements Funded by the Development Impact Fee**

The actual costs incurred and estimated costs for the levee improvements are shown in **Table 2**. All estimated costs are in 2021 dollars. **Appendix B** provides details of State Grants and available SBFCA Assessment revenues. The total cost of capital improvements funded are approximately \$625.2 million in 2021 dollars. Other sources of funding are estimated to contribute approximately \$603.9 million which fund existing development's portion of the costs of the levee improvements. The estimated remaining \$21.3 million will be funded by Planned Development through this Regional LDIF program. This amount is used as the basis for calculating the Regional LDIF.

**Table 2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Costs of Flood Control Capital Projects Covered by the Fee**

<b>Item</b>	<b>Total Cost</b>
<b>Program Expenditures</b>	
<b>Feather River West Levee Project Ph 1 &amp; 2</b>	
Star Bend Project Payments (to LD1)	\$2,222,242
Feather River West Levee Phase 1 (EIP / UFRR Project)	\$322,332,310
Gridley Bridge Erosion Repair	\$503,101
Laurel Avenue FSRP	\$11,102,697
Federal Project Feasibility Study & Construction (Local Share)	\$13,088,821
Reaches 14 to 16 Repairs	\$29,479,200
Lower Feather River Remainder Phase 2	\$20,000,000
<b>Sutter Bypass Improvements</b>	
Small Community Studies	\$999,969
Critical Repair Projects	\$30,000,000
Full Repair	\$190,000,000
<b>ULDC Compliance Projects</b>	
	\$5,500,000
<b><i>Subtotal Program Expenditures</i></b>	<b><i>\$625,228,341</i></b>
<b>Program Revenues</b>	
Non-Local Funding Sources [2]	\$473,768,575
Local Funding Sources [3]	\$130,146,977
<b><i>Subtotal Program Revenues</i></b>	<b><i>\$603,915,552</i></b>
<b>Total Cost Funded by the Levee Fee</b>	<b>\$21,312,789</b>

Source: SBFCA Budget

[1] Assumed 30-year timeframe at \$500,000 every 5 years.

[2] See Table B-1 for all grant funded sources.

[3] See Table B-2 for all available SBFCA assessment revenues and bond sale proceeds.

## REGIONAL LDIF METHODOLOGY

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In accordance with AB 1600, a calculation of development impact fees must be accompanied by an analysis with enough detail to justify that a thorough consideration was applied in the process of determining how the fee relates to the impacts from new development. Findings must ensure that a reasonable relationship exists between the proposed fee and the development upon which it will be levied. This section describes the methodology utilized in this report in accordance with the requirements of AB 1600.

The fee methodology utilized here includes the following steps:

1. Qualitatively determine and describe the land use categories utilized as the basis for the fee.
2. Quantify the projected growth within the benefiting area in each of the land use categories in terms of GDA.
3. Describe and estimate the capital improvement costs and their applicability to planned new development.
4. Estimate the total building footprint square feet in each land use category and the resulting damageable square feet of structure per acre for each land use category.
5. Use the estimated damageable square feet per acre, an assumed relative structure value per structure type, and the assumed flood damage percentage to estimate the average structure damage per acre per structure type.
6. Use an estimated relative land value per land use category and assumed flood damage percentage to estimate an average land damage per acre per land use category.
7. Use the estimated structure and land damages to determine an estimated total damage per acre per land use category.
8. Apply a Loss of Use and Life Safety Factor to adjust the total damage per acre to determine an adjusted damage per acre per land use category.
9. Determine a relative Flood Damage Index by relating the adjusted damage per acre for each land use category to that of the adjusted damage per acre for the Single-Family Residential land use category.
10. Utilize the Flood Damage index to determine the adjusted equivalent acreage which represents a weighted amount of planned development acreage by land use type within the Sutter Butte Basin.
11. Proportionately allocate the capital improvement costs to each land use category based upon the adjusted equivalent acreage.
12. Determine the cost per GDA by dividing the allocated costs by the GDA of each land use category.
13. Add to each cost per acre the costs of administration of the fee program.
14. Convert the per GDA fee to a per unit fee using assumed density and FAR data to determine the fee amount per unit per land use category to be collected by the land use agencies.

### Cost Allocation and Calculation

The purpose of allocating the capital improvements costs among the various land uses is to provide an equitable method of funding the required improvements. The key to the cost apportionment of capital improvements to different land use types is the assumption that the benefits derived from the facilities are

related to land use type and that such benefits can be stated in relative terms. Only by relating the benefit received from the facilities and the services they provide to land use types can a reasonable nexus, or relationship, be established for the apportionment of costs to that land use.

Since the nature of the improvements in this Nexus Study relate to reducing the flood risk in the Sutter Butte Basin, the equivalency factor determined in Step 9 above is the Flood Damage Index. The Flood Damage Index is a relative factor that relates the adjusted property damages by land use to the property damage of an acre of Single-Family development. The greater the index value, the greater the impact in terms of property damage and loss of use and life associated with a possible flood. An index value closer to zero would indicate lower damage costs and loss of use and life associated with a flood. Given these facts, utilizing the Flood Damage Index as described above is a reasonable method to allocate costs proportionately based on land use.

The following describes the series of tables that calculate the Regional LDIF using the method described above.

Using the estimated total building square feet and the assumed average building stories, **Table 3** determines the estimated building footprint square feet and the associated damageable square feet of structure per acre.

After calculating the damageable square feet of structure per acre for each land use category, the value is then multiplied by the relative structure value per square foot and the assumed flood damage percentage to find the average structure damage per GDA, as shown in **Table 4**. The relative structure value and assumed flood damage percentage are based upon the 2010 SBFCA Assessment ER. **Table 5** uses the relative land value per acre and assumed flood damage percentage based upon the 2010 SBFCA Assessment ER to calculate the average land damage per acre.

By summing the average structure damage and average land damage per GDA values determined in **Table 4** and **Table 5**, a total damage per GDA can be determined. The total damage is then adjusted by a Loss of Use and Life Safety Factor, a factor determined by how many hours per day individuals occupy structures in each land use category. This factor is multiplied by the total damage per acre to determine an adjusted damage per acre. The adjusted damage per acre amount is then used to find the Flood Damage Index or equivalency factor, as illustrated in **Table 6**.

The Flood Damage Index from **Table 6** is used to determine an adjusted equivalent acreage. This amount is used to allocate the local cost to each land use category on a proportional adjusted equivalent acreage basis for each land use category. The allocated cost is then divided by the total GDA in each land use category to find the cost share per GDA as shown in **Table 7**.

**Table 8** shows the allocated costs per GDA of the fee and the Administrative Fee of 3% to determine the total fee amount on a per GDA basis for each land use type. **Table 8** then calculates the Cost Share, Administrative Fee, and Fee Rate on a per unit or 1,000 building square feet basis based on the density of planned development shown in **Table 1**.

**Appendix C** shows the estimated allocated cost per unit for Residential and the estimated cost per 1,000 square feet for Non-Residential development by each Land Use Agency.

**Table 3**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Damageable Square Feet of Structure Per GDA**

Land Use	Gross Developable Acreage (GDA)	1,000 Square Feet [1]	Estimated Total Building Sq Ft	Assumed Average Building Stories	Estimated Building Footprint Sq Ft	Damageable Structure Sq Ft per GDA
Reference	Table A-1	Table A-2				
	A	B	C = B*1,000	D	E = C/D	F = E/A
Single-Family [2]	3,612	35,235	35,234,973	1.17	30,201,406	8,361
Multi-Family [3]	786	8,983	8,983,350	2.00	4,491,675	5,711
Commercial	736	6,504	6,503,853	1.00	6,503,853	8,835
Industrial	427	5,792	5,792,371	1.00	5,792,371	13,572
<b>Total</b>	<b>5,561</b>		<b>56,514,548</b>		<b>46,989,305</b>	

[1] Single-Family and Multi-Family shown in units; Commerical and Industrial shown in 1,000s of square feet.

[2] Assumes average 2,100 square foot units (all stories) and 1,800 square foot single story units, thus imputing an assumed average number of stories per building.

[3] Assumes average 900 square feet units.

**Table 4**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Relative Structure Damage Per GDA**

<b>Land Use</b>	<b>Relative Structure Value Per Sq Ft</b>	<b>Damageable Structure Sq Ft per GDA</b>	<b>Assumed Flood Damage Percentage</b>	<b>Average Structure Damage Per GDA</b>
Reference		Table 3		
	A	B	C	D = A*B*C
Single-Family [1]	\$60	8,361	35%	\$175,589
Multi-Family [1]	\$60	5,711	35%	\$119,939
Commercial	\$70	8,835	81%	\$500,949
Industrial	\$50	13,572	77%	\$522,520

Source: SBFCA Assessment Final Engineer's Report date July 14, 2010

[1] The Sutter Butte Flood Control Agency Engineer's Report does not distinguish Single-Family from Multi-Family in the Residential land use category therefore the same relative structure value and flood damage percentage were utilized for both land uses.

**Table 5**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Relative Land Damage per GDA**

<b>Land Use</b>	<b>Relative Land Value Per GDA</b>	<b>Assumed Flood Damage Percentage</b>	<b>Relative Land Damage Per GDA</b>
	A	B	C = A*B
Single-Family	\$251,000	10%	\$25,100
Multi-Family	\$278,000	10%	\$27,800
Commercial	\$554,000	10%	\$55,400
Industrial	\$233,000	10%	\$23,300

Source: SBFCA Assessment Final Engineer's Report date July 14, 2010



**Table 6**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Relative Flood Damage Index**

Land Use	Average Structure Value Damage Per Acre	Average Land Value Damage Per Acre	Total Damage Per Acre	Loss of Use & Life Safety Factor [1]	Adjusted Total Damage Per Acre	Relative Flood Damage Index
Reference	Table 4	Table 5				
	A	B	C = A+B	D	E = C*D	F = E/\$602,066
Single-Family	\$175,589	\$25,100	\$200,689	3.00	\$602,066	1.00
Multi-Family	\$119,939	\$27,800	\$147,739	3.00	\$443,218	0.74
Commercial	\$500,949	\$55,400	\$556,349	1.00	\$556,349	0.92
Industrial	\$522,520	\$23,300	\$545,820	1.00	\$545,820	0.91

[1] A ratio of 3:1 based on 24 hours of use for Residential and 8 hours of use for Commerical and Industrial.

**Table 7**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Apportionment of Costs Per GDA**

<b>Land Use</b>	<b>Gross Developable Acreage</b>	<b>Flood Damage Index</b>	<b>Adjusted Equivalent Acreage</b>	<b>Local Cost Share Percentage</b>	<b>Local Cost Share</b>	<b>Cost Share per GDA</b>
Reference	Table 1	Table 6			Table 2	
	A	B	C = A*B	D = C/5,258	E = D*\$21,312,789	F = E/A
Single-Family	3,612	1.00	3,612	68.7%	\$14,640,612	\$4,053
Multi-Family	786	0.74	579	11.0%	\$2,346,651	\$2,984
Commercial	736	0.92	680	12.9%	\$2,757,228	\$3,746
Industrial	427	0.91	387	7.4%	\$1,568,299	\$3,675
<b>Total</b>	<b>5,561</b>		<b>5,258</b>	<b>100%</b>	<b>\$21,312,789</b>	

**Table 8**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Development Fee Rate Summary**

Land Use	Per GDA			1,000 Sq Ft Per Acre	Per 1,000 Square Feet		
	Cost Share	Admin Fee	Fee Rate		Cost Share	Admin Fee	Fee Rate
Reference	Table 7	3%		Table 1			
	A	B = A * 3%	C = A+B	D	E = A/D	F = B/D	G = C/D
Single-Family	\$4,053	\$122	\$4,175	9.75	\$416	\$12	\$428
Multi-Family	\$2,984	\$90	\$3,073	11.42	\$261	\$8	\$269
Commercial	\$3,746	\$112	\$3,858	8.84	\$424	\$13	\$436
Industrial	\$3,675	\$110	\$3,785	13.57	\$271	\$8	\$279

## FEE PROGRAM IMPLEMENTATION

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The Regional LDIF calculations presented in this Nexus Study are based on the best improvement cost estimates, administrative cost estimates, and land use information available at this time. If costs change significantly, if the type or amount of new projected development changes, or if other assumptions significantly change such as Federal or State standards, this Nexus Study and the program should be updated accordingly.

### Regional LDIF Collection

It is expected that each Land Use Agency in the Sutter Butte Basin will individually adopt the Regional LDIF and collect and remit fees to SBFCA. It is expected that as part of the adoption of this Nexus Study by a City or County, the agency will enter into a collection agreement with SBFCA and pursuant to that agreement, SBFCA will support the efficient administration and collection of the fee. SBFCA will support collection by clarifying and specifying any conditions that would trigger the collection of the Regional LDIF or similarly clarifying and specifying any exemption of the Regional LDIF as further described in **Exemptions from the Fee**, below. SBFCA may also support each City or County as requested to specify appropriate development conditions to ensure imposition of the fee, as well as clarify any specifics as to the calculation and collection of the fee. A City or County, at its discretion, may also allow for variations in the method of payment as further described in this section.

### Fee Triggers/Applicability

The Regional LDIF will apply to all Planned Development in the Sutter Butte Basin that creates a flood protection impact. Planned Development is defined as all development that is required to obtain a building permit within the Sutter Butte Basin. At the option of the Land Use Agency, the fee may be calculated and collected either prior to issuance of a building permit or prior to building permit final and/or issuance of a certificate of occupancy. The Fee will be charged at the then current rate at the time of calculation.

### Regional LDIF Program Boundary

The Regional LDIF calculations are based upon the total costs of the levee improvement program and estimated amount of development within the floodplain in the Sutter Butte Basin which encompasses the entire benefit area. By virtue of the cost allocation process, this Regional LDIF program will generate a proportional amount of fee revenue from the share of Planned Development within each of the land use agencies. **Figure 1** (page 4) illustrates the Regional LDIF Program Boundary.

### Exemptions from the Fee

The following land uses and/or projects are exempt from the Regional LDIF:

1. Agricultural Exemption: Development on agricultural zoned land including development of rural residential parcels greater than 5 acres in size.

2. Additions to Pre-Existing Structures: Development projects that 1) require a building permit and 2) are increasing the amount of new structure square footage by no more than 500 new square feet are exempt from the fee. If the project increases the structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a proportionate basis. See details on the proportional basis in the Fee Program Administration, Number of Units section on page 28.
3. Replacement due to Damage (with or without Addition): If the proposed project is an in-kind replacement to a previously existing structure because of fire damage or other natural disaster, the project will be exempt from the fee so long as the replacement does not increase the amount of new structure by more than 300 square feet. If the project increases the structure by more than 300 square feet, the incremental new square footage will be charged the fee on a proportionate basis.
4. Structure raised above the 200-year Floodplain Elevation: Development projects with structures raised above the elevation of the 200-year flood as determined by the Land use agencies or structures removed from the 200-year floodplain by flood control improvements that meet the design standards applicable to the Federal-State flood control system as determined by the Land use agencies, shall be exempt from the fee. The “200-year flood” and “200-year floodplain” are determined without incorporating SBFCA’s completed Feather River West Levee improvements.
5. Open space.
6. Public Agency Owned Land (including Federal, State, and Land use agencies).
7. “Other” land as defined below.

### ***Exceptions to the Exemptions***

With written approval from the Land Use Agency having jurisdiction, any or all portions of the proposed fees may be waived if it can be determined that a proposed project will not derive permanent benefit from the improvements for which the fees are collected (i.e., it can be shown that the property does not benefit from the flood protection). Written fee waivers may be available on a case-by-case basis for certain temporary structures, such as a mobile temporary structure used for construction management purposes.

### **Coverage Period**

The Regional LDIF is to be collected beginning the 61st day after the adoption of the resolution or ordinance approving the fee, as adopted by each Member Land Use Agency’s governing body and for 30-years thereafter, unless updated, amended, or repealed.

### **Administration Costs**

The estimated costs of administration for the Regional LDIF has been included in the fee rates program shown on **Table S1** and **Table 8**. The proposed administrative fee is 3% of the cost of the fee. However, to the extent each Land Use Agency has its own process for determining the administrative cost of the fee, this amount may be adjusted by each Land Use Agency accordingly. These administrative costs will cover the following:

- The development and administration of the Regional LDIF Program.
- Accounting costs associated with the Regional LDIF.

- Any necessary or required annual review of the fee program costs, fees, and policies.
- Any necessary or required annual reporting requirements associated with the fee program.
- Any other ongoing and recurring administrative procedures associated with the program.

## Variations in Method

The Land use agencies will allow for variations in the method of fee payment, including:

- Use of any lawfully created Assessment District or Community Facilities District (CFD) to finance fee payment.
- Voluntary accelerated payment of the fee at the time of filing of any application for a tentative subdivision map, parcel map, or an earlier land use application, at the then-applicable rate.
- The collection of fees or other payments to fund improvements by the land use jurisdictions that are to be used, by agreement, to directly fund or reimburse the cost of the facilities funded by the fee.

The use of these alternative payment mechanisms and the collection of the Regional LDIF may vary among the Land use agencies, however, in any case, the alternative method of payment will be documented within an agreement or memorandum by the Land Use Agency.

## Refunds and Appeals Process

An applicant who has paid the Regional LDIF may request that such fee be refunded at any time prior to commencement of the development, although, to do so would terminate any approved application or permit. Refunds will be made according to the policies and procedures of Land Use Agency, as they are developed, and may reflect deductions to compensate for handling and administrative costs incurred by the land use agencies in processing the fee calculation, collection, and refund request.

Appeals regarding the determination of the applicability and amount of the LDIF are to be made in writing to the Land Use Agency. The Land Use Agency shall respond to the appeal request in writing within 30 days. The determination of the Land Use may be appealed pursuant to any adopted appeal procedures. Any determination by the Land Use Agency's Board of Directors shall be considered final.

## Annual Fee Escalation

To address inflationary costs, the base fee rates shown in this study shall escalate each July 1<sup>st</sup>, commencing July 1, 2023. The fee rates shall escalate annually by the percentage increase in the Engineering News-Record (ENR) 20-City Average Construction Cost Index (CCI) for the period ending April of the previous fiscal year. The base month for this adjustment shall be April 2022. The fee shall be the ratio of the most recent April index to the prior year's April index.

## FEE PROGRAM ADMINISTRATION

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The following describes the general procedures for the administration of the Regional LDIF. The staff of each Land Use Agency may develop more detailed administrative procedures or implement more specific policies after the adoption of the program to more efficiently administer the program and provide needed clarification in certain circumstances.

### Fee Calculation

To calculate the Regional LDIF the following information is required:

- The land use category of the new development.
- The number of residential units or building square footage for non-residential development.
- The current fee rates.

The following provides detailed information on each requirement.

#### ***Land Use Categorization***

The Development Services Department of Yuba City will determine the correct Regional LDIF rate by classifying the proposed development into one of the following four land use categories:

- Single-Family Residential
- Multi-Family Residential
- Commercial
- Industrial

To classify the proposed development into one of the four land use categories, the agency will use the following information:

- The land use type from the zoning code that applies to the land upon which the development is proposed; and
- The descriptions of the four land use categories in this Nexus Study, found in the **Land Use Categories** discussion on page 11.

#### ***Number of Units***

##### **For New Development of Vacant Land**

In the case where a structure is being constructed on vacant land that has not previously been developed:

##### ***Residential Land Uses***

- For all residential land uses, a unit is a single dwelling unit (i.e., a single-family residence is one unit; a duplex is two units; a six-apartment complex is six units).

***Nonresidential Land Uses***

- For nonresidential land uses, a unit is 1,000 square feet of building space and is calculated by dividing the square footage by 1,000.

**For Development of Land with Pre-Existing Structures or Replacement Structures*****Residential Land Uses***

- For a residential expansion project of 500 square feet or more, the incremental new square footage will be charged the fee on a proportionate basis.
- For residential replacement projects, if the project involves development of a new residential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure), and the new structure is larger than the demolished structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a proportionate basis.
- For residential expansion or replacement projects of less than 500 new square feet, no fee will be due.
- For purposes of fee calculation on a proportional basis, a residential unit will be considered 2,000 square feet. Therefore, to calculate the fee for a residential expansion or replacement of 500 square feet or more, the units will be calculated by dividing the new square footage by 2,000. For example, an expansion of 500 square feet would be charged the rate for one-quarter of a unit.

***Nonresidential Land Uses***

- For nonresidential expansion projects more than 500 new building square feet, the additional square footage will be converted to units the same as for new construction by dividing the additional square footage by 1,000.
- For nonresidential replacement projects, if the project involves development of a new nonresidential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure) and the new structure is larger than the demolished structure by 500 square feet or more, the additional square footage will be converted to units the same as for new construction by dividing the additional square footage by 1,000.
- For nonresidential expansion or replacement projects of less than 500 new building square feet, no fee will be due.

***Calculation Steps***

The following steps are required to calculate the development fee:

1. Determine the land use category based on the characteristics of the development and the descriptions of the land use categories.
2. Determine the units of development using the definitions above.
3. Determine the total Regional LDIF by multiply the fee rate from Step 1 and the units from Step 2.

This is the fee applicable to the New Development.



## Fee Revenue Accounting

The revenues raised by payment of the Regional LDIF shall be placed in a separate fund established by Yuba City (Yuba LDIF Fund). Separate and special accounts may be established in the Yuba LDIF Fund and used to account for collected revenues, along with any interest earnings. Yuba City will remit the collected funds to SBFCA pursuant to the terms of the collection agreement executed between SBFCA and Yuba City.

## Periodic Review and Cost Adjustment

SBFCA will periodically review actual project costs and Regional LDIF collections to determine if any updates to the program are warranted. The periodic review will occur no less than every five years. During these reviews, the following aspects will be analyzed:

- Changes to the improvements to be funded by the Regional LDIF program
- Changes in the cost to update or administer the Regional LDIF program
- Changes in annual financing costs
- Changes in assumed land uses
- Changes in development absorption
- Changes in other funding sources

Any changes to the Regional LDIF based on the periodic update will be presented to the SBFCA Board of Directors for approval before an increase of the fee will take effect. SBFCA will send notice of the fee change to the member land use, pursuant to the terms of the collection agreement(s) between SBFCA and the land use agencies.

The fifth fiscal year following the first deposit into the fee account or fund, and annually thereafter, each Land Use Agency is required to make all the following findings about that portion of the account or fund remaining unexpended:

- Identify the purpose for which the fee is to be used.
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to fulfill the levee improvements.
- Designate the approximate dates that the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

SBFCA must refund the unexpended or uncommitted revenue portion for which a need could not be demonstrated in the above findings unless the administrative costs exceed the amount of the refund.

According to Government Code §66006, SBFCA is required to deposit, invest, account for, and expend the fees in the prescribed manner.

## NEXUS FINDINGS

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### Authority

This report has been prepared in support of the Regional LDIF in accordance with the procedural guidelines established in AB 1600, codified in California Government §66000 et. seq. This code section sets forth the procedural requirements for establishing and collecting development impact fees. The procedures require that a “reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition.”

Specifically, each Land Use Agency imposing a fee must:

6. Identifying the purpose of the fee.
7. Identifying how the fee is to be used.
8. Determining that a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
9. Determining how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
10. Demonstrating a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

### Summary of Nexus Findings

The Regional LDIF to be collected for each land use is calculated based on applicability of planned new development to the capital improvement project and standardized acreage proportion of the land use category to the total cost of the improvement. With this approach, the following findings are made regarding the Regional LDIF:

#### ***AB 1600 Requirement 1: Purpose of Fee***

The capital improvements funded by the Regional LDIF are necessary to serve new residential and nonresidential development as described in Section 5 of the SBFCA adopted Strategic Plan.

#### ***AB 1600 Requirement 2: Use of the Fee***

The Regional LDIF will be used to design and construct levee improvements in order to reduce the probability of flooding within the Sutter Butte Basin as further described in Section 5 of the SBFCA adopted Strategic Plan.

#### ***AB 1600 Requirement 3: Relationship Between Use of Fees and Type of Development***

Development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin will require improved flood control and flood protection services. This Regional LDIF, in conjunction with other funding sources, will fund the improved SBFCA flood protection system as described in Section 5 of the SBFCA adopted Strategic Plan .

***AB 1600 Requirement 4: Relationship Between Need for Facility and Type of***

Each Residential, Commercial, and Industrial development project adds to the incremental need for flood protection because of the increase in damage that would occur as a result of an uncontrolled flood, and the increased burden that the damages will place on the Land use agencies and SBFCA. For the new development described in this Nexus Study to occur within the Sutter Butte Basin, the level of flood control needs to be improved to provide a reduced probability of flooding to the Basin as described in Section 5 of the SBFCA Strategic Plan.

***AB 1600 Requirement 5: Relationship Between Amount of Fees and Cost of Facility***

The appropriate common use factor for allocating costs to each land use is the Relative Flood Damage Index. **Table 6** shows the respective Relative Flood Damage Index for each land use.

SBFCA, acting as LFMA, has estimated the total cost of the required facilities. The allocation of the costs based on the acres adjusted by the Relative Flood Damage Index have been presented in **Table 7**. The result is the cost of the improvements attributed to each acre of Residential, Commercial, and Industrial development. This allocation demonstrates the relationship between the amount of fee and the cost of the portion of the facility attributed to the specific type of development upon which the fee is imposed.

Appendix A: Planned Development Details

Planned Development Details ..... A-1

Table A-1: Total Developable Acreage ..... A-3

Table A-2: Total Developable Dwelling Units and Square Feet ..... A-4

## Planned Development Details

### Summary of Planned Development

Development expected to occur within the Regional LDIF Boundary over the next 30 years is subject to the Fee. Generally, development build-out projections from the member Land Use Agency General Plans were analyzed in conjunctions with historical development rates and it was established that using 75% of build-out projections was appropriate to determine the amount of development expected to take place over the next 30 years. Details of projected development acres by development type and Land Use Agency can be found in **Table A1**. Details of projected units for residential and 1,000s of square feet for nonresidential development by Land Use Agency can be found in **Table A2**. It should be noted that, the densities and floor area ratios (FAR) utilized in the calculation of the Regional LDIF are an aggregate of the data across all land use agencies and are not specific to any individual agency.

### City of Biggs

The City of Biggs General Plan dated January 2014 Land Use Element Table LU-4 provides low, medium, and high housing growth scenarios at 3.3%, 3.7%, and 4.1%, respectively, from 2010 through 2035. The Land Use Element also states that unless regional conditions change significantly, annual growth of 1% to 1.5% is more likely. Extrapolating 1.5 percent growth from 2010 through 2050 results in an increase of 398 units. This is consistent with using 75% of the 2035 increase in units based on the low growth scenario which in turn is also consistent with the methodology utilized for other land use agencies. City staff indicated that over the last four years, six homes had been built. Given this information, it was determined that using the 1.5% growth projected growth would be appropriate. Development was assumed to be low density residential at 6 dwelling units per acre as shown in Table LU-5.

### City of Gridley

The City of Gridley 2030 General Plan Land Use Element Table Land Use-2 provides low and high estimated growth within the City Planned Growth Area by dwelling units for residential and by square feet for nonresidential development. Table Land Use-3 provides the same information for growth within the Existing City and SOI. City staff indicated that over the last ten years, 225 residential units and 15,000 square feet of commercial had been built. Given this information, it was determined that using 75% of the lower projected growth from the General Plan would be appropriate. For residential development, average dwelling units per acre as indicated in Table Land Use-5 were utilized. For nonresidential development, half of the maximum FAR was assumed as indicated in Table Land Use-5.

### City of Live Oak

The City of Live Oak 2030 General Plan Land Use Element Table LU-1 provides low and high build-out estimates for the City. The low build-out data was reduced by the estimated established development. City staff indicated that over the next ten years, approximately 450 residential units are already planned to be built. Given this information, it was determined that using 75% of the low build-out acreage estimates, reduced by

the estimated established development acreages, would be appropriate. To estimate total units for residential and 1,000s of square feet for nonresidential, per acre values were calculate based Table LU-1.

### **City of Yuba City**

The City of Yuba City build-out estimates were developed through coordination with the Department of Development Services and use of the May 2018 General Plan Diagram and Water Master Plan in conjunction with GIS data. Build-out acreage estimates were reduced by the estimated established development acreages. To calculate total units for residential and 1,000s of square feet for nonresidential, the densities and FARs provided in the Land Use Classification section of the Yuba City General Plan dated April 8, 2004.

### **Butte County**

Per Butte County Department of Development Services, Single-Family development is assumed to continue at a rate of 74 units per year for the next 30 years. The average lot size was calculated based the information found in the Butte County General Plan Land Use Element indicating that Single-Family units dispersed throughout the unincorporated County totaled approximately 30,000 units on 117,210 acres, or lot sizes of approximately 0.25 acres. Butte County encompasses approximately 1,064,421 acres, of which, approximately 71,737 acres are within the Regional LDIF Boundary, or about 6.75%. Therefore, development of 5 units per year for 30 years was assumed.

### **Sutter County**

Per Sutter County Department of Development Services, Single-Family development is assumed to continue at an average rate of 21 units per year for the next 30 years. The average lot size for Single-Family Residences varies greatly within Sutter County, therefore, an average lot size of 0.25 acre was assumed, consistent with Butte County. Sutter County encompasses approximately 375,902 acres, of which, approximately 121,017 acres are within the Regional LDIF Boundary, or about 32.2%. Therefore, development of 7 units per year for 30 years was assumed.

**Table A-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Total Developable Acreage**

Area / Project	Residential			Nonresidential			Total
	Single-Family	Multi-Family	Subtotal	Commercial	Industrial	Subtotal	
City of Biggs [1]	139	0	<b>139</b>	0	0	<b>0</b>	<b>139</b>
City of Gridley [2]	358	64	<b>422</b>	41	138	<b>179</b>	<b>601</b>
City of Live Oak [3]	1,653	171	<b>1,824</b>	361	0	<b>361</b>	<b>2,186</b>
City of Yuba City [4]	1,772	593	<b>2,366</b>	372	312	<b>684</b>	<b>3,050</b>
Butte County [5]	38	0	<b>38</b>	0	0	<b>0</b>	<b>38</b>
Sutter County [6]	53	0	<b>53</b>	0	0	<b>0</b>	<b>53</b>
<b>Total Developable Land</b>	<b>4,013</b>	<b>828</b>	<b>4,841</b>	<b>775</b>	<b>449</b>	<b>1,224</b>	<b>6,065</b>
Gross Acreage to GDA Factor	90%	95%		95%	95%		
<b>Total GDA</b>	<b>3,612</b>	<b>786</b>		<b>736</b>	<b>427</b>		<b>5,561</b>

[3] City of Biggs January 2014 General Plan Land Use Element Section states that 1.5% annual growth is most likely. Growth based on the 2010 reported units of 634. Assumed low density development at 6 dwelling units per acre.

[2]City of Gridley 2030 General Plan Land Use Element Section, assumed 25% of the lower estimate of development identified would occur. For calculation of acreage, for Residential, the average dwelling units per acre were assumed; for Commerical and Industrial, half of the maximum FAR was assumed.

[3] City of Live Oak 2030 General Plan Land Use Element Section, 75% of low build-out data less estimates of current development was assumed.

[6] Per City of Yuba City Department of Development Serivces, 75% of build-out estimates developed using the May 2018 General Plan Diagram and Water Master Plan less estimates of current development.

[5] Butte County 2030 General Plan Land Use Element states that Single-Family development is dispersed throughout the County with approximately 30,000 units on 117,210 acres, equating an average lot size of approximately 0.25 acres.

[6] Per Sutter County Department of Development Services, Single-Family average lot size varies greatly throughout the County, therefore, an average lot size of 0.25 acre was assumed which is consistent with Butte County.

**Table A-2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Total Developable Dwelling Units and Square Feet**

Area / Project	1,000s Square Feet			1,000s Square Feet		
	Single-Family [1]	Multi-Family [2]	Total	Commercial	Industrial	Total
City of Biggs [3]	836	0	<b>836</b>	0	0	<b>0</b>
City of Gridley [4]	3,898	894	<b>4,793</b>	806	2,400	<b>3,206</b>
City of Live Oak [5]	13,908	1,660	<b>15,568</b>	1,897	0	<b>1,897</b>
City of Yuba City [6]	15,837	6,429	<b>22,266</b>	3,801	3,392	<b>7,193</b>
Butte County [7]	315	0	<b>315</b>	0	0	<b>0</b>
Sutter County [8]	441	0	<b>441</b>	0	0	<b>0</b>
<b>Total</b>	<b>35,235</b>	<b>8,983</b>	<b>44,218</b>	<b>6,504</b>	<b>5,792</b>	<b>12,296</b>

[1] Assumes average 2,100 square foot units.

[2] Assumes average 900 square foot units.

[3] City of Biggs January 2014 General Plan Land Use Element Section states that 1.5% annual growth is most likely. Growth based on the 2010 reported units of 634. Assumed low density development at 6 dwelling units per acre.

[4] City of Gridley 2030 General Plan Land Use Element Section, assumed 75% of the lower estimate of development identified would occur. Assumed residential infill within existing City and SOI was 3:1 SFR:MFR.

[5] City of Live Oak 2030 General Plan Land Use Element Section, 75% of low build-out data less estimates of current development was assumed.

[6] Per City of Yuba City Department of Development Services, 75% of build-out estimates developed using the May 2018 General Plan Diagram and Water Master Plan less estimates of current development.

[7] Per Butte County Department of Development Services, Single-Family development throughout the County is assumed to continue at a rate of 74 units per year. Approximately 6.75% of Butte County is within the SBFCA Boundary, therefore, 5 units per year for 30 years was assumed.

[8] Per Sutter County Department of Development Services, Single-Family development throughout the County is assumed to continue at a rate of 21 units per year. Approximately 32.20% of Butte County is within the SBFCA Boundary, therefore, 7 units per year for 30 years was assumed.



Appendix B: Funding Sources Detail

Table B-1: Non-Local Funding Sources..... B-1

Table B-2: Local Funding Sources..... B-2

**Table B-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Non-Local Funding Sources**

<b>Item</b>	<b>Total Cost</b>
<b>Feather River West Levee Project (Phases 1 &amp; 2)</b>	
Sutter County Grant (Calpine Levee Funding)	\$1,300,000
EIP Design Grant (Prop 1E)	\$21,339,829
EIP/UFRR Construction Grant (Prop 1E)	\$234,748,777
FSRP Laurel Ave. - (Prop 1E & 84)	\$9,920,000
Gridley Bridge Erosion (Prop 13)	\$460,000
Prop 84/1E Emergency Work (R14 - 16)	\$25,000,000
Assumed State Funding for Lower Feather (75%)	\$15,000,000
<b><i>Subtotal Feather River West Levee Project (Phases 1 &amp; 2)</i></b>	<b><i>\$307,768,606</i></b>
<b>Sutter Bypass Improvements</b>	
Small Community Grants	\$999,969
Assumed State Funding for Critical / Full Repair (75%)	\$165,000,000
<b><i>Subtotal Sutter Bypass Improvements</i></b>	<b><i>\$165,999,969</i></b>
<b>Total Non-Local Funding</b>	<b>\$473,768,575</b>

Source: SBFCA Budget

**Table B-2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Local Funding Sources**

Item	Local Funding
<b>Projected Gross Annual Assessment Revenues</b>	
Estimated 2010-45 Capital Portion of Assessment [1]	<b>\$204,125,000.00</b>
<b>Gross Bond / Debt Financing Proceeds (Project Funds made available)</b>	
Combined Proceeds from Sutter, Yuba City and LD 1 Loans	\$5,606,406.00
2011 Line of Credit Draws	\$14,737,649.20
2013 Bonds Project Fund Deposit	\$40,000,000.00
2015 Bonds Project Fund Deposit (Net of 2011 repayment)	\$33,708,415.34
<b><i>Subtotal Bond/Debt Financing Proceeds</i></b>	<b><i>\$94,052,470.54</i></b>
<b>Gross Debt Service Costs (Principal &amp; Interest)</b>	
Loan Payments to Yuba City, Sutter County and LD 1 [2]	\$6,179,084.26
2011 Interest Costs	\$340,001.49
2013 Total Debt Service (P&I)	\$76,835,530.32
2015 Total Debt Service (P&I)	\$84,675,877.92
<b><i>Subtotal Debt Service</i></b>	<b><i>\$168,030,493.99</i></b>
<b>Total Local Funding</b>	<b>\$130,146,976.55</b>

[1] Assessment Revenue includes additional proceeds: gained interest, settlements, etc. and an assumption that in later years, assessments are levied up to the required debt service limit.

[2] Actual interest cost on short-term loans paid back to Yuba City, Sutter County and LD1. Proceeds and principal re-payment has been netted from this analysis.

**Appendix C: Estimated Cost Allocation By Land Use Agency**

Table C-1: Residential Estimated Cost per Unit by Land Use Agency ..... C-1

Table C-2: Commercial & Industrial Estimated Cost per 1,000 Sq. Ft. by Land Use Agency..... C-2

**Table C-1**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Residential Estimated Cost Per Unit by Land Use Agency**

Area	Single Family Acreage [1]	Multi-Family Acreage [1]	Total Allocated Cost	Cost Share Percentage	Single & Multi-Family	Average Allocated Cost
Reference	Table A-1	Table A-1	Table 7		Table A-2	
	A	B	$C=(A*\$4,053) + (B*\$2,984)$	$D=(C/\$21,312,789)$	E	$F=C/E$
City of Biggs	125	0	\$508,238	2.38%	836	\$608
City of Gridley	322	60	\$1,486,860	6.98%	4,793	\$310
City of Live Oak	1488	162	\$6,515,833	30.57%	15,568	\$419
City of Yuba City	1595	564	\$8,148,003	38.23%	22,266	\$366
Butte County	34	0	\$136,799	0.64%	315	\$434
Sutter County	47	0	\$191,519	0.90%	441	\$434

**Table C-2**  
**SBFCA Regional Levee Development Impact Fee Program**  
**Commercial & Industrial Estimated Cost Per 1,000 Square Feet by Land Use Agency**

Area	Commercial Acreage [1]	Industrial Acreage [1]	Total Allocated Cost	Cost Share Percentage	1,000 Square Feet	Average Allocated Cost
Reference	Table A-1	Table A-1	Table 7		Table A-2	
	A	B	$C=(A*\$3,746) + (B*\$3,675)$	$D=(C/\$21,312,789)$	E	$F=C/E$
City of Biggs	0	0	\$0	0.00%	0	\$0
City of Gridley	39	131	\$627,232	2.94%	3,206	\$196
City of Live Oak	343	0	\$1,285,905	6.03%	1,897	\$678
City of Yuba City	354	296	\$2,412,409	11.32%	7,193	\$335
Butte County	0	0	\$0	0.00%	0	\$0
Sutter County	0	0	\$0	0.00%	0	\$0

## City Council Item #6

### Staff Report

**Date:** May 1, 2023  
**To:** Mayor and City Council Members  
**From:** Donna Decker, Planning Department  
**Subject:** Gridley Industrial Park Complex Subdivision Map 2-22

<b>X</b>	Regular
	Special
	Closed
	Emergency

Resolution No. 2023-R-013: a resolution of the City Council authorizing the City Administrator to accept dedications of public lands, rights-of-way, and easements on behalf of the City Council; and,

Determination of road name in order to complete and file the Final Map of the Industrial Park Complex; and,

Consideration of the proposals for the development of Parcel 8 and Parcel 10 of the Industrial Park Complex.  
(APN 021-240-027, 021-270-042)

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#### Recommendation

Staff respectfully requests the City Council:

- Adopt Resolution No. 2023-R-013; and,
- Determine a road name for the Industrial Park to complete the Final Map; and,
- Accept the proposal for the development of Parcel 8 and instruct the City Administrator to proceed with the sale of the parcel; and,
- Accept the proposal for the development of Parcel 10 and instruct the City Administrator to proceed with the sale of the parcel.

#### Discussion

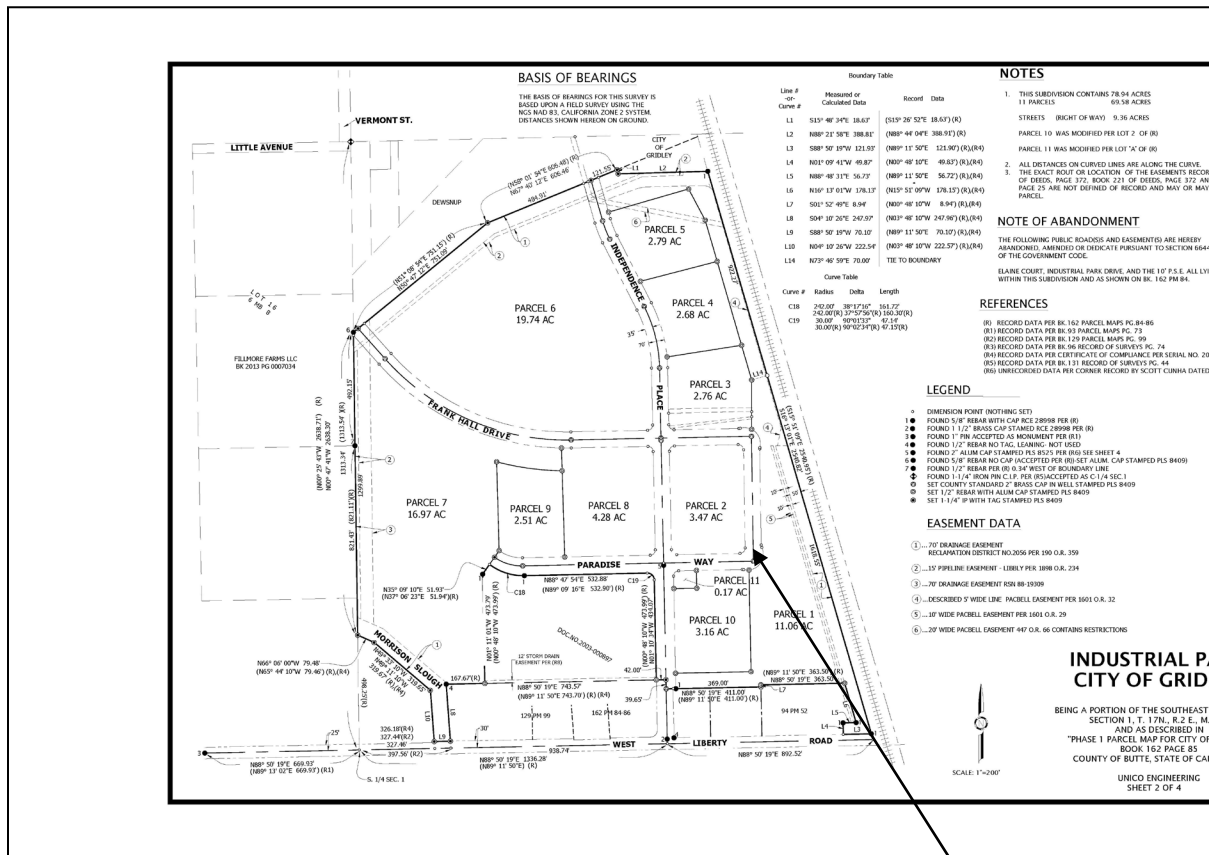
##### Subdivision Map

On September 6, 2022, the City Council adopted resolution number 2022-R-034 to approve a Tentative Subdivision Map to create an 8-lot subdivision. Resolution No. 2022-R-035 was adopted to authorize the City Administrator to execute agreements and contracts on behalf of the City Council.

The Final Subdivision Map is nearly complete to record. This map creates the parcels that are for sale to complete the agreements made between the City and the State of California Department of Finance which approved the Long Range Property Management Plan. A resolution is proposed for the Council to adopt authorizing the City Administrator to accept dedications of public lands, rights-of-way, and easements on behalf of the City Council.

Additionally, before the map can be completed an additional road name may be considered. The two previously named roads, Frank Hall Road and Paradise Way, interconnect on the

east side of Independence Place creating a loop road. The name of the loop road needs to be determined to record the map.



**Figure 1:** Draft Final Map-Gridley Industrial Park Complex

Some suggestions are:

- Paradise Loop
- Frank Hall Loop
- Paradise Circle
- Frank Hall Circle
- Independence Loop
- Independence Circle

Alternatively, the length of the street at the end of Paradise Way and Frank Hall Road in a north-south direction can be have a separate street name.

There may be other road names the City Council may be interested in to acknowledge an important figure in the community. This requires a motion, second, and a roll call vote to take action.

### Land Development and sale of Parcel 8 and 10

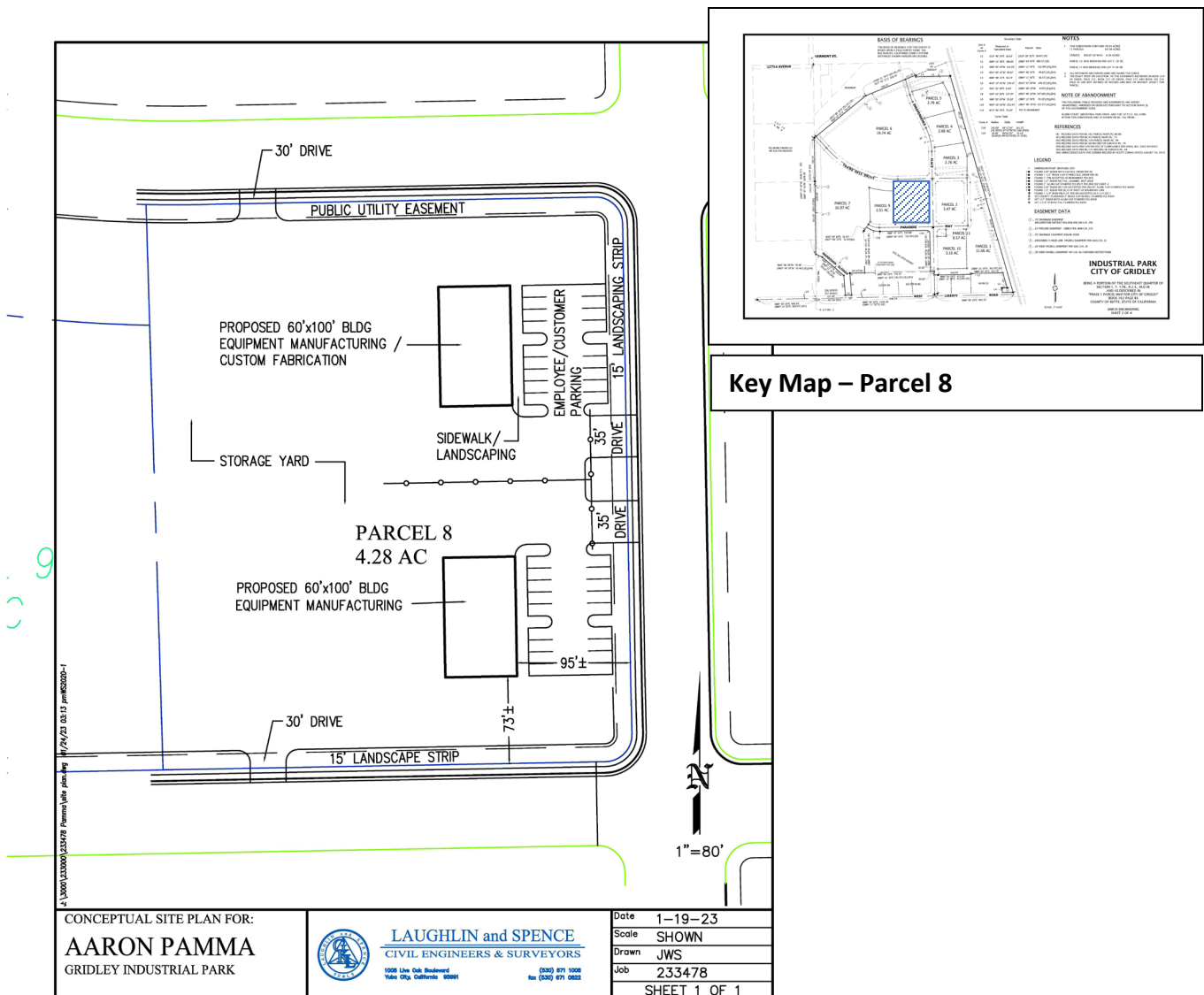
The city has received many calls from interested parties to purchase the parcels that are for sale to complete its divestment of the Industrial Park Capital Assets as outlined in the Long



Range Property Management Plan. Two parties have submitted conceptual plans for the immediate development of the parcels.

Parcel 8 - 4.28 acres

Mr. Aaron Pamma has expressed an interest in developing Parcel 8:

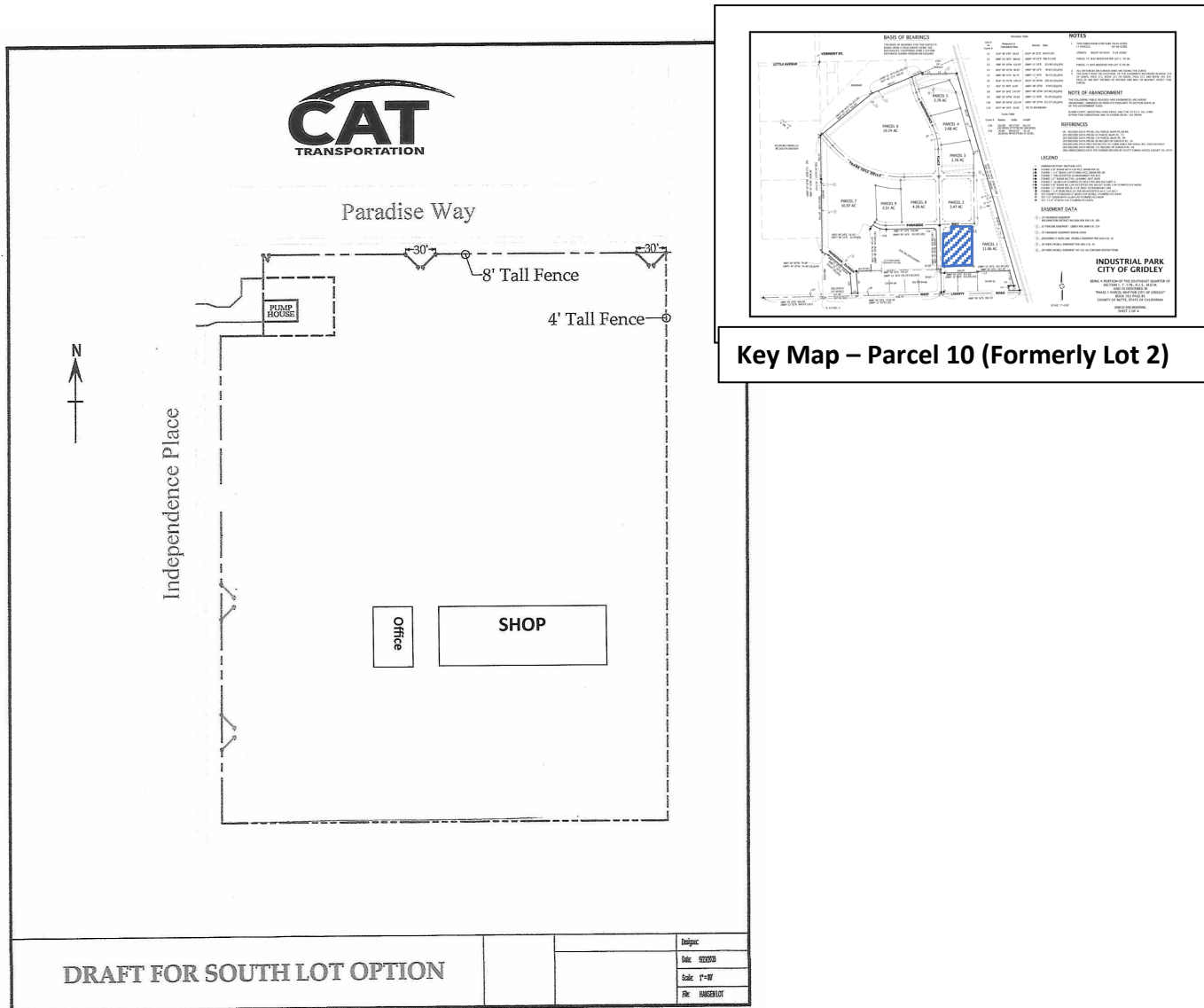


**Figure 2:** Proposal – Parcel 8 – Appraised value = \$1.65/sf

The plan indicates a concept to develop the site. When plans are refined, they will provide more detail with connections to existing infrastructure, utilities, architecture, and landscape and irrigation. The intent is to provide industrial structures for equipment manufacturing. This proposal meets the uses allowed in the Heavy Industrial M-2 zoning designation as well as meeting the intent to develop in accordance with the former redevelopment plan land uses.

Parcel 10 - 3.16 acres

On September 20, 2020, the owners of CAT transportation, a local trucking company, had submitted a letter of interest understanding what the terms might be at that time. Since then, the city had an appraisal determining the current value of the site. Additionally, the Hansens have stated they would like to purchase the 3.16 acre parcel shown as Parcel 10, formerly identified as Lot 2. They have provided a conceptual plan and letter of interest summarizing their operations and future development of Parcel 10:



**Figure 3:** Proposal – Parcel 10 – Appraised value = \$1.65/sf

Both proposals meet the intent of the former redevelopment plans. If the City Council accepts the proposals, the City Administrator may begin the process of sales contracts and agreements.

The actions by the City Council for the road name and acceptance of proposals can be made for each by a motion, second, and a roll call vote to direct city staff to proceed.

**Public Notice**

A notice was posted at City Hall, made available at the Administration public counter, and placed on the City website for review.

**Environmental Review**

The recommended actions to be taken by the City Council are not projects and not subject to CEQA.

**Financial Impact**

There are no direct or indirect costs to the City.

**Compliance with City Council Strategic Plan or Budget Goals**

This recommendation is consistent with the ongoing effort to be responsive and transparent regarding all land use and administrative matters.

**Attachments –**

1. Resolution No. 2023-R-013
2. Proposal Lot 8
3. Proposal Lot 10



**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY  
AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT OFFERS OF DEDICATION**

**WHEREAS,** on September 6, 2022 the City Council of the City of Gridley approved Tentative Subdivision Map 2-22; and,

**WHEREAS,** the city has completed the Final Subdivision Map 2-22 in order to record the map creating legal parcels for sale to meet the obligations of the Long Range Property Management Plan approved by the Department of Finance for divestment of capital assets; and,

**WHEREAS,** the Final Subdivision Map 2-22 creates various easements for utilities and existing infrastructure to be protected during future construction; and,

**WHEREAS,** the City Council of the City of Gridley hereby authorizes the City Administrator to accept offers of dedication and easements and to act as the signatory for certificates or other instruments as required to complete the recordation of the Final Subdivision Map 2-22.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRIDLEY RESOLVES AS FOLLOWS:**

SECTION 1. The City Council acknowledges the Final Subdivision Map 2-22 and acknowledges the rights-of-way and easements created for the benefit of the public and city.

SECTION 2. The City Council authorizes the City Administrator, acting in the capacity of Clerk of the City of Gridley, to execute the City Clerk's Certificate and accept the creation of rights-of-way and easements on behalf of the public and the City Council.

**I HEREBY CERTIFY** that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 1<sup>st</sup> day of May, 2023 by the following vote:

AYES:            AGENCY MEMBERS        \_\_\_\_\_

NOES:           AGENCY MEMBERS        \_\_\_\_\_

ABSTAIN:       AGENCY MEMBERS        \_\_\_\_\_

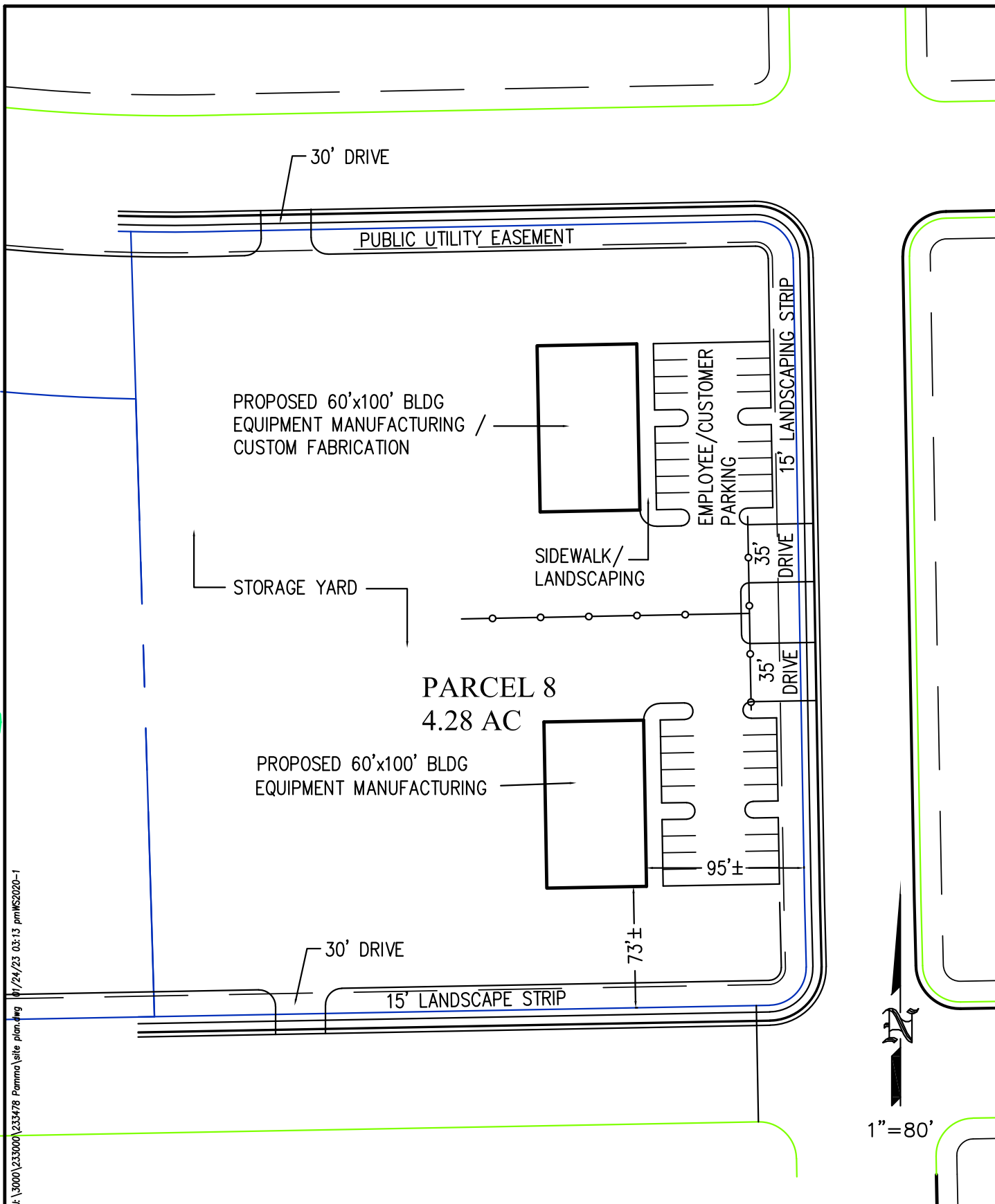
ABSENT:        AGENCY MEMBERS        \_\_\_\_\_

ATTEST:

APPROVE:

\_\_\_\_\_  
Cliff Wagner, City Clerk

\_\_\_\_\_  
Michael W Farr, Mayor



J:\3000\233000\233478 Pamma\site plan.dwg 01/24/23 03:13 pm\MS2020-1

CONCEPTUAL SITE PLAN FOR:  
**AARON PAMMA**  
GRIDLEY INDUSTRIAL PARK



**LAUGHLIN and SPENCE**  
CIVIL ENGINEERS & SURVEYORS

1008 Live Oak Boulevard  
Yuba City, California 95991

(530) 671 1006  
fax (530) 671 0822

Date	1-19-23
Scale	SHOWN
Drawn	JWS
Job	233478
SHEET 1 OF 1	

## Donna Decker

---

**From:** Aaron Pamma <aaron@stromerrealty.com>  
**Sent:** Tuesday, April 25, 2023 8:13 PM  
**To:** Donna Decker  
**Subject:** Industrial Park

Good evening Donna,

My vision is to develop the 4.28 acre lot into a professional property where harvesting equipment will be custom built and sold. The plan is to construct two 60,000 sq/ft metal buildings where there would be offices and work space to fabricate the machinery. The company that would be coming into this space is well known in the area for building nut tree shakers as well as catchers/shakers for prunes and pistachios. I anticipate construction drawings to be developed shortly after approval. Thank you.



### Aaron Pamma

Real Estate Agent  
DRE #: 02095577  
Stromer Realty



[Aaron@StromerRealty.com](mailto:Aaron@StromerRealty.com)



[\(530\) 300-6593](tel:(530)300-6593)



561 Colusa Ave Yuba City CA



[stromerrealty.com](http://stromerrealty.com)

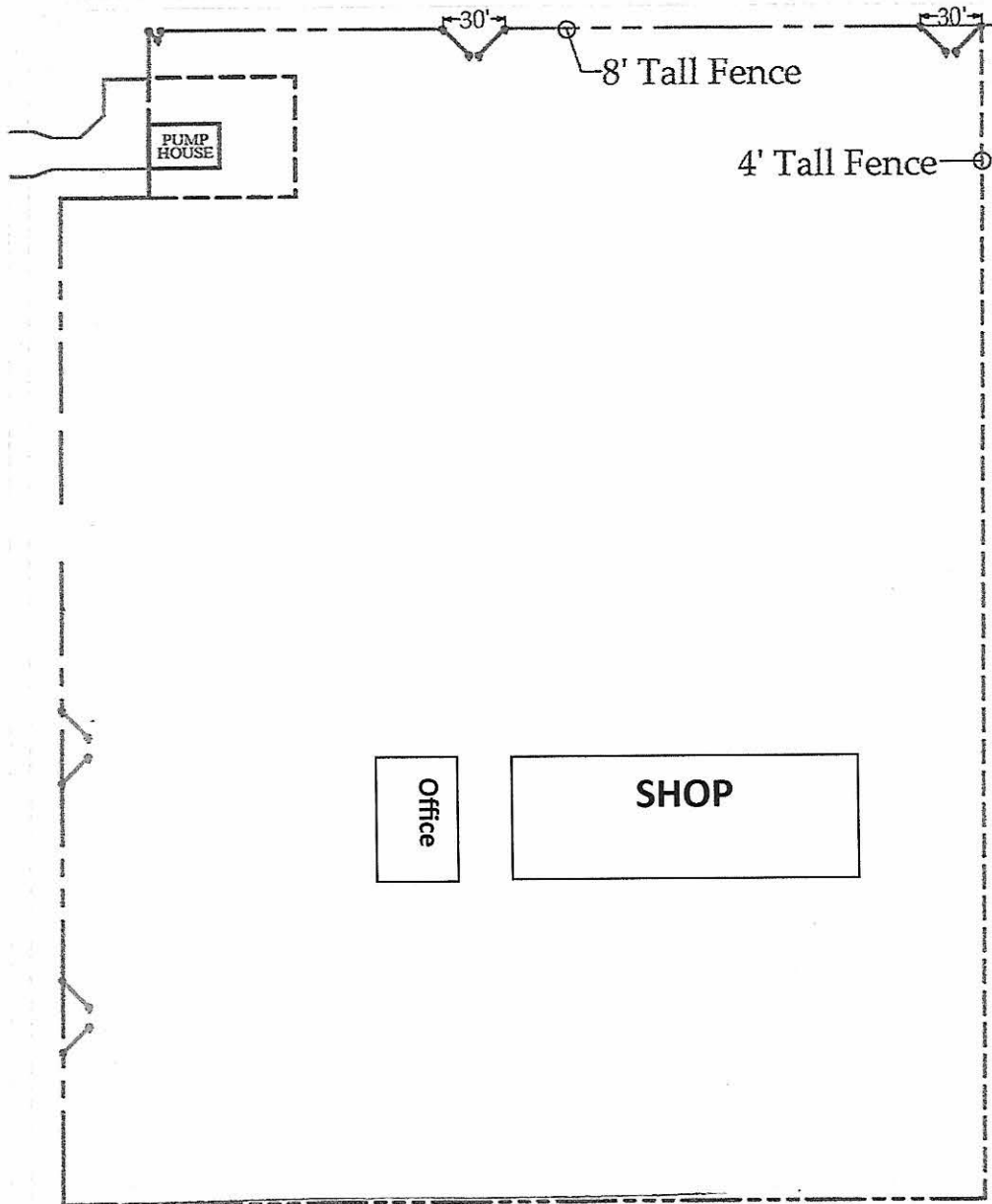
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The content of this email is confidential and intended for the recipient specified in message only. It is strictly forbidden to share any part of this message with any third party, without authorization or written consent of the sender. If you received this message by mistake, please reply to this message and follow with its deletion.



Independence Place

Paradise Way



DRAFT FOR SOUTH LOT OPTION

Designer:
Date: 9/23/20
Scale: 1"=80'
File: RANSEN LOT



To: City of Gridley

From: CAT Transportation Inc – Chad & Amanda Hansen, owners

Date: April 21, 2023

Re: Lot 2 in Industrial Park

This page will serve as a summary of the attached two page proposal for the purchase of the property in Industrial Park, Lot 2. Attached you'll find a brief summary of our business and our plans for growth. There is also a draft of how we propose to lay out the lot we propose to purchase.

Since our first letter to the City of Gridley back in October of 2020 our business has expanded and the price of the property has increased in price, so we are hoping we can finally finalize the sale of the property to everyone's satisfaction.

Sincerely,

CAT Transportation

Chad & Amanda Hansen, owners

Two handwritten signatures are present. The top signature is in cursive and appears to read 'Chad Hansen'. The bottom signature is also in cursive and appears to read 'Amanda Hansen'.

Chad & Amanda Hansen, owners  
107 Nielson Ave., Gridley, CA 95948  
530-713-8196

4/21/23

We are the owners of CAT Transportation, Inc., both our families go back generations in the Gridley & Biggs area and are very proud to call this area our home. In 2003 we put together what money we had and started CAT Transportation, Inc. with just 1 truck. Since then, our business has grown, and we now own 8 trucks and have 15 subhaulers under us. Our trucks haul building materials, wood shavings, rice for local farmers and rice mills. We haul for companies such as Sierra Pacific, Lowe's, American Wood Fiber and Sun West Milling just to name a few. Chad drives one of our trucks and does most the repairs and maintenance on the trucks while Amanda does all the bookkeeping and the dispatching.

We would like to purchase the 3.8 acres in Lot 2 in Independence Place and Paradise Way to be able to grow our business even more. We currently run our company out of our home in Gridley but feel our business has outgrown our property. Our plan for the property is to move our operation and equipment there. Phase 1, we will build an office and bathroom facility. Phase 2, when we are able, we will build a 30' X 80' shop for maintenance of our equipment.

Thank you for your consideration.

**City Council Item #7**  
Staff Report

**Date:** May 1, 2023

**To:** Mayor and Councilmembers

**From:** Donna Decker, Planning Department

**Subject:** Resolution No. 2023-R-014: A resolution of the City Council of the City of Gridey authorizing the City Administrator to accept offers of dedications, public right of way, and easements on behalf of the City Council.

Resolution No. 2023-R-015: A resolution of the City Council approving the instrument entitled Subdivision Improvement Agreement and authorizing the City Administrator to execute any documents and agreements on behalf of the City Council to enable the recordation of the Final Subdivision Map 1-23. Owner: Jagtar Madare(APN: 021-110-033)

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**Recommendation**

City staff respectfully recommends the City Council:

1. Adopt Resolution No. 2023-R-014: Authorizing the City Administrator to accept offers of dedications, public right of way, and easements on behalf of the City Council
2. Adopt Resolution No. 2023-R-015: Approving the Subdivision Improvement Agreement.

**Summary**

On February 6, 2023, the City Council reviewed, considered, and approved the tentative subdivision map to develop a 12.34-acre parcel into five parcels for a commercial and affordable multi-family housing development. The process to complete the recordation of a Final Subdivision Map requires the construction of off-site improvements or the execution of a Subdivision Improvement Agreement with 100% bonding for the construction based upon an Engineer's Estimate accepted by the City Engineer.

The actions that are requested by the attached resolutions will authorize the City Administrator to sign the certificate for the City, accept any dedications on behalf of the City Council, and to execute agreements to record the Subdivision Improvement Agreement enabling the Final Subdivision Map to be recorded. Recording the map effects the creation of the parcels that were shown on the Tentative Subdivision Map.

**Discussion**

The resolutions before the City Council are only to effect administrative duties authorizing the City Administrator to execute agreements and act on behalf of the City

<b>X</b>	Regular
	Special
	Closed
	Emergency

Council as its signator to record the Final Subdivision Map.

The owner of the property, Mr. Jagtar Madare, is under agreement with the developer, AMG Associates for the sale of the property to them. AMG Associates and Pacific West Builders plan to construct the multi-family housing development known as Orchard View Phase I. AMG Associates is the recipient of CDBG DR MHP funding and tax credit allocations. AMG Associates, was granted the funding by the County of Butte who received the allocation from the State in order to support the construction of needed housing in this county. The recipient is constrained by certain action items and dates to maintain its funding status; one is the recordation of the map and to break ground and begin construction. Mr. Jagtar Madare, a long time local property owner has been interested in the development of the site for some time and has determined that the proposed use creating much needed family housing with commercial uses along SR 99 is most beneficial to the city and the community.

The effort to allow the map to be recorded implemented by accepting the use of the Subdivision Improvement Agreement protects the city's interest by having the required off-site infrastructure bonded. If the project were not to continue to move forward, the bonded funds would be used by the city to construct the improvements. The Engineer's Estimate prepared by Robertson Erickson and reviewed by the City Engineer reflect those improvement costs that are to be constructed with the SR 99 right of way from the north boundary to the south boundary of the site and the entry.

#### **Public Notice**

A notice was posted in the Gridley Herald 72 hours in advance of the City Council public hearing, posted at City Hall, made available at the Administration public counter, and placed on the City website for review.

#### **Environmental Review**

This is not a project and does not require a CEQA review.

#### **Attachments –**

1. Resolution No. 2023-R-014 Authorization granted to the City Administrator
2. Resolution No. 2023-R-015 Subdivision Improvement Agreement
3. Draft Subdivision Improvement Agreement FM 1-23
4. Draft Engineers Estimate
5. Final Subdivision Map 1-23

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY  
AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT OFFERS OF DEDICATION**

**WHEREAS,** on February 6, 2023 the City Council of the City of Gridley approved Tentative Subdivision Map 1-23; and,

**WHEREAS,** the applicant has submitted a Final Subdivision Map for recordation creating five parcels; and,

**WHEREAS,** the Final Subdivision Map provides dedicated easements for the benefit of Butte Water District and Reclamation District 2056 in order to continue to access their respective canals and facilities; and,

**WHEREAS,** the City Council of the City of Gridley hereby authorizes the City Administrator to accept offers of dedication and act as the signatory for certificates as prepared.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRIDLEY RESOLVES AS FOLLOWS:**

SECTION 1. The City Council acknowledges the Final Subdivision Map 1-23, which subdivides one parcel into five.

SECTION 2. The City Council accepts all offers of dedication and easements for the benefit of the city and other agencies as shown on the Final Subdivision Map or as executed by separate instrument.

SECTION 3. The City Council authorizes the City Administrator, acting in the capacity of Clerk of the City of Gridley, to execute the City Clerk's Certificate and accept said offers of dedication and easements on behalf of the public and the City Council.

**I HEREBY CERTIFY** that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 1<sup>st</sup> day of May, 2023 by the following vote:

AYES:            AGENCY MEMBERS        \_\_\_\_\_

NOES:           AGENCY MEMBERS        \_\_\_\_\_

ABSTAIN:       AGENCY MEMBERS        \_\_\_\_\_

ABSENT:        AGENCY MEMBERS        \_\_\_\_\_

ATTEST:

APPROVE:

\_\_\_\_\_  
Cliff Wagner, City Clerk

\_\_\_\_\_  
Michael W Farr, Mayor

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY APPROVING THE  
SUBDIVISION IMPROVEMENT AGREEMENT FOR FINAL SUBDIVISION MAP 1-23 (APN: 021-110-033)**

**WHEREAS,** on February 6, 2023 the City Council of the City of Gridley approved Tentative Subdivision Map 1-23; and,

**WHEREAS,** a Final Subdivision Map 1-23 has been submitted to the city for consideration to record; and,

**WHEREAS,** prior to recordation, the required off-site improvements are required to be constructed, or, a Subdivision Improvement Agreement be approved and executed to allow recordation; and,

**WHEREAS,** the applicant has submitted a Subdivision Improvement Agreement to allow the recordation of the Final Subdivision Map 1-23, agreeing to the terms and conditions thereof, and to provide all bonds and insurances prior to recording said instrument in order to record the Final Subdivision Map 1-23.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRIDLEY RESOLVES AS FOLLOWS:**

SECTION 1. The City Council acknowledges the Final Subdivision Map 1-23, which subdivides one parcel into five.

SECTION 2. The City Council approves of the Subdivision Improvement Agreement to be executed by the City Administrator on behalf of the public and City Council.

SECTION 3. The City Council accepts the recordation of the Subdivision Improvement Agreement complete with all attachments in the form of insurances, bonding, and exhibits prior to the recordation of the Final Subdivision Map 1-23.

**I HEREBY CERTIFY** that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 1<sup>st</sup> day of May, 2023 by the following vote:

AYES:            AGENCY MEMBERS        \_\_\_\_\_

NOES:           AGENCY MEMBERS        \_\_\_\_\_

ABSTAIN:       AGENCY MEMBERS        \_\_\_\_\_

ABSENT:        AGENCY MEMBERS        \_\_\_\_\_

ATTEST:

APPROVE:

\_\_\_\_\_  
Cliff Wagner, City Clerk

\_\_\_\_\_  
Michael W Farr, Mayor

Recording Requested By and  
When Recorded Return To:

City of Gridley  
685 Kentucky Street  
Gridley, CA 95948

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For Recording Purposes  
Do Not Write Above This Line

## SUBDIVISION IMPROVEMENT AGREEMENT

### ORCHARD VIEW I

This Subdivision Improvement Agreement ("Agreement"), is made and executed this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by and between the **City of Gridley**, a municipal corporation ("City") and/or assigns **Pacific West Communities, Inc.**, "Subdivider/Developer").

#### RECITALS

1. Subdivider/Developer has received approval of a tentative subdivision map (Exhibit B) commonly known as **Orchard View I** (hereinafter referred to as the "Subdivision") and the conditions and approvals set forth as follows:
  - a) Tentative Map 3-22 Planning Commission January 11, 2023  
City Council February 6, 2023 2023-R-002
2. Subdivider/Developer has presented to the City a Final Map ("map") of a proposed subdivision of land located and within the corporate limits of the City that has been prepared in accordance with the Subdivision Map Act of the State of California, the subdivision ordinances of the City, and the tentative map of the subdivision approved by the City Council of the City of Gridley.
3. Subdivider/Developer has requested the recordation of the Final Map prior to the construction or required public improvements, which may include, but not limited to streets, highways, public ways, sidewalks, curbs, gutters, storm drainage facilities, advanced storm drain storage system, public utility facilities, landscaping and irrigation, design standards which are part of the provisions for lot grading and drainage in or appurtenant to the Subdivision, and other public improvements that are required by the Subdivision Map

Act, the subdivision ordinances of the City, the tentative map (and approvals given in connection therewith), and final grading plan, if any, approved by the City.

Subdivider/Developer shall be responsible to complete all of the foregoing improvements.

The particular items on the foregoing improvements that are hereinafter referred to as the "Required Improvements," are listed/depicted by map in **Exhibit B**, which is attached hereto and incorporated herein by reference; the off-site civil improvement plans shall be attached hereto.

4. Subdivider/Developer is willing to execute this Agreement as a condition precedent to the recording of the map.

5. The authority for this Agreement is set forth in the Subdivision Map Act (Government Code §66410 et seq.) and the Subdivision Ordinance of the City of Gridley (Title 16 of the Gridley Municipal Code, "Subdivision Ordinance").

**WHEREFORE**, the parties hereto agree as follows:

#### **COVENANTS AND CONDITIONS**

6. Acceptance of Right-of-Way. City hereby accepts on behalf of the public all lands, right-of-way and easements offered for dedication on the map, in accordance with the conditions hereinafter set forth. If additional right-of-way is required to be dedicated to the State of California, such dedication shall be in accordance with the accepted process determined by the State of California.

7. Fees. Subdivider/Developer agrees to pay all fees as set forth, including but not limited to, those noted in Exhibit E, attached hereto and hereby incorporated, at the time of execution of this Agreement.

8. Improvements. Subdivider/Developer agrees to furnish, construct, install, and complete all the works of Required Improvements as set forth, including but not limited to, those noted on Exhibit \_\_, attached hereto and hereby incorporated, in accordance with the requirements of the Subdivision Map Act, the Title 16 Subdivision Ordinance of the Gridley Municipal Code, the Standard Specifications of City of Gridley, and with the State of California Encroachment Permit requirements for the construction of improvements with the State Route 99 in effect at the time of the installation of said improvements and/or as directed the



City Engineer. Such work shall be completed within Eighteen (18) months of the date of the execution of this Agreement. The City may grant an extension of time related to construction to the Subdivider/Developer to ensure the completion of work as required and shall be based upon existing conditions at the time of the request.

9. Acceptance of Improvements Upon Completion. Upon satisfactory completion of all required improvements, in accordance with the Standard Specifications and the conditions of approval of the tentative subdivision map, City agrees to accept for maintenance the improvements and any off-site easements granted.

10. Notice Regarding Construction. Subdivider/Developer shall notify the City Engineer of the commencement of construction of the improvements. Until final acceptance of the Required Improvements by City, Subdivider/Developer shall give good and adequate warning to the public of each and every dangerous condition existing in said improvements, and will take reasonable actions to protect the public from such dangerous conditions. Notification to shall be provided one week in advance of construction and again 48 hours prior to the onset of work. Notification shall be provided to all property owners within 100 feet of the project boundary.

11. Warranty. Subdivider/Developer agrees to remedy any defects in the improvements arising from faulty or defective construction of said improvements occurring within Twelve (12) months after the improvements have been accepted by resolution of the City Council and during regular session, and the City Clerk files a Notice of Completion with the Butte County Recorder. Said acceptance of improvements is dependent upon the acceptance and completion requirements of the State of California, as required.

12. Indemnity and Hold Harmless. Subdivider/Developer, and any successor shall defend, indemnify and hold harmless City, its officers, employees, agents, consultants, and elective and appointed officials, Commissioners and Councilmembers from any and all claims, losses, damages, including property damage, personal injury, including death, costs, attorney fees, and liability of any kind or nature directly or indirectly arising out of, or in any way, connected with performance under this Agreement and/or construction of the Required Improvements by the Subdivider/Developer, contractor, or any person directly or indirectly employed by, or acting as agent for the Subdivider/Developer, save and except to the extent

any of those matters are caused by or arise from the sole active negligence of the City. This defense, indemnification, and hold harmless provision shall extend to claims, losses, damage, injury, costs, including attorney fees, and liability for injuries occurring after completion of the construction of the Required Improvements, as well as during construction, and shall apply regardless of whether or not the City has prepared, supplied or approved the plans and/or specifications for the Required Improvements or has inspected or accepted the same. Acceptance of insurance required under this Agreement shall not relieve Subdivider/Developer from liability under this defense, indemnification, and hold harmless provisions. The parties intend that this provision shall be broadly construed to effectuate its purpose.

13. Insurance. Subdivider/Developer shall maintain in full force and effect for the duration of this Agreement the following policies of insurance:

- (a) General Liability. Subdivider/Developer shall maintain general liability insurance in an amount not less than \$2,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. Any deductible shall not exceed \$50,000.
- (b) Automobile Liability. Subdivider/Developer shall maintain automobile liability insurance covering bodily injury and property damage for all activities of Subdivider/Developer arising out of or in connection with the Work to be performed under this Agreement, including coverage for owned, hired, and non-owned vehicles, in an amount of not less than \$2,000,000 combined single limit for each occurrence, no deductible.
- (c) Worker's Compensation. Subdivider/Developer shall maintain worker's compensation coverage as required by the Labor Code of the State of California. Each general liability and automobile insurance policy shall be with insurers rated "A: VII" or better in the most current edition of Best's Insurance Reports and shall be endorsed with the following specific language:
  - (i) "The City, its elected or appointed officers, officials, employees, agents, consultants, and volunteers are to be covered as additional insureds with respect to liability arising out of Work performed by or on behalf of

the Subdivider/Developer, including the materials, parts, or equipment furnished in connection with such Work or operations.

- (ii) This policy shall be considered primary insurance as respects to the City, its elected or appointed officers, employees, agents, consultants, and volunteers. Any insurance maintained by the City may have, shall be considered excess only and shall not contribute with it.
- (iii) The insurer waives all rights as subrogation against the City, its elected or appointed officers, officials, employees or agents.
- (iv) The insurer provided by this policy shall not be suspended, voided, canceled or reduced in coverage or limits except after 30 days written notice has been received by City, to which a replacement policy may be required to meet said requirements.
- (v) Subdivider/Developer shall provide certificate(s) of insurance with original endorsements to City as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement."

14. Delay. If the construction of the improvements shall be delayed without fault of Subdivider/Developer, the time for completion thereof may be extended by City/State of California for such period of time as may be deemed reasonable.

15. Security. Subdivider/Developer shall furnish to City security to ensure the faithful performance of all duties and obligations of Subdivider/Developer herein contained. Such improvement security shall be in a form acceptable to the City Attorney. Such security shall be either a corporate surety bond, an instrument of credit issued by a banking institution subject to regulation by the state or federal government and pledging that the funds necessary to carry out this agreement are on deposit and guaranteed for payment or a letter of credit issued by such a banking institution, or a cash deposit, made either directly with the City, or deposited with a recognized escrow agent for the benefit of the City. Such security shall be in the following amounts for the following purpose, as provided below and Exhibit \_\_:

- (a) One hundred percent (100%) of the estimated cost of improvements securing faithful performance of this Agreement, which estimated cost is in the amount of **Three hundred thousand, and seventy three dollars (\$300,073).**
- (b) One hundred percent (100%) of the estimated cost of the improvements, as set forth in paragraph (a) immediately preceding, securing payment to the contractor of the improvements, to his subcontractors and to person furnishing labor, materials or equipment to them.
- (c) Twenty percent (20%) of the sum specified in subparagraph (a) above to guarantee and warranty the improvements for a period of one (1) year following the completion of acceptance thereof against any defective work or labor done, or defective materials furnished.

The following security need not be furnished prior to completion of the improvements, but must be provided prior to their acceptance.

- (d) One hundred percent (100%) of the estimated cost of the installation of a minimum of one-centerline survey monuments, which estimated cost is in the amount of **Fifteen thousand dollars (\$15,000).**

16. Irrevocability of Security. The improvement security furnished pursuant to paragraph 15 shall be irrevocable, shall not be limited as to time (except as to the one-year period specified in paragraph 15) and shall provide that it shall be released, in whole or in part, only upon the written approval of the City Administrator or his designee.

17. Actions. Any action by any party to this Agreement, or any concerning the security furnished pursuant to paragraph 15, shall be brought in the appropriate court of competent jurisdiction within the County of Butte, notwithstanding any other provision of law which may provide that such action may be brought in some other location. The corporate surety, bank, or escrow agent providing the security required by paragraph 15 shall waive, in such security, reliance upon the provisions of any statute, whether state or federal, having to do with the location for commencing and maintaining actions against such corporate surety, bank, or escrow agent.

18. Inspection; Release of Improvement Security.

- (a) Subdivider/Developer may, from time to time, request the City to inspect the improvements as they progress. No Required Improvements shall be finally accepted unless all aspects of the work have been inspected and determined to have been completed in accordance with the Improvement Plans and City standards. **Subdivider/Developer shall bear all costs of plan check, inspection, certification and all City overhead costs.** The City Administrator or his designee may, at his option, if he finds the work to be in accordance with the Standard Specifications in effect at the time of the installation of the improvements, accept so much of that work as is completed, and authorize a release **protanto** of the security provided pursuant to paragraph 15(a); provided, however, that in no event shall he authorize the release of more than eighty percent (80%) of the improvement security.
- (b) Notwithstanding the authorization for partial releases pursuant to Section 18(a), the City will not allow for a partial release of security unless the cost estimate of the remaining Required Improvements does not exceed twenty percent (20%) of the total original security.

19. Release of Remaining Improvement Security; Warranty. At the conclusion of the construction of the improvements, and acceptance by resolution and filing of a Notice of Completion by the City Clerk with the Butte County Recorder, the City Administrator or his designee shall authorize the release of the security provided pursuant to paragraph 15 upon the furnishing of the warranty security as required by paragraph 15(c).

20. Release of Labor and Materials Security, Thirty (30) days after a Notice of Completion is filed with respect to the improvements, the City Engineer may authorize the release of the security given to secure payment for labor and materials as provided in paragraph 15(b) of this Agreement, in the event that no claims have been filed against said security. In the event that claims or actions are filed against the security, the City may release so much of such security as is in excess 100% of the total of the claims made against it.

21. Monuments. Subdivider/Developer agrees to install, on or before eighteen (18) months from the date of this agreement, such survey monuments as may be required

by the City. Upon the installation of such monuments; and their acceptance by the City, the security provided therefore shall be released.

22. Environmental Warranty.

- (a) Prior to the acceptance of any dedications or improvements by City, Subdivider/Developer shall certify and warrant that: neither the property to be dedicated nor Subdivider/Developer (with respect to such property) are in violation of any environmental law and neither the property to be dedicated nor the Subdivider/Developer are subject to any existing, pending investigation, or threatened investigation by any federal, state or local governmental authority under or in connection with any environmental law. Neither Subdivider/Developer nor any third party shall use, generate, manufacture, produce, or release, on, under, or about the property to be dedicated, any hazardous substance, except in compliance with all applicable environmental laws. Subdivider/Developer has not caused or permitted the release of, and has no knowledge of the release or presence of, any hazardous substance on the property to be dedicated or the migration of any hazardous substance from or to any other property adjacent to, or in the vicinity of, the property to be dedicated, except in compliance with law and/or as described in writing to City. Subdivider/Developer's prior and present use of the property to be dedicated has not resulted in the release of any hazardous substance on the property to be dedicated.

Subdivider/Developer shall give prompt written notice to City at the address set forth herein of:

- (i) Any proceeding or investigation by any federal, state or local governmental authority with respect to the presence of any hazardous substance on the property to be dedicated or the migration thereof from or to any other property adjacent to, or in the vicinity of, the property to be dedicated; and,
- (ii) Any claims made or threatened by any third party against City or the property to be dedicated relating to any loss or injury resulting from

any hazardous substance; and,

- (iii) Subdivider/Developer's discovery of any occurrence or condition on any property adjoining or in the vicinity of the property to be dedicated that could cause the property to be dedicated or any part thereof to be subject to any restrictions on its ownership, occupancy, use for the purpose for which it is intended, transferability, or suit under any environmental law.

- (b) As used in this Agreement, the term "hazardous substance" includes any hazardous or toxic substance or material or waste, including but not limited to all types of gasoline oil, and other petroleum hydrocarbons, asbestos, radon, polychlorinated bi-phenols (PCBs), or any other chemical, material, controlled substance, object, condition, waste, living organism or any combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful properties or effects, which is now, or in the future becomes, listed, defined or regulated in any manner by any federal, state, or local City based directly or indirectly upon such properties.

23. Failure of Performance. In the event Subdivider/Developer fails to perform one or more of the conditions herein, City shall have recourse to the security given to guarantee the performance of such acts. City shall do, or cause to be done, those acts required of Subdivider/Developer, and shall have recourse against so much of the security as is necessary to discharge the responsibility of Subdivider/Developer hereunder. City shall have recourse against Subdivider/Developer for any and all amounts necessary to complete the obligations for Subdivider/Developer in the event the security therefore is insufficient to pay such amounts. All administrative costs incurred by the City, in addition to the costs of the improvements, shall be a proper charge against the security and/or Subdivider/Developer.

24. Attorney Fees. In the event it becomes necessary for either party to bring an action with respect to enforcement of the provisions of this Agreement, for the security therefore, the prevailing party in such action shall be awarded a reasonable attorney's fee, as may be determined by the court.

25. Agreement Binding on Successors, etc. This Agreement shall be binding upon all the heirs, successors, and assigns of either party, and the same shall be recorded in the office of the Recorder of Butte County upon its execution, and shall be a covenant running with the land and equitable servitude upon the parcel or parcels of real property subdivided by the map.

**WHEREFORE**, the parties hereto have executed this Agreement on the day and in the year first above written.

City of Gridley  
A Municipal Corporation

Subdivider/Developer

By: \_\_\_\_\_  
Cliff Wagner, City Administrator

By: \_\_\_\_\_  
Caleb Roope, President  
Pacific West Communities, Inc.

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Anthony Galyean, City Attorney

*Notary for each signatory to be attached.*

**Attachments:**

1. Exhibit A: Legal Description of Property
2. Exhibit B: Final Subdivision Map 1-23
3. Exhibit C: Civil Improvement Plans
4. Exhibit D: Engineering Estimate
5. Exhibit E: Improvements Required, Bond Schedule and Fees
6. Exhibit F: Ordinance and Resolutions



**ENGINEER's OPINION OF COSTS**  
**Orchard View Apartments, Gridley, CA - Frontage Improvements**  
**4/12/2023**

Frontage Improvements Undergrounding

Item	Quantity	Unit	Unit Price	Total
Clear and Grubb	1	ls	\$2,000.00	\$2,000
Mobilization	1	ls	\$10,000.00	\$10,000
Project Layout	1	ls	\$5,000.00	\$5,000
Earthwork	133	cy	\$100.00	\$13,300
Demo Pavement	960	sf	\$4.50	\$4,320
Sawcut Pavement	424	lf	\$5.00	\$2,118
Asphalt Concrete	103	ton	\$200.00	\$20,600
Concrete Driveway Approach	748	sf	\$22.50	\$16,830
Concrete Sidewalk	1,938	sf	\$17.50	\$33,915
Agregate Base	124	cy	\$150.00	\$18,600
36" RCP Storm Drain	5	lf	\$270.00	\$1,350
Type GDO Drain Inlet	2	ea	\$4,000.00	\$8,000
6" Curb and Gutter	355	lf	\$45.00	\$15,975
Sanitary Sewer Manhole	1	ea	\$11,000.00	\$11,000
8" Sanitary Sewer Line	18	lf	\$150.00	\$2,700
8" Water Service	70	lf	\$165.00	\$11,550
8" Water Valve & tie in	1	ea	\$7,500.00	\$7,500
Jack and Bore (4'-6' depth)	60	lf	\$900.00	\$54,000
Sign Relocation	1	ea	\$800.00	\$800
Stop Sign	1	ea	\$500.00	\$500

Subtotal	\$240,058
Contingencies (15%)	\$36,009
Engineering/Planning/Permitting (10%)	\$24,006
<b>Total</b>	<b>\$300,073</b>

This preliminary estimate has been prepared for planning purposes only and should be considered approximate  
Excluded:

On-site improvements  
SWPPP development/monitoring  
Utility connection fees  
Landscape and irrigation  
Dry Utilities



OWNER’S STATEMENT

WE, THE UNDERSIGNED, GRIDLEY ORCHARD ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, AS OWNER OF THE LAND SHOWN HEREIN, DO HEREBY STATE THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS CLEAR TITLE TO SAID LAND AND WE CONSENT TO THE PREPARATION AND RECORDATION OF THIS MAP.

WE HEREBY OFFER FOR DEDICATION TO THE CITY OF GRIDLEY FOR THE STATED PURPOSES THE FOLLOWING:

- 1. AN AREA OF 1.06 ACRES ALONG THE WEST PROPERTY LINE FOR THE EXTENSION OF WASHINGTON STREET (LOT A).
- 2. A 10.00 FOOT WIDE PUBLIC UTILITY EASEMENT (P.U.E.) ALONG THE FRONTAGE OF THE AREA TO BE DEDICATED TO THE CITY FOR THE EXTENSION OF WASHINGTON STREET AS DEFINED IN SECTION 8306 OF THE STATE OF CALIFORNIA STREET AND HIGHWAYS, DEDICATED FOR ALL PUBLIC UTILITY PURPOSES, AS SHOWN ON THIS MAP.
- 3. A 10.00 FOOT WIDE PUBLIC UTILITY EASEMENT (P.U.E.) ALONG THE FRONTAGE WITH STATE HIGHWAY 99 AS DEFINED IN SECTION 8306 OF THE STATE OF CALIFORNIA STREET AND HIGHWAYS, DEDICATED FOR ALL PUBLIC UTILITY PURPOSES, AS SHOWN ON THIS MAP.
- 4. A VARIABLE WIDTH PUBLIC SERVICE EASEMENT (P.S.E.) ACROSS THE PROPERTY FOR WATER LINE PURPOSES.

WE HEREBY OFFER FOR DEDICATION TO BUTTE WATER DISTRICT FOR THE STATED PURPOSES THE FOLLOWING:

- 2. A 20.00 FOOT WIDE EASEMENT FOR ACCESS FROM STATE HIGHWAY 99 TO BUTTE WATER DISTRICT PROPERTY TO THE NORTH, ALONG THE CENTERLINE AS SHOWN ON THIS MAP.

BY: GRIDLEY ORCHARD ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP

NAME, TITLE, DATE

CITY ENGINEER’S STATEMENT

I, DAVE HARDEN, CITY ENGINEER OF THE CITY OF GRIDLEY, STATE OF CALIFORNIA, DO HEREBY STATE THAT I HAVE EXAMINED THE FINAL MAP OF ORCHARD VIEW APARTMENTS AND FIND THAT IT IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP ON FILE AND ANY APPROVED ALTERATIONS THEREOF AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA AND LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL HAVE BEEN COMPLIED WITH.

DATE:

DAVE HARDEN  
NO. C84216



CITY SURVEYORS’S STATEMENT

I, ANDREW KLINGTIVER, P.L.S. DO HEREBY STATE THAT I HAVE EXAMINED THE FINAL MAP OF ORCHARD VIEW APARTMENTS ON BEHALF OF THE CITY OF GRIDLEY AND I AM SATISFIED THAT THE MAP IS TECHNICALLY CORRECT.

DATE:

ANDREW KLINGTIVER  
P.L.S. 7182



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

COUNTY OF

ON BEFORE ME  
A NOTARY PUBLIC, PERSONALLY APPEARED

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENTS.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF IDAHO THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

NAME (PRINT)

MY COMMISSION EXPIRES

MY COMMISSION NO.

COUNTY OF NOTARY’S PRINCIPLE PLACE OF BUSINESS

ACKNOWLEDGMENT

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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

NAME (PRINT)

MY COMMISSION EXPIRES

MY COMMISSION NO.

COUNTY OF NOTARY’S PRINCIPLE PLACE OF BUSINESS

SURVEYOR’S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF GRIDLEY ORCHARD ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED TENTATIVE MAP, OR CONDITIONALLY APPROVED MAP, IF ANY, AND THAT THE SURVEY IS COMPLETE AS SHOWN AND ALL MONUMENTS ARE OF THE CHARACTER AND WILL BE SET IN THE POSITIONS INDICATED BEFORE FEBRUARY 28, 2024. THE MONUMENTS WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

PRELIMINARY

MALCOLM J. MACDONALD  
PLS NO. 8218 EXP. 3-31-23



DATE

RECORDER’S CERTIFICATE

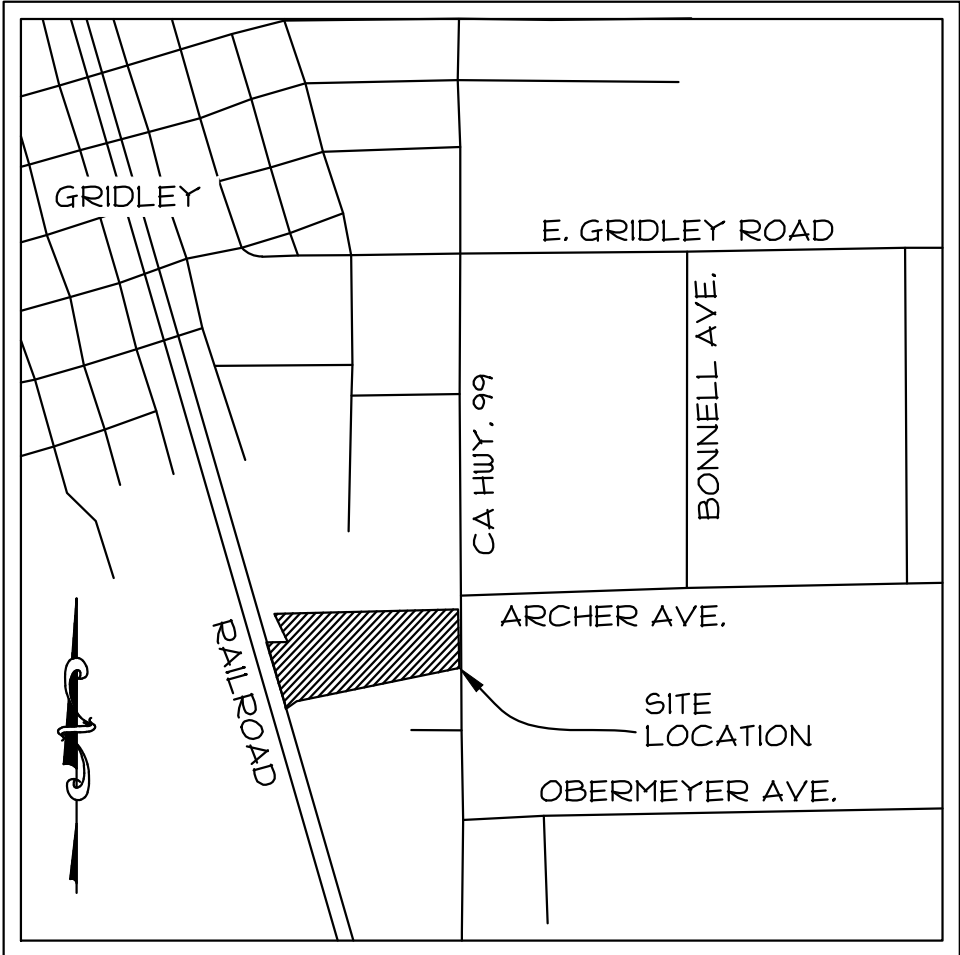
FILED THIS DAY OF , 2023, AT : M,

IN BOOK OF MAPS, AT PAGES , AT THE REQUEST OF  
GRIDLEY ORCHARD ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP

CANDACE J. GRUBBS  
COUNTY RECORDER, COUNTY OF BUTTE

BY DEPUTY RECORDER

SERIAL NO.



GRIDLEY, CALIFORNIA  
VICINITY MAP

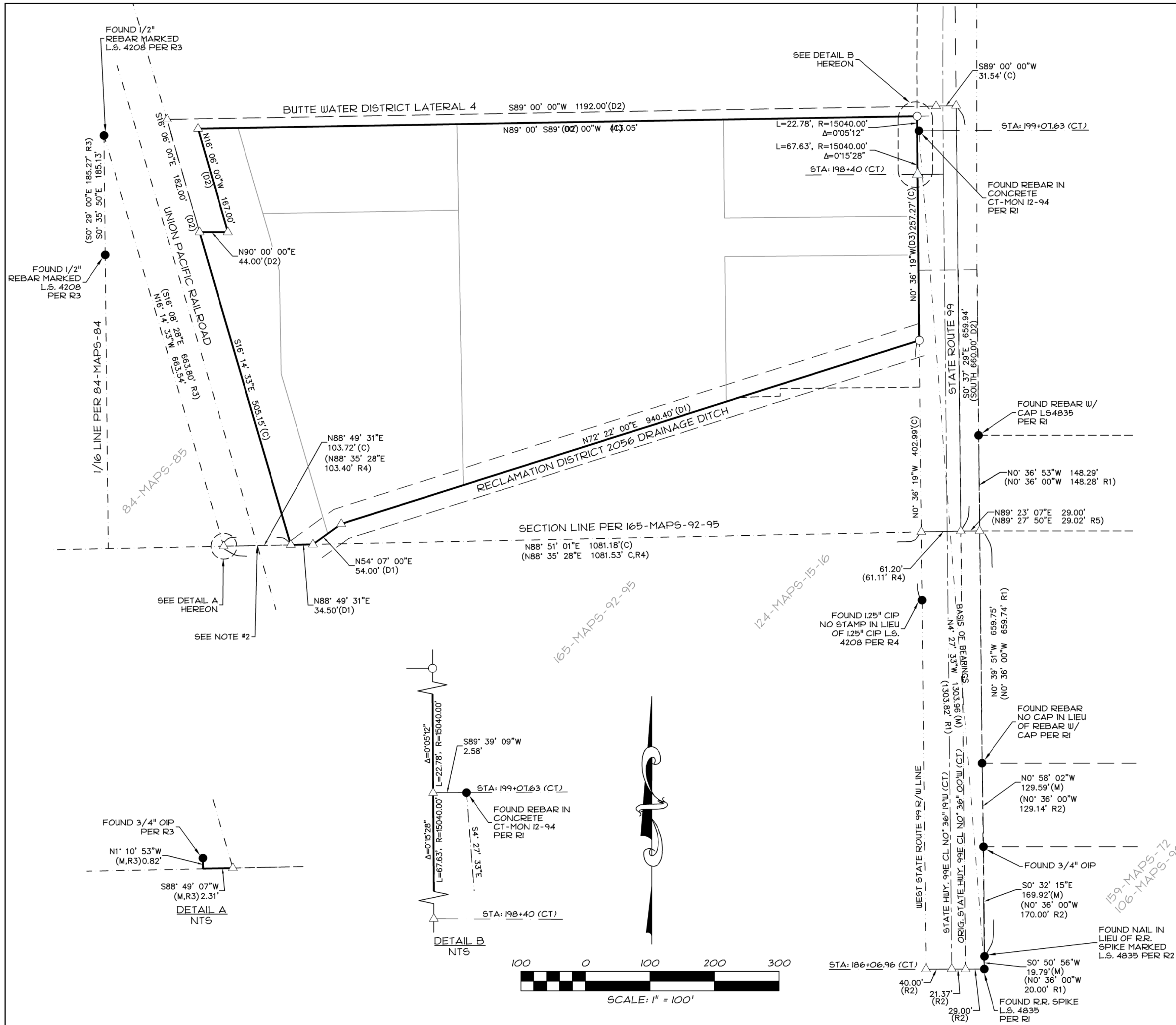
SUBJECT TO REVIEW  
GRIDLEY ORCHARD  
APARTMENTS  
PARCEL MAP 1-23

FOR  
GRIDLEY ORCHARD ASSOCIATES  
A CALIFORNIA LIMITED PARTNERSHIP  
BEING A PORTION IN THE SOUTHEAST 1/4 OF  
THE NORTHEAST 1/4 OF SECTION 1, TOWNSHIP  
17 NORTH, RANGE 2 EAST, M.D.M.,

CITY OF GRIDLEY  
COUNTY OF BUTTE  
STATE OF CALIFORNIA

PREPARED BY:  
ROBERTSON ERICKSON  
CIVIL ENGINEERS AND SURVEYORS  
888 MANZANITA COURT, SUITE 101  
CHICO, CA 95926





## BASIS OF BEARINGS

BASIS OF BEARINGS BETWEEN CAL TRANS MON. NO. 12-94 AND A RR SPIKE AS SHOWN ON 159-MAPS-72 (R1) BUTTE COUNTY RECORDS. TAKEN AS N 04° 21' 33" W.

## LEGEND

- SET 5/8" REBAR WITH ALUMINUM CAP MARKED L6 8218
- FOUND MONUMENT AS NOTED
- △ POINT DETERMINED ONLY, NOTHING SET
- RSN RECORDER'S SERIAL NUMBER
- R.R. RAIL ROAD
- (R1) RECORD DATA PER 159-MAPS-72
- (R2) RECORD DATA PER 106-MAPS-98
- (R3) RECORD DATA PER 84-MAPS-84-86
- (R4) RECORD DATA PER 165-MAPS-92-95
- (R5) RECORD DATA PER 124-MAPS-15-16
- (CT) RECORD DATA PER CALIFORNIA STATE HIGHWAY MONUMENT MAP 03-BUT-99 P.M. 3.8 SHEET 4 OF 8
- (D1) DEED DATA PER 190-DEEDS-355
- (D2) DEED DATA PER 170-DEEDS-56
- (D3) DEED DATA PER 1376-DEEDS-24
- (M) MEASURED
- (C) CALCULATED
- P.S.E. PUBLIC SERVICE EASEMENT
- L.S. LAND SURVEYOR

ALL DISTANCES NOT MARKED (M) MEASURED OR PER RECORD ARE CALCULATED DISTANCES.

- PROPERTY LINE
- - - EASEMENT LINE
- CENTERLINE
- - - SECTION LINE
- - - RIGHT-OF-WAY LINE

## NOTES

TOTAL SUBDIVISION ACREAGE: 11.282 ACRES

- #1 THE METES AND BOUNDS LEGAL DESCRIPTION OF 170-DEEDS-56 DOES NOT MATHEMATICALLY CLOSE.
- #2 RAILROAD RIGHT-OF-WAY ESTABLISHED BY SPLIT OF RAILS ALONG THE MAIN TRACK OF THE SOUTHERN PACIFIC RAILROAD.

## SUBJECT TO REVIEW GRIDLEY ORCHARD APARTMENTS PARCEL MAP 1-23

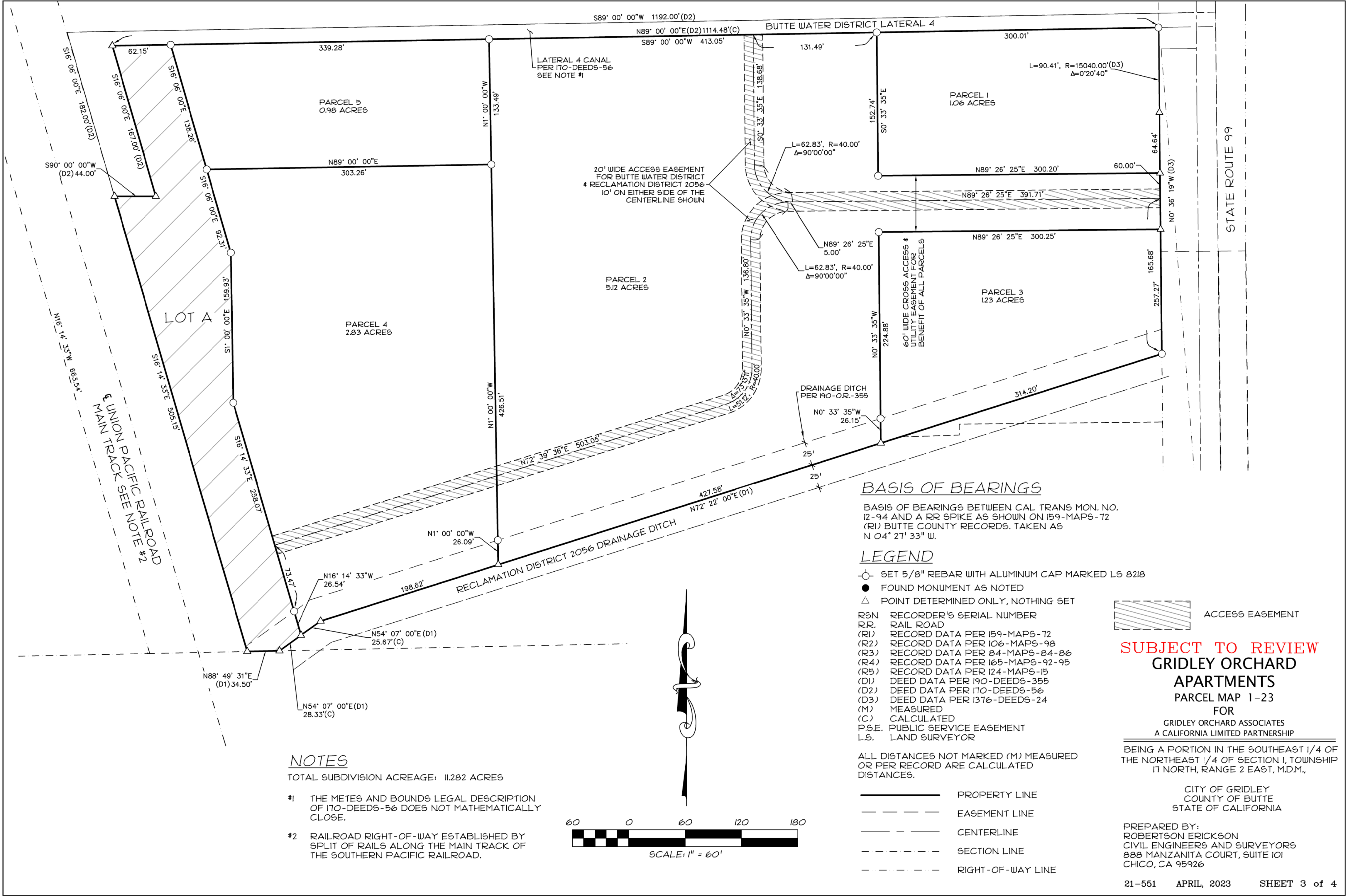
FOR  
GRIDLEY ORCHARD ASSOCIATES  
A CALIFORNIA LIMITED PARTNERSHIP

BEING A PORTION IN THE SOUTHEAST 1/4 OF  
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**NOTES**

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**BASIS OF BEARINGS**

BASIS OF BEARINGS BETWEEN CAL TRANS MON. NO. 12-94 AND A RR SPIKE AS SHOWN ON 159-MAPS-72 (R1) BUTTE COUNTY RECORDS. TAKEN AS N 04° 27' 33" W.

**LEGEND**

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- FOUND MONUMENT AS NOTED
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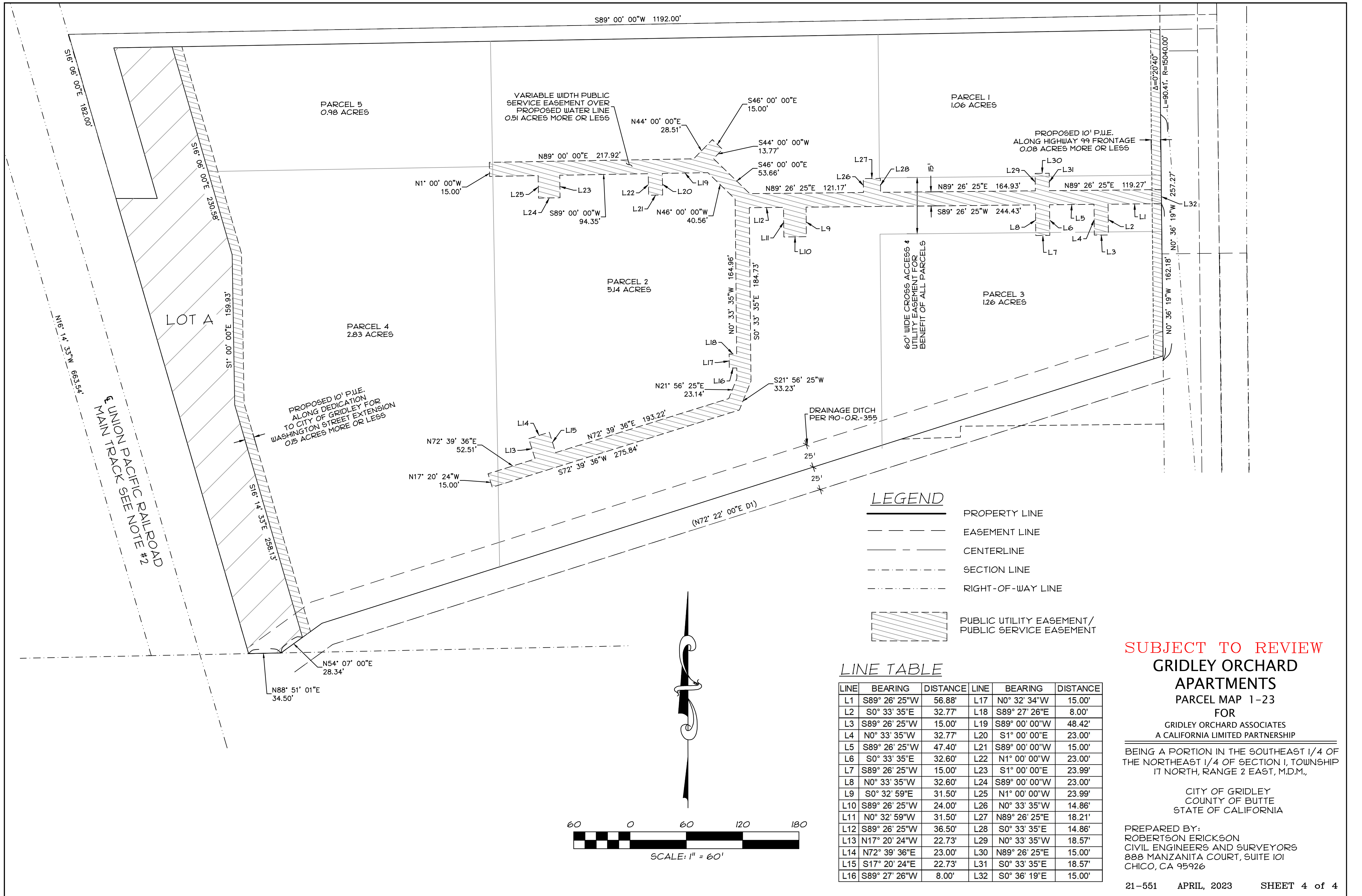
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- - - - - EASEMENT LINE
- — — — — CENTERLINE
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- - - - - RIGHT-OF-WAY LINE

**SUBJECT TO REVIEW  
GRIDLEY ORCHARD  
APARTMENTS**

PARCEL MAP 1-23  
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**SUBJECT TO REVIEW**  
**GRIDLEY ORCHARD**  
**APARTMENTS**  
**PARCEL MAP 1-23**  
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21-551    APRIL, 2023    SHEET 4 of 4