

RESOLUTION NO. 2023-47

A RESOLUTION OF CITY COUNCIL OF THE CITY OF MARINA  
APPROVING A FUND TRANSFER AND APPROPRIATION OF \$40,000  
FROM EACH OF THE IMPACT FEE ACCOUNTS TO THE PUBLIC  
FACILITIES IMPACT FEE STUDY UPDATE AND AUTHORIZING THE  
FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND  
BUDGETARY ENTRIES

WHEREAS, at the regular meeting of April 19, 2016, the City Council adopted Resolution 2016-50, making available the Development Impact Fee Study in accordance with Marina Municipal Code Chapter 3.26, and;

WHEREAS, at the regular meeting of July 19, 2016, the City Council passed and adopted Ordinance No. 2016-04, amending Chapter 3.26 of the Marina Municipal Code regarding mitigation fees for new development, and;

WHEREAS, the Public Facilities Impact Fee Study (Study) report updates all five (5) City public facilities impact fee programs for public building facilities, public safety facilities, roadways, intersections and parks. This Study is updated on approximately a 5-year cycle, and;

WHEREAS, the purpose of the updated Study is to re-evaluate the fees developed from the previous Study report and incorporate the adopted Capital Improvement Program (CIP) projects and additional recommended projects, and;

WHEREAS, on February 7, 2022, the City entered into a Service Order agreement with the on-call Traffic Engineering consultant firm Kimley Horn & Associates to provide engineering services in preparing the City's updated Study, and;

WHEREAS, the adoption of State Assembly Bill 602 adds specific requirements and practices to the Study in regard to the way impact fees are applied in proportion to the size of development as well as the current and proposed levels of service for public facilities. These new requirements for any impact fee nexus study were not originally part of the Service Order scope of work and require additional funds to complete. The updated scope of work also incorporates a Vehicle Miles Traveled (VMT) mitigation program in accordance with Senate Bill 743, and;

WHEREAS, the adopted Fiscal Year 2021-23 budget allocated \$25,000 from each of the five impact fee accounts (Roads, Intersections, Facilities, Parks, and Public Safety). Due to the requirements added by Senate Bill 743 and Assembly Bill 602, an additional \$40,000 will be required from each of the impact fee accounts to complete the updated Study, and;

WHEREAS, should the Council approve this request, the City Finance Director will make all necessary accounting and budgetary entries to facilitate a fund transfer from each of the Impact Fee accounts to the Capital Improvement Program Project EDC2124 – Public Facilities Impact Fee Study Update.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina approves a fund transfer and appropriation of \$40,000 from each of the Impact Fee accounts to the Public Facilities Impact Fee Study Update and authorizing the Finance Director to make necessary accounting and budgetary entries.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 16<sup>th</sup> day of May 2023, by the following vote:

AYES: COUNCIL MEMBERS: Visscher, McCarthy, Biala, Medina Dirksen, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

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Bruce C. Delgado, Mayor

ATTEST:

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Anita Sharp, Deputy City Clerk

April 10, 2023

Mr. Edrie Delos Santos P.E.  
Senior Engineer  
City of Marina  
211 Hillcrest Avenue  
Marina, California 93933

**Re: Proposal – City of Marina 2021 Development Impact Fee Update**

Dear Mr. Delos Santos:

Kimley-Horn and Associates, Inc. (Kimley-Horn) and EPS is pleased to submit this letter agreement to the City of Marina for providing additional service associated with the City of Marina 2021 Development Impact Fee Update Scope of Service dated July 20, 2021. This letter constitutes a proposal setting forth our additional Scope of Service, Schedule, and Fee. The scope of services included below will be conducted based on our existing on-call contract with the City. The proposal is an amendment to the existing Contract to Prepare the 2023 City DIF update. The reason for the Amendment is the implementation of AB 602, which changes the way Cities collect Impact Fees.

**Project Understanding**

The City of Marina (City) is seeking to update its Mitigation Fee Act (Government Code Section 66000) Development Impact Fees. A Development Impact Fee Study (RBF Consulting, July 20, 2007) established five City development impact fee programs, including Public Building Facilities, Public Safety Facilities, Roadways, Intersections and Park Facilities. The City updated these fees in 2011 (RBF Consulting, April 25, 2011) and then again in 2016 (Kimley-Horn, May 18, 2016).

At this time, the City's goal is to update the fees to reflect changes to the Capital Improvement Program (adding new improvements and removing completed projects/ acquisitions) and to reflect current development projections in the City. The current update also must bring the City's development impact fees into compliance with state legislation (AB-602) that introduces new requirements for the calculation, establishment, and disclosure of impact fees and fee policies. This Amendment is due to the AB 602 requirements.

**Scope of Services**

The proposed EPS work program is envisioned as a collaborative effort with Kimley-Horn and City staff. Kimley-Horn will lead the overall effort. EPS will be responsible for preparing technical work and documentation for three fees. EPS will document the fee update analysis in a technical memorandum. If a comprehensive fee study document is needed, Kimley-Horn will incorporate EPS technical work into that final deliverable. This scope of services is to conduct a supplemental AB 602 deficiency analysis as part of the City of Marina 2021 Development Impact Fee Update.

**Roadways and Transportation Facilities Impact Fees (Kimley-Horn)**

**Task 1: Data Collection**

Kimley-Horn has identified the intersection improvement and roadway improvement projects listed in the City's most recent Capital Improvement Program as well as Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP) that will be evaluated as part of this task. Kimley-Horn in coordination with City Staff will collect weekday AM and PM peak period turning movement counts at

the up to thirty (30) study intersections on a typical weekday between 5:30am to 8:30am and 4:30pm to 7:30pm. Caltrans traffic flow data will be used to collect traffic counts at the study roadway segments where applicable. We will also collect 24 hour ADT counts at up to thirty (30) roadway segments.

**Deliverables:**

- Summary of collected counts

**Task 2: Developing Level of Service (LOS) Analysis Methodologies and Thresholds**

Kimley-Horn will review and categorize each project type listed in the City's most recent CIP as well as FOR A CIP to develop analysis methodologies and thresholds for determining level of service standards before and after implementation of each project. Categories may include roadway capacity increases, freeway interchange improvements, intersection improvements, safety projects, and active transportation projects. Kimley-Horn will provide tables to City staff that summarize the project groupings, the level of service analysis methodology for each group, and the level of service threshold for each group.

**Deliverables:**

- LOS Methodologies and Thresholds by Project Type Summary Tables

**Task 3: Refine Growth Forecast**

Kimley-Horn will refine population and employment forecasts to calculate the increase in traffic demand attributable to forecast new growth within the City of Marina. Kimley-Horn will work with the City to review the adequacy and accuracy of the zone level data and network. The review will also identify and make any updates if deemed necessary. Kimley-Horn anticipates that the amount of development that is expected to occur between 2023 and 2050 will be determined based upon ABAG Projections 2050 as defined in the latest Association of Monterey Bay Area Governments (AMBAG) regional travel demand model.

Kimley-Horn will aggregate the City's growth forecast by land use type. Projection of employment will be translated into ten non-residential land use types (i.e. Agricultural, Manufacturing and Mining, Construction and Transportation Waste, Finance and Real Estate, Services, Public Administration, Wholesale, Retail, Education, and Healthcare). The total growth forecast will be converted into land use types to ease the administration of the impact fee at the local level.

Kimley-Horn will summarize results of Task 3 in the form of tables and maps that would be submitted to the City for review. After one set of non-conflicting comments, Kimley-Horn will review and produce the final set of future forecasts within the City to be used in the AMBAG model.

**Deliverables:**

- Draft Refined Growth Forecast
- Final Refined Growth Forecast

**Task 4: Level of Service Analysis and Project Evaluation**

Kimley-Horn will evaluate level of service for each of the applicable projects included in the City of Marina CIP as well as roadway transportation projects included in FORA CIP. We will use the methodologies and thresholds developed as a part of Task 2 to determine the level of service before and after each project is constructed. The latest available version of the AMBAG model will be used in consultation with City staff and the most recent Base Year and Future Year model scenarios will be used to develop future traffic volumes for the LOS analysis of with and without project conditions. This

evaluation will establish the need for each project, consistent with the requirements set forth by AB 602.

Deliverables:

- LOS Summary Tables by Project Type

#### **Task 5: Fee Evaluation**

Kimley-Horn will evaluate the fee calculations by land use type in light of the level of service analysis conducted as part of Task 4 and propose fee adjustments based on AB 602 analysis if necessary, in a summary table for City staff.

Deliverables:

- Existing Deficiency Summary Table
- Table Summarizing Fees by Land Use Type

#### **Task 6: – Evaluation of Residential Household Fees by Household Size**

Consistent with the impending July 1, 2022 requirements set forth by AB 602, Kimley-Horn will determine residential fees by household size. AB 602 requires that different fees be set based on household size. Therefore, Kimley-Horn will determine the groupings of household sizes (e.g., less than 1,200 square-feet, 1,200 – 2,500 square-feet, and greater than 2,500 square-feet) and the potential future fees associated with each group based on the overall fee for residential units calculated as a part of Task 5.

Deliverables:

- Summary Table of Residential Fees by Household Size

#### **Task 7: Documentation ( Kimley-Horn and EPS)**

Kimley-Horn will prepare a draft technical memorandum summarizing the procedures, findings, and conclusions from Tasks 1 – 6 with graphics deemed necessary by Kimley-Horn. This memorandum will be submitted to City staff for review and comments. Kimley-Horn will revise the draft technical memorandum based on one set of non-conflicting comments received from City staff and provide staff with the final technical memorandum.

Deliverable:

- Draft Technical Memorandum
- Final Technical Memorandum

#### **Task 8: Meetings and Project Management ( Kimley-Horn and EPS)**

This task covers project administration and up to three meetings between Kimley-Horn and City staff. It is intended that these three meetings will comprise of a kickoff meeting and meetings to discuss the findings of the analysis. In addition, we will attend two public hearings and prepare Microsoft PowerPoint presentations for each hearing. The scope also includes the attendance of two City Council meetings to adopt the DIF. If Kimley-Horn's attendance at other meetings or public hearings is requested, such attendance will be subject to a contract amendment, as discussed below.

Deliverables:

- Kickoff Meeting
- City Meetings
- Public Meetings

#### **Public Building Facilities, Public Safety Facilities, Park Facilities (EPS)**

EPS will undertake to complete a study to establish legal maximums for the City's development impact fees, consistent with the provisions of the Mitigation Fee Act and AB-602. The work program includes the necessary technical analysis to support establishing development fees for:

- Public Building Facilities;
- Public Safety Facilities; and
- Park Facilities.

EPS would prepare this fee study under subcontract with Kimley-Horn, which will prepare a fee study to update the City's Roadways and Intersections fees. The combined efforts of Kimley-Horn and EPS will provide a comprehensive update of Marina's development impact fee program. The EPS proposal includes in-person attendance at one City hearing to support adoption of the new fees.

The following task descriptions detail EPS's proposed data collection, technical efforts, documentation, and meeting attendance.

**Task 1: Project Initiation and Document Review**

EPS will meet by video call with Kimley-Horn and City staff to initiate the project. This project kickoff meeting will cover:

- Review of overall work program
- Evaluation of Capital Improvement Program data, with input from departments
- Consideration of CIP funding sources, including Development Agreements
- Discussion of development buildout projections
- Identification of additional information needs
- Schedule and Next Steps
- Communication Protocols

As part of the project initiation meeting, it would be helpful to have key City staff in attendance to provide an overview of the fee program and objectives for the update, capital improvement project descriptions, and key issues of concern for the study. Prior to the project initiation meeting, EPS will review relevant documents and data from the City, including the original 2007 fee study, update reports, current fee schedules, draft capital improvement program data, and other relevant information provided. EPS will attend the kickoff prepared to discuss key issues and potential issues related to the information contained in these documents, as well as requirements for updating the development impact fees.

### **Task 2: Data Collection and Evaluation**

EPS will work with Kimley-Horn to collect and evaluate the land use categories and assumptions, growth/buildout projections, pipeline projects, and development agreements that will inform impact fee updates. EPS also will coordinate with the study team to define key assumptions, such as population and employment densities for each land use category that will be used to allocate demand for new infrastructure. EPS that Kimley-Horn facilitate data collection and ensure data is reported in a manner that supports impact fee development. The City will provide key information on any Development Agreements that affect capital improvement program demand and funding, and thereby affect the calculation of development impact fees.

### **Task 3: Calculation of Maximum Development Impact Fees**

Task 3 covers the technical work required to update the Public Building Facilities Fee, Public Safety Facilities Fee, and Park Facilities Fee. EPS technical work will establish the maximum, justifiable fee level. Ultimately, the City may adopt fees that are less than the maximum allowed.

#### **Task 3.1: Facility Requirements and Costs**

EPS will work with Kimley-Horn and City staff to assess and finalize the list of public facility and infrastructure requirements that constitute the development impact fee capital improvement program for each of the fee categories. The individual improvement items will include those that are proposed to be funded, all or in part, by the development impact fees. Following Task 2 review relevant City capital facility planning documents, EPS will rely on City staff to coordinate interviews with relevant departments that may be needed to gain a sufficient understanding of the current and future public facility needs. EPS will attend any department interviews virtually.

EPS will review the City's capital facilities needs and identify which facilities can be included in the development impact fee improvement program from a Mitigation Fee Act/ nexus standpoint. Attention will be paid to assure that cost estimates include all appropriate items, including land acquisition, design and engineering, construction, program administration, and other relevant costs.

#### **Task 3.2: Cost Allocation and Fee Calculation**

EPS will prepare the nexus-based cost allocation necessary to develop a preliminary development impact fee schedule for review by City staff. As a part of this effort, EPS will first allocate the development impact fee program costs to new and existing development. Specifically, EPS will review each capital project developed in Task 3.1 to determine whether the entire cost or a reasonable portion thereof can be proportionately allocated to new growth. The costs for projects that clearly serve both existing and new development will be allocated based on the proportion of the demand generated by each. As is required, EPS will seek to ensure that facility needs and costs associated with existing deficiencies in service levels are not included in the proposed fees.

EPS will then allocate the development impact fee improvement program costs to the land use categories defined in Task 2. This allocation will be based on the relative contribution of each land use type to the demand for the related Improvement Program cost category. Based upon the cost allocation, EPS will prepare a preliminary fee schedule with the total costs attributable to the projected development of each land use type. The fee for each land use will be derived by dividing

nexus-based capital facility costs by the projected future development in that land use category. The resulting fee levels for each land use category are the maximum allowable development impact fee burden for each land use. EPS will summarize the maximum fees by land use for the City's review.

#### Task 4: AB-602 Compliance

Components of AB-602 went into effect on January 1st, 2022, with others coming into effect on July 1st, 2022. AB-602 requires that jurisdictions identify the capital improvement projects that the updated fee revenues will support along with any changes in service standards. These issues will be addressed as part of the technical tasks for each capital improvement in the preceding tasks. The new July 1st, 2022, change requires that impact fees on new residential development are made proportional to new unit sizes or, alternatively, explains why that is not possible.

In this task, EPS will develop options for converting the average fees developed in the prior tasks into fees that vary with unit size. EPS will discuss these options with City staff, including the City Attorney (or Land Use Counsel), to determine the preferred approach(es) for the different fee categories. Because this is a new State requirement, there is not an established best approach for developing fees in this manner so additional analysis and strategic discussion is required.

City of Marina  
DIF - AB 602  
Cost Proposal  
4/10/2023

Kimley»Horn

|                                                         |                                              | Venter KH | Schmidt KH | Sr. Professional I KH | Professional KH | Support Staff KH | Sigman EPS | Rice-Evans EPS | Support Staff EPS |             |            |
|---------------------------------------------------------|----------------------------------------------|-----------|------------|-----------------------|-----------------|------------------|------------|----------------|-------------------|-------------|------------|
| Task                                                    | HOURLY BILLING RATE                          | \$364.00  | \$326.00   | \$265.00              | \$215.00        | \$130.00         | \$300.00   | \$325.00       | \$195.00          | Total Hours | Total Cost |
| Transportation Analysis ( Kimley-Horn)                  |                                              |           |            |                       |                 |                  |            |                |                   |             |            |
| 1                                                       | Data Collection                              | 2         | 2          | 4                     | 4               |                  |            |                |                   | 12          | \$ 3,300   |
| 2                                                       | LOS Analysis Methodologies and Thresholds    | 2         | 2          | 4                     | 4               |                  |            |                |                   | 12          | \$ 3,300   |
| 3                                                       | Refine Growth (Model Update)                 | 7         | 10         | 24                    | 50              |                  |            |                |                   | 91          | \$ 22,918  |
| 4                                                       | LOS Analysis and Project Evaluation          | 8         | 8          | 12                    | 60              |                  |            |                |                   | 88          | \$ 21,600  |
| 5                                                       | Fee Calculations                             | 8         | 10         | 12                    | 40              |                  |            |                |                   | 70          | \$ 17,952  |
| 6                                                       | Evaluation and Calc of Household Fees by Siz | 4         | 8          | 20                    | 20              |                  |            |                |                   | 52          | \$ 13,664  |
| 7                                                       | Report (Draft and Final)                     | 8         | 4          | 8                     | 12              |                  | 16         | 2              | 20                | 70          | \$ 18,266  |
| 8                                                       | Meetings and PM                              | 12        | 12         | 12                    |                 | 8                | 12         | 2              | 12                | 70          | \$ 19,090  |
| Public Safety, Parks and Public Facilities ( EPS)       |                                              |           |            |                       |                 |                  |            |                |                   |             | \$ -       |
| 1                                                       | Project Initiation                           |           |            |                       |                 |                  | 8          | 2              | 16                | 26          | \$ 6,170   |
| 2                                                       | Demographic and Land use Data                |           |            |                       |                 |                  | 8          | 2              | 16                | 26          | \$ 6,170   |
| 3                                                       | Development Impact Fee                       |           |            |                       |                 |                  | 30         | 4              | 40                | 74          | \$ 18,100  |
| 4                                                       | AB602 Compliance                             |           |            |                       |                 |                  | 4          | 2              | 8                 | 14          | \$ 3,410   |
| Total hrs                                               |                                              | 51        | 56         | 96                    | 190             | 8                | 78         | 14             | 112               | 401         | \$ 153,940 |
| Total Labor Cost                                        |                                              | \$ 18,564 | \$ 18,256  | \$ 25,440             | \$ 40,850       | \$ 1,040         | \$ 23,400  | \$ 4,550       | \$ 21,840         |             | \$ 153,940 |
| Other Direct Costs ( Kimley-Horn and EPS)               |                                              |           |            |                       |                 |                  |            |                |                   |             |            |
| Direct Expenses for Travel, Traffic Counts and Big Data |                                              |           |            |                       |                 |                  |            |                |                   |             | \$ 10,000  |
| TOTAL                                                   |                                              |           |            |                       |                 |                  |            |                |                   |             | \$ 163,940 |

#### Fee and Expenses

Kimley-Horn will perform the services in the Tasks above for a total Not to Exceed Time and Materials fee of **\$163,9140**. All permitting, application, and similar project fees will be paid directly by the Client. Fees will be due within 30 days of your receipt of the invoice.

#### Additional Services

Any services not specifically provided for in the above scope will be billed as additional services and performed at our then current hourly rates.

**Information Provided by Client**

We shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client's consultants or representatives. The Client shall provide all information identified in this proposal and requested by Kimley-Horn during the project.

**Schedule**

Kimley-Horn is prepared to begin work immediately upon receipt of the notice to proceed (NTP), and we will endeavor to meet your scheduling needs, but no more than 4 months from the date of receiving an NTP.

We appreciate the opportunity to provide these services to you. Please contact me if you have any questions.

Very truly yours,

KIMLEY-HORN AND ASSOCIATES, INC.



By: Frederik Venter P.E.  
Project Manager  
P.E. No.: C64621

May 9, 2023

Item No. **13(a)**

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of May 16, 2023

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2023-,  
APPROVING A FUND TRANSFER AND APPROPRIATION OF \$40,000  
FROM EACH OF THE IMPACT FEE ACCOUNTS TO THE PUBLIC  
FACILITIES IMPACT FEE STUDY UPDATE AND AUTHORIZING THE  
FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND  
BUDGETARY ENTRIES**

**REQUEST:**

It is requested that the City Council:

1. Consider adopting Resolution No. 2023-, approving a fund transfer and appropriation of \$40,000 from each of the Impact Fee accounts to the Public Facilities Impact Fee Study Update and authorizing the Finance Director to make necessary accounting and budgetary entries.

**BACKGROUND:**

At the regular meeting of April 19, 2016, the City Council adopted Resolution 2016-50, making available the Development Impact Fee Study in accordance with Marina Municipal Code Chapter 3.26.

At the regular meeting of July 19, 2016, the City Council passed and adopted Ordinance No. 2016-04, amending Chapter 3.26 of the Marina Municipal Code regarding mitigation fees for new development.

**ANALYSIS:**

The Public Facilities Impact Fee Study (Study) report updates all five (5) City public facilities impact fee programs for public building facilities, public safety facilities, roadways, intersections and parks. This Study is updated on approximately a 5-year cycle.

The purpose of the updated Study is to re-evaluate the fees developed from the previous Study report and incorporate the adopted Capital Improvement Program (CIP) projects and additional recommended projects.

On February 7, 2022, the City entered into a Service Order agreement with the on-call Traffic Engineering consultant firm Kimley Horn & Associates to provide engineering services in preparing the City's updated Study.

The adoption of State Assembly Bill 602 adds specific requirements and practices to the Study in regard to the way impact fees are applied in proportion to the size of development as well as the current and proposed levels of service for public facilities. These new requirements for any impact fee nexus study were not originally part of the Service Order scope of work and require additional funds to complete. The updated scope of work also incorporates a Vehicle Miles Traveled (VMT) mitigation program in accordance with Senate Bill 743.

**FISCAL IMPACT:**

The adopted Fiscal Year 2021-23 budget allocated \$25,000 from each of the five impact fee accounts (Roads, Intersections, Facilities, Parks, and Public Safety). Due to the requirements added by Senate Bill 743 and Assembly Bill 602, an additional \$40,000 will be required from each of the impact fee accounts to complete the updated Study.

Should the Council approve this request, the City Finance Director will make all necessary accounting and budgetary entries to facilitate a fund transfer from each of the Impact Fee accounts to the Capital Improvement Program Project EDC2124 – Public Facilities Impact Fee Study Update.

**CONCLUSION:**

This request is submitted for City Council's approval.

Respectfully submitted,

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Edrie Delos Santos, P.E.  
Senior Engineer  
Public Works Department  
City of Marina

REVIEWED/CONCUR:

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Brian McMinn, P.E., P.L.S.  
Public Works Director/City Engineer  
City of Marina

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Layne P. Long  
City Manager  
City of Marina