

# DEVELOPMENT IMPACT FEES ANNUAL ADJUSTMENT

(Planning Commission)

Adriana Robles, City Engineer

Public Works Department

March 18, 2026



No Action  
Required

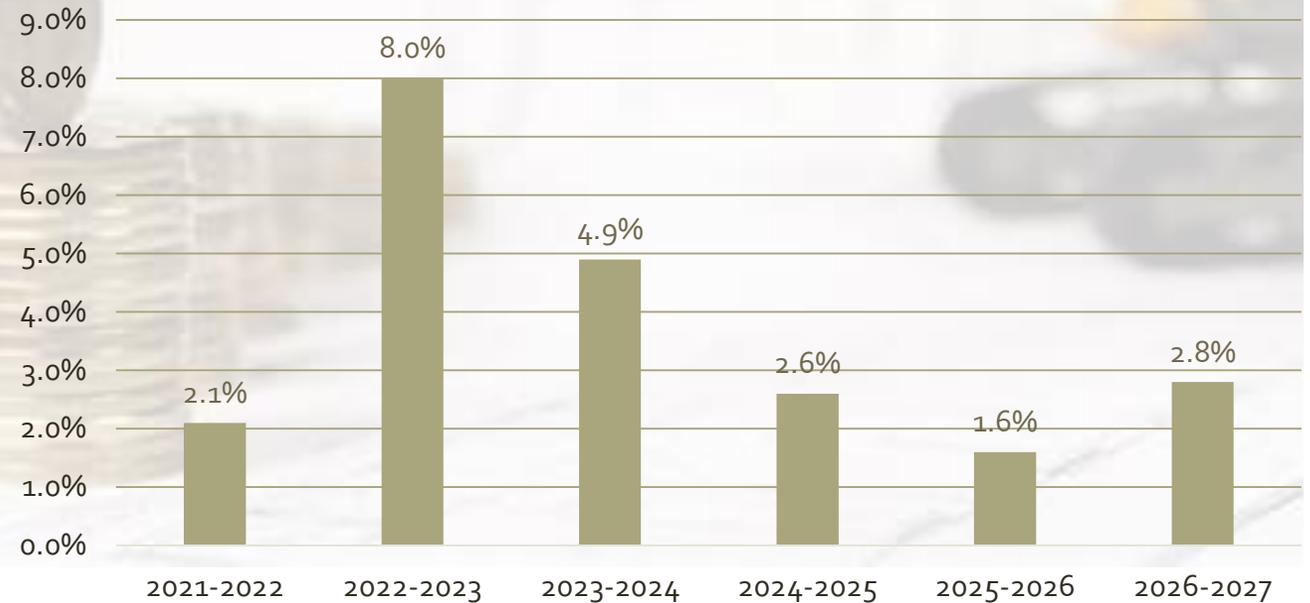
Overview of the proposed annual adjustment to City Development Impact Fees, which are to be considered by City Council on April 21, 2026.

# Background

## Authority, Purpose and Use

- California Government Code Section 66000 and Salinas Municipal Code 9-40 through 9-50 allow for the imposition of development impact fees to mitigate development impacts
- Fees are to be adjusted annually based on the Engineering News Record Construction Cost Index (2025 – 2026 = 2.8%)
- Fees are to be managed separately, and an annual report presented to City Council

Development Impact Fee Adjustment



# Development Impact Fees - Discussion

## Residential

### Commercial/Industrial

- Street Tree Fee (often waived)
  - Storm Sewer Main Line Fee
  - Sanitary Sewer Main Line Fee
  - Traffic Fee (TFO)
  - Police Impact Fee
- Park Impact Fee
    - Citywide
    - Central Area (Future Growth Area)
    - West Area (Future Growth Area)
  - Fire Impact Fee
  - Library Impact Fee
  - Recreation Impact Fee

# Exhibit A

## Public Infrastructure Fee Schedule

	<b>PROPOSED FEE SCHEDULE</b> <b>Fiscal Year 2026-27</b>	<b>CURRENT FEE SCHEDULE</b> <b>Fiscal Year 2025-26</b>
<b>Street Tree Fee:</b>	\$438.00 per tree, one tree per sixty feet of street frontage	\$426.00 per tree, one tree per sixty feet of street frontage
<b>Storm Sewer Trunk Line Fee:</b>	\$784.00 per bedroom or \$1,470.00 per mobile home; Commercial and Industrial -\$9,229.00 per acre; Schools - \$7,362 per acre	\$707.00 per bedroom or \$1,430.00 per mobile home; Commercial and Industrial -\$8,978.00 per acre; Schools - \$7,161.00 per acre
<b>Sanitary Sewer Trunk Line Fee<sup>1</sup>:</b>	Residential: \$1.34 per square foot of building area; Commercial: \$1.17 per square foot of building area; Industrial: \$0.59 per square foot of building area	Residential: \$1.31 per square foot of building area; Commercial: \$1.14 per square foot of building area; Industrial: \$0.57 per square foot of building area
<b>Traffic Fee<sup>2</sup>:</b>	\$483.00 per daily trip (within existing developed City Limits)  \$699.00 per daily trip (Future Growth Areas)	\$470.00 per daily trip (within existing developed City Limits)  \$680.00 per daily trip (Future Growth Areas)

<sup>1</sup> Sanitary Sewer Impact Fee updated September 24, 2024, Resolution No. 23100.

<sup>2</sup> Traffic Fee Ordinate updated January 19, 2010, Resolution No. 19802.

# Exhibit B1 Public Facilities Fee Schedule

	<b>PROPOSED FEE SCHEDULE Fiscal Year 2026-27</b>	<b>CURRENT FEE SCHEDULE Fiscal Year 2025-26</b>
<b>Commercial Fire Impact Fee:</b>	\$663.00 per 1,000 square feet of floor area	\$645.00 per 1,000 square feet of floor area
<b>Commercial Police Impact Fee:</b>	\$882.00 per 1,000 square feet of floor area	\$858.00 per 1,000 square feet of floor area
<b>Industrial Fire Impact Fee:</b>	\$151.00 per 1,000 square feet of floor area	\$147.00 per 1,000 square feet of floor area
<b>Industrial Police Impact Fee:</b>	\$589.00 per 1,000 square feet of floor area	\$573.00 per 1,000 square feet of floor area
<b>Park Impact Fee: (West Area Specific Plan)<sup>3</sup></b>	\$12,742.00 per single family unit \$10,847.00 per multifamily unit	\$12,395.00 per single family unit \$10,552.00 per multifamily unit
<b>Park Impact Fee: (Central Area Specific Plan)<sup>4</sup></b>	\$14,111.00 per single family unit \$12,013.00 per multifamily unit	\$13,727.00 per single family unit \$11,686.00 per multifamily unit

<sup>3</sup> Park Impact Fee for the West Area Specific Plan established December 3, 2019, Resolution No. 21750

<sup>4</sup> Park Impact Fee for the Central Area Specific Plan established November 17, 2020, Resolution No. 21996

# Exhibit B2 – Public Facilities Impact Fees for Residential Development

## Proposed Citywide Fee Schedule<sup>5,6</sup> (Fiscal Year 2026-27)

Dwelling Square Footage	Fire		Police		Library		Recreation		Park		Park (Quimby)	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
<b>SFD Fee Schedule</b>												
4000 sf+												
3000 sf - 3999 sf	\$ 437.00	\$ 425.00	\$ 2,412.00	\$ 2,346.00	\$ 1,716.00	\$ 1,669.00	\$ 955.00	\$ 929.00	\$ 8,381.00	\$ 8,153.00	\$ 9,754.00	\$ 9,488.00
2500 sf - 2999 sf	\$ 419.00	\$ 408.00	\$ 2,319.00	\$ 2,256.00	\$ 1,650.00	\$ 1,605.00	\$ 917.00	\$ 892.00	\$ 8,063.00	\$ 7,843.00	\$ 9,381.00	\$ 9,125.00
2000 sf - 2499 sf	\$ 400.00	\$ 389.00	\$ 2,215.00	\$ 2,155.00	\$ 1,576.00	\$ 1,533.00	\$ 876.00	\$ 852.00	\$ 7,703.00	\$ 7,493.00	\$ 8,959.00	\$ 8,715.00
1500 sf - 1999 sf	\$ 386.00	\$ 375.00	\$ 2,135.00	\$ 2,077.00	\$ 1,518.00	\$ 1,477.00	\$ 846.00	\$ 823.00	\$ 7,420.00	\$ 7,218.00	\$ 8,632.00	\$ 8,397.00
1000 sf - 1499 sf	\$ 355.00	\$ 345.00	\$ 1,968.00	\$ 1,914.00	\$ 1,399.00	\$ 1,361.00	\$ 778.00	\$ 757.00	\$ 6,839.00	\$ 6,653.00	\$ 7,957.00	\$ 7,740.00
750 sf - 999 sf	\$ 289.00	\$ 281.00	\$ 1,598.00	\$ 1,554.00	\$ 1,137.00	\$ 1,106.00	\$ 633.00	\$ 616.00	\$ 5,555.00	\$ 5,404.00	\$ 6,464.00	\$ 6,288.00
500 sf - 749 sf	\$ 237.00	\$ 231.00	\$ 1,309.00	\$ 1,273.00	\$ 931.00	\$ 906.00	\$ 519.00	\$ 505.00	\$ 4,552.00	\$ 4,428.00	\$ 5,297.00	\$ 5,153.00
< 500 sf	\$ 206.00	\$ 200.00	\$ 1,137.00	\$ 1,106.00	\$ 808.00	\$ 786.00	\$ 450.00	\$ 438.00	\$ 3,951.00	\$ 3,843.00	\$ 4,596.00	\$ 4,471.00
<b>Senior Unit Fee Schedule</b>												
4000 sf+												
3000 sf - 3999 sf	\$ 271.00	\$ 264.00	\$ 1,493.00	\$ 1,452.00	\$ 1,062.00	\$ 1,033.00	\$ 591.00	\$ 575.00	\$ 5,194.00	\$ 5,053.00	\$ 6,044.00	\$ 5,879.00
2500 sf - 2999 sf	\$ 259.00	\$ 252.00	\$ 1,437.00	\$ 1,398.00	\$ 1,023.00	\$ 995.00	\$ 568.00	\$ 553.00	\$ 4,993.00	\$ 4,857.00	\$ 5,810.00	\$ 5,652.00
2000 sf - 2499 sf	\$ 249.00	\$ 242.00	\$ 1,372.00	\$ 1,335.00	\$ 977.00	\$ 950.00	\$ 543.00	\$ 528.00	\$ 4,774.00	\$ 4,644.00	\$ 5,553.00	\$ 5,402.00
1500 sf - 1999 sf	\$ 240.00	\$ 233.00	\$ 1,321.00	\$ 1,285.00	\$ 940.00	\$ 914.00	\$ 523.00	\$ 509.00	\$ 4,592.00	\$ 4,467.00	\$ 5,344.00	\$ 5,198.00
1000 sf - 1499 sf	\$ 219.00	\$ 213.00	\$ 1,217.00	\$ 1,184.00	\$ 866.00	\$ 842.00	\$ 482.00	\$ 469.00	\$ 4,232.00	\$ 4,117.00	\$ 4,922.00	\$ 4,788.00
750 sf - 999 sf	\$ 180.00	\$ 175.00	\$ 991.00	\$ 964.00	\$ 705.00	\$ 686.00	\$ 393.00	\$ 382.00	\$ 3,449.00	\$ 3,355.00	\$ 4,012.00	\$ 3,903.00
500 sf - 749 sf	\$ 147.00	\$ 143.00	\$ 813.00	\$ 791.00	\$ 579.00	\$ 563.00	\$ 321.00	\$ 312.00	\$ 2,827.00	\$ 2,750.00	\$ 3,290.00	\$ 3,200.00
< 500 sf	\$ 127.00	\$ 124.00	\$ 704.00	\$ 685.00	\$ 501.00	\$ 487.00	\$ 278.00	\$ 270.00	\$ 2,446.00	\$ 2,379.00	\$ 2,848.00	\$ 2,770.00

<sup>5</sup> Public Facilities Impact Fee Schedule updated December 1, 2020, Resolution No. 22007

<sup>6</sup> Citywide Parks Development Impact Fee Schedule updated February 16, 2021, Resolution No. 22048

# Fiscal Impact

## (draft) Statement of Revenues and Expenditures

Fee Category	2025-26 Balance	Revenues March 2025 to Feb. 2026	Expenditures March 2025 to Feb. 2026
Sanitary Sewer & Storm Drain	\$1.1M	\$337k	\$471k
Parks	\$756k	\$76k	\$0
Library	\$543k	\$64k	\$0
Street Trees	\$18k	\$5k	\$0k
Traffic	\$13.9M	\$1.2M	\$400k
Fire	\$832k	\$53K	\$0
Police	\$3.7M	\$148K	\$0
<b>TOTAL</b>	<b>\$20.9M</b>	<b>\$1.9M</b>	<b>\$871k</b>

Estimated Fund Balance March 2, 2026: \$20.9M

# CEQA + Public Notice Requirements



## CEQA

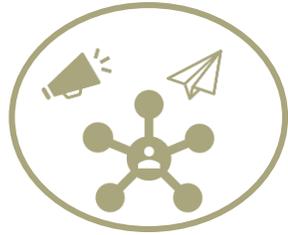
**Not a Project** as defined by the California Environmental Quality Act (CEQA) pursuant to Sections 15378 and 15061(b)(3).



## Gov. Code §66014

- 1) 10-day public hearing notice must be published in a local newspaper for proposed fee adjustments.
- 2) 60-day newspaper notice for the Development Impact Fee Annual Adjustment following City Council action.

## Next Steps



### Outreach

- Chamber of Commerce
- Developer Community
- Central Coast Builders Association

Finance Committee Meeting (April 7, 2026)

Public Hearing/City Council Meeting (April 21, 2026)

2.8% Development Impact Fee Adjustment effective July 1, 2026.

# Questions

## ENR's 20-city average cost indexes, wages and materials prices. Historical data for ENR's 20 cities can be found at [ENR.com/economics](https://enr.com/economics)

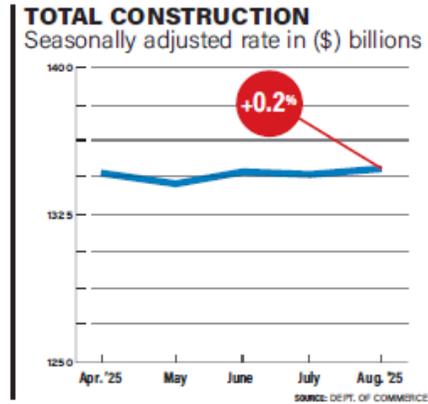
Construction Cost Index				Building Cost Index				Materials Cost Index			
ANNUAL INFLATION RATE				ANNUAL INFLATION RATE				MONTHLY INFLATION RATE			
+2.8%				+4.2%				0.0%			
JAN. 2026				JAN. 2026				JAN. 2026			
1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	14118.53	0.0%	+2.8%	BUILDING COST	8764.76	0.0%	+4.2%	MATERIALS COST	6496.34	0.0%	+3.1%
COMMON LABOR	26554.74	0.0%	+2.7%	SKILLED LABOR	12489.85	+0.1%	+5.2%	CEMENT \$/TON	302.47	-1.8%	+10.2%
WAGE \$/HR.	50.45	0.0%	+2.7%	WAGE \$/HR.	69.32	+0.1%	+5.2%	STEEL \$/CWT	121.47	-1.5%	+8.6%
								LUMBER \$/MBF	865.26	+3.4%	+1.7%

The Construction Cost Index annual escalation rose 2.8%, while the monthly component showed no change.

The Building Cost Index was up 4.2% on an annual basis, while the monthly component held steady.

The Materials Cost Index showed no change in January.

The dollar value of total construction put-in-place showed a monthly escalation rate of 0.2% in August, according to the U.S. Dept. of Commerce's seasonally adjusted data. On a yearly basis, total construction was 1.6% lower than in September 2024. Yearly private-sector construction fell 2.9%, and public work increased 2.7%. Non-residential construction in the private market fell 4% over the past year, while public non-residential work climbed 2.4%.



Non-Seasonally Adjusted Total Construction*					2025 AUG.   1,437.97					2024 AUG.   1,463.72					+1.3 % CHG. MONTH		-1.8 % CHG. YEAR		
CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2025 AUG.	2024 AUG.	% CHG. MONTH	% CHG. YEAR	CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2025 AUG.	2024 AUG.	% CHG. MONTH	% CHG. YEAR	CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2025 AUG.	2024 AUG.	% CHG. MONTH	% CHG. YEAR	CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2025 AUG.	2024 AUG.	% CHG. MONTH	% CHG. YEAR
<b>TOTAL PRIVATE</b>	1,100.32	1,137.86	+1.0	-3.3	<b>TOTAL PUBLIC</b>	337.65	325.86	+1.9	+3.6	<b>TOTAL PRIVATE</b>	1,100.32	1,137.86	+1.0	-3.3	<b>TOTAL PUBLIC</b>	337.65	325.86	+1.9	+3.6
RESIDENTIAL BUILDINGS	607.72	627.32	+1.4	-3.1	RESIDENTIAL BUILDINGS	7.94	7.38	-0.5	+7.6	RESIDENTIAL BUILDINGS	607.72	627.32	+1.4	-3.1	RESIDENTIAL BUILDINGS	7.94	7.38	-0.5	+7.6
LODGING	15.06	15.77	+1.9	-4.9	OFFICE	11.13	11.15	+1.2	-0.2	LODGING	15.06	15.77	+1.9	-4.9	OFFICE	11.13	11.15	+1.2	-0.2
OFFICE	59.13	57.78	+1.9	+2.3	COMMERCIAL	4.58	3.37	-3.7	+35.7	OFFICE	59.13	57.78	+1.9	+2.3	COMMERCIAL	4.58	3.37	-3.7	+35.7
COMMERCIAL	75.65	86.82	+0.8	-12.9	HEALTH CARE	10.43	9.25	-2.7	+12.8	COMMERCIAL	75.65	86.82	+0.8	-12.9	HEALTH CARE	10.43	9.25	-2.7	+12.8
HEALTH CARE	35.18	36.18	+1.2	-2.8	EDUCATIONAL	75.96	74.95	-1.3	+1.3	HEALTH CARE	35.18	36.18	+1.2	-2.8	EDUCATIONAL	75.96	74.95	-1.3	+1.3
EDUCATIONAL	16.55	17.55	-0.5	-5.7	PUBLIC SAFETY	12.67	12.03	+0.7	+5.3	EDUCATIONAL	16.55	17.55	-0.5	-5.7	PUBLIC SAFETY	12.67	12.03	+0.7	+5.3
RELIGIOUS	3.13	2.69	+2.2	+16.1	AMUSEMENT AND RECREATION	15.38	13.97	-0.7	+10.1	RELIGIOUS	3.13	2.69	+2.2	+16.1	AMUSEMENT AND RECREATION	15.38	13.97	-0.7	+10.1
AMUSEMENT AND RECREATION	12.65	12.77	+1.7	-0.9	TRANSPORTATION	31.96	29.92	+3.6	+6.8	AMUSEMENT AND RECREATION	12.65	12.77	+1.7	-0.9	TRANSPORTATION	31.96	29.92	+3.6	+6.8
TRANSPORTATION	12.49	13.03	-1.7	-4.2	POWER	11.54	12.95	+6.0	-10.9	TRANSPORTATION	12.49	13.03	-1.7	-4.2	POWER	11.54	12.95	+6.0	-10.9
COMMUNICATION	18.35	18.60	+0.1	-1.3	HIGHWAY AND STREET	92.43	93.24	+3.7	-0.9	COMMUNICATION	18.35	18.60	+0.1	-1.3	HIGHWAY AND STREET	92.43	93.24	+3.7	-0.9
POWER	93.08	91.53	-0.1	+1.7	SEWAGE AND WATER DISPOSAL	32.36	28.62	+3.2	+13.1	POWER	93.08	91.53	-0.1	+1.7	SEWAGE AND WATER DISPOSAL	32.36	28.62	+3.2	+13.1
MANUFACTURING	148.23	154.85	+0.6	-4.2	WATER SUPPLY	21.51	20.24	+3.0	+6.3	MANUFACTURING	148.23	154.85	+0.6	-4.2	WATER SUPPLY	21.51	20.24	+3.0	+6.3
					CONSERVATION AND DEVELOPMENT	7.67	7.36	+6.5	+4.2						CONSERVATION AND DEVELOPMENT	7.67	7.36	+6.5	+4.2

SOURCE: DEPT. OF COMMERCE, NON-SEASONALLY ADJUSTED CONSTRUCTION PUT-IN-PLACE. DETAILS MAY NOT ADD UP TO TOTAL SINCE ALL TYPES OF CONSTRUCTION ARE NOT SHOWN SEPARATELY.

\*Dept. of Commerce Data has not been updated since the release of August data.