

DEVELOPMENT IMPACT FEES ANNUAL ADJUSTMENT

(Traffic and Transportation Commission)

Adriana Robles, City Engineer

Public Works Department

April 9, 2026



No Action Required

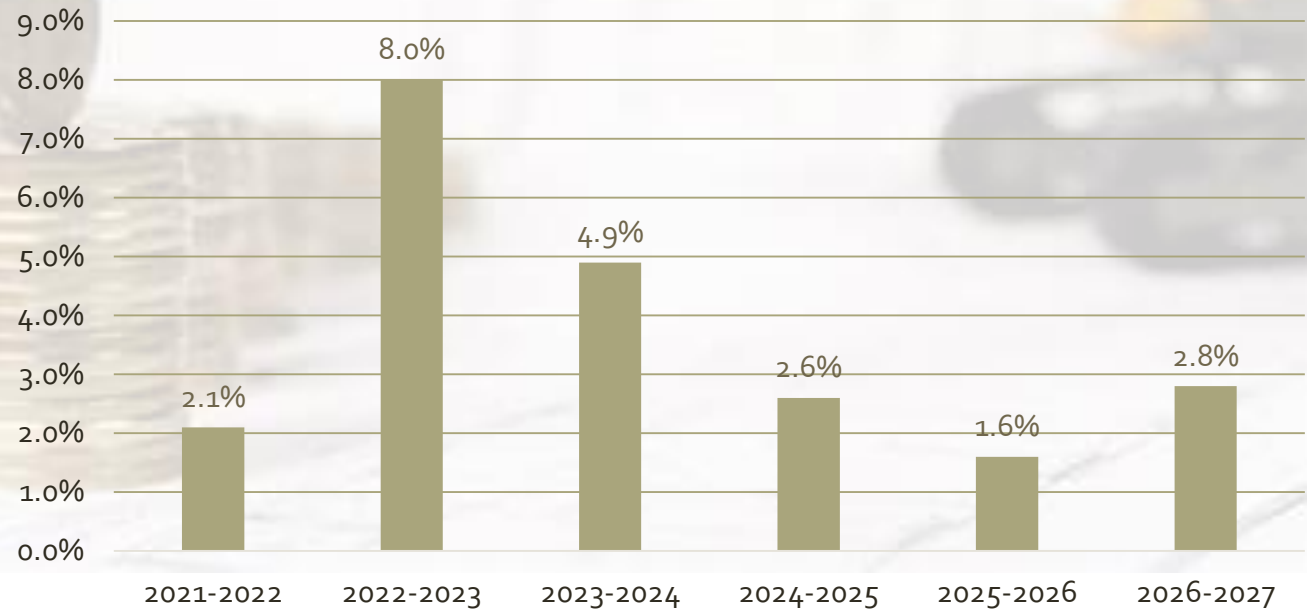
Overview of the proposed annual adjustment to City Development Impact Fees, which are to be considered by City Council in a public hearing on April 21, 2026.

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)
 - Fire Impact Fee
 - Police Impact Fee
- Park Impact Fee
 - Citywide
 - Central Area (Future Growth Area)
 - West Area (Future Growth Area)
 - Library Impact Fee
 - Recreation Impact Fee

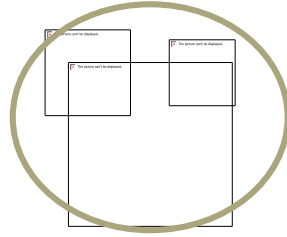
Fiscal Impact

(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
TOTAL	\$20.9M	\$1.9M	\$871k

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

Summary of Engagement and Actions



Outreach (Email Notice)

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



Planning Commission Meeting (March 18, 2026)



Finance Committee (April 7, 2026)



Traffic & Transportation Commission Meeting (April 9, 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)

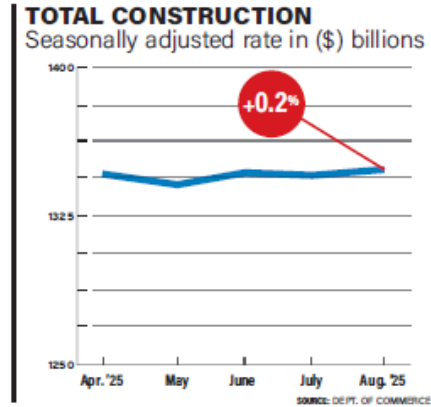
Construction Cost Index				Building Cost Index				Materials Cost Index			
ANNUAL INFLATION RATE				ANNUAL INFLATION RATE				MONTHLY INFLATION RATE			
+2.8%				+4.2%				0.0%			
JAN. 2026				JAN. 2026				JAN. 2026			
1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	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
TOTAL PRIVATE	1,100.32	1,137.86	+1.0	-3.3	TOTAL PUBLIC	337.65	325.86	+1.9	+3.6	TOTAL PRIVATE	1,100.32	1,137.86	+1.0	-3.3	TOTAL PUBLIC	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.