

**NAPA COUNTY**

**TRANSPORTATION IMPACT FEE NEXUS  
STUDY**

**FINAL**

**AUGUST 27, 2025**



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# Executive Summary

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This report summarizes an analysis of the need for transportation infrastructure to support future development within unincorporated areas of Napa County as growth occurs. It is the County's intent that the costs representing future development's share of this infrastructure be imposed on that development in the form of a development impact fee.

## Background and Study Objectives

The primary policy objective of this transportation impact fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to calculate and present fees that will enable the County to expand its inventory of transportation infrastructure – and therefore maintain its facilities standards – as new development creates more demand for transportation infrastructure.

The County will impose transportation impact fees Countywide under the authority granted by the *Mitigation Fee Act* (the *Act*), contained in *California Government Code Sections 66000 et seq.* This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedule contained herein.

## Use of Fee Revenues

Impact fee revenue must be spent on new transportation infrastructure or the expansion of current transportation infrastructure to serve new development. The share of the specific transportation infrastructure intended to be funded by this fee are detailed within this report.

## Methodology Used in This Study

The impact fees calculated in this study use a *planned facilities* approach to allocate costs to new development. This approach identifies the share of planned infrastructure needed to serve new development and then allocates the associated costs of infrastructure to new development through the impact fee schedule.

## Fee Schedule

**Table E.1** summarizes the schedule of maximum justified transportation impact fees based on the analysis contained in this report. The fee amounts are driven by varying assumptions of trip demand generated by new development. Land uses that generate more demand for transportation infrastructure pay higher fees than those land uses that generate less trip demand. All fees are charged per square foot of building space.

**Table E.1: Maximum Justified Fee Schedule**

Land Use	Fee per Square Foot
<i>Residential</i>	\$ 1.47
<i>Nonresidential</i>	
Commercial	\$ 3.49
Office	3.04
Industrial	1.43
Wineries - Production Use <sup>1</sup>	1.00
Wineries - Accessory/Service Use <sup>2</sup>	2.38

<sup>1</sup> Winery building space dedicated to the production of wine.

<sup>2</sup> Winery building space dedicated to accessory uses, including tasting rooms, retail areas and restaurants.

Source: Table 3.7.

## Organization of the Report

This report is organized as follows:

- Chapter 1, Introduction: Summarizes facilities financing in California, and the general approach.
- Chapter 2: Land Use Scenario: Discusses the land uses assumptions used as inputs to the impact fee nexus analysis.
- Chapter 3, Nexus Analysis: Describes the technical analysis used to calculate the transportation impact fee and presents a fee schedule.
- Chapter 4, AB 602 Requirements: Describes how this nexus study complies with the requirements of AB 602.
- Chapter 5, Implementation: Provides guidelines for the implementation and ongoing maintenance of the impact fee program.
- Chapter 6, *Mitigation Fee Act* Findings: summarizes the five statutory findings required for adoption of the proposed fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025).

# 1. Introduction

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This report presents an analysis of the need for transportation infrastructure to accommodate new development in unincorporated Napa County. This chapter provides background for the study and explains the study approach under the following sections:

- Study Objectives;
- Study Methodology;
- Fee Program Maintenance; and
- Organization of the Report.

## Study Objectives

The primary objective of a transportation impact fee program is to ensure that new development pays the capital costs associated with growth. *Goal CIR-3* of the County's General Plan Circulation Element states: "The County's transportation system shall encompass the use of private vehicles, local and regional transit, paratransit, transportation network companies, walking, bicycling, air travel, rail, and water transport. It shall support the implementation of new transportation technologies and travel options to the extent those technologies and options support the County's goals of improving mobility while reducing congestion and emissions."

The primary purpose of this report is to establish transportation impact fees that will enable the County to expand its inventory of transportation infrastructure, including bicycle facilities and roundabouts – and therefore increase mobility and reduce congestion – as new development leads to increases in service demands. This report supports the General Plan policy stated above as the transportation impact fees calculated in this study provide a funding source from new development to fund its fair share of the aforementioned infrastructure.

The County imposes impact fees under authority granted by the *Mitigation Fee Act* (the *Act*), contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein.

Napa County is forecast to experience moderate growth through the planning horizon of 2050. This growth will create an increase in demand for public services and the County infrastructure required to deliver them. Given the revenue challenges that are common to most cities and counties in California, the County has decided to use a development impact fee program to ensure that new development funds the share of transportation facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to establish a transportation impact fee program that funds new development's share of the transportation infrastructure demanded by that development.

## Study Methodology

Transportation impact fees are calculated to fund the cost of transportation infrastructure required to accommodate growth. The five steps followed in a impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for transportation infrastructure;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded infrastructure;

3. **Determine infrastructure required to serve new development and their costs:** Estimate the total amount and cost of planned infrastructure, and identify the share required to accommodate new development;
4. **Identify alternative funding requirements:** Determine if any non-fee funding is required and/or available to complete projects; and,
5. **Calculate fee schedule:** Allocate infrastructure costs per unit of new development to calculate the impact fee schedule.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new infrastructure. Standards ensure that new development does not fund deficiencies associated with existing development.

### Types of Facility Standards

There are three separate components of facility standards: *demand standards*, *design standards* and *cost standards*. *Demand standards* determine the amount of infrastructure required to accommodate growth. In this case, the impact fee seeks to maintain a specific level of service on its roadways. *Design standards* determine how a facility should be designed to meet expected demand and directly related to the costs of planned infrastructure. The projects included in the transportation impact fee have all been designed to meet state and County engineering standards. Finally, *cost standards* are a method for determining the amount of infrastructure required to accommodate growth based on facility costs per unit of demand.

The transportation impact fee analysis contained in this report converts project costs to serve growth (identified by *demand* and *design standards*), into a *cost standard* (cost per trip from new development), which is then used as the basis of the fee. A fee for a particular land use is equal to the cost per trip, multiplied by the trip generation rate (trip demand factor) for that land use.

### New Development Facility Needs and Costs

Several approaches are used to identify facility needs and costs to serve new development. Often there is a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development’s fair share of planned facilities and infrastructure costs: the **existing inventory method**, the **system plan method**, and the **planned facilities method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The **existing inventory method** allocates costs based on the ratio of existing facilities to demand from existing development. Under this method new development funds the expansion of facilities at the same standard currently serving existing development. This method is not used in this study because the fee calculation is driven by a defined project list.

The **system plan method** calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development. This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. This method is not used in this study. This method is not used in this study because the analysis can identify a specific share of infrastructure needed to accommodate new development.

The **planned facilities method** allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$ / \text{unit of demand}$$

This method is appropriate when specific planned facilities can be identified that only benefit new development. Examples include street improvements to avoid deficient levels of service or a new street extension to a previously undeveloped area. This method is also appropriate when to use in this analysis when a specific share of planned facilities that benefit new development can be identified. Under this method new development funds its fair share of the expansion of infrastructure needed to ensure that facility standards are maintained as new development occurs. **This method is used to calculate the transportation impact fees in this report.**

## Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the infrastructure needed by new development. Impact fee levels must be adjusted frequently to account for inflation. Should the cost of infrastructure rise more quickly than the fee amounts collected, the infrastructure needed to serve new development will be underfunded. To avoid collecting inadequate revenue, costs for planned infrastructure must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established construction cost indices, such as those published by the Engineering News Record, is necessary to accurately adjust the impact fees for inflation. For a list of recommended indices, and step-by-step instructions for adjusting fees for inflation, see Chapter 5.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of transportation infrastructure, it is recommended to conduct more extensive updates of the fee documentation and calculation when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 5.

## 2. Land Use Scenario

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This chapter summarizes an analysis of the need for transportation infrastructure, including bicycle infrastructure and intersection upgrades, to accommodate increased trip demand from new development. The chapter documents a reasonable relationship between new development and an impact fee for funding transportation infrastructure.

### Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types that impact fees have been calculated for are defined below.

- **Residential:** All residential dwelling units. Fees charged per square foot of living space.
- **Commercial:** All commercial, retail, and educational development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All manufacturing and other industrial development.
- **Winery – Production Use:** Winery building space dedicated to the production of wine.
- **Winery – Accessory Use:** Winery building space dedicated to accessory uses, including tasting rooms, retail areas and restaurants.

Some developments may include more than one land use type, such as a mixed-use development with both residential and commercial uses. Another similar situation would be a warehousing facility that contains office space. In those cases, the impact fee would be calculated separately for each land use type included within the building.

The County has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use.

### Growth Projections

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This section explains the source for the growth projections used in this study based on a 2024 base year and a planning horizon of 2050.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2024 is used as an indicator of existing facility demand.
- The estimate of total development in 2050 is used as an indicator of future demand to determine total infrastructure needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2024 through 2050 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for transportation infrastructure is based on the increase in trips generated by dwelling units or nonresidential development creating the need for the infrastructure.

**Table 2.1** shows the estimated number of residents, dwelling units, employees, and building square feet within Napa County, both in 2024 and at the planning horizon. The base year estimates of household residents and dwelling units comes from the California Department of Finance. The projection of residents and dwelling units is based data from the Association of Bay Area Governments (ABAG) Plan Bay Area 2050 growth projections.

Base year nonresidential square footage was estimated based converting the commercial, office and industrial employees to an equivalent amount of building space using employment density assumptions. This conversion assumes 2.86 workers per 1,000 square feet of office and commercial uses, and 1.11 workers per 1,000 square feet of industrial uses, consistent with other County planning efforts.

**Table 2.1: Land Use Scenario - Countywide**

	2024	2050	Increase (2024 to 2050)
<b>Countywide</b>			
<u>Dwelling Units</u> <sup>1</sup>			
Single Family	41,032	45,461	4,429
Multifamily	15,149	16,784	1,635
Total	56,181	62,245	6,064
<u>Employment (Jobs)</u> <sup>2</sup>			
Commercial	22,411	31,672	9,261
Office	13,125	18,548	5,423
Industrial	25,318	35,780	10,462
Total	60,854	86,000	25,146
<u>Equivalent Building Square Feet (000s)</u> <sup>3</sup>			
Commercial	7,836	11,074	3,238
Office	4,589	6,485	1,896
Industrial	22,809	32,234	9,425
Total	35,234	49,794	14,559

<sup>1</sup> Current values from California Department of Finance. Projected dwelling units in 2050 is based on a projection of 56,000 households from Plan Bay Area 2050, and assumes 10.03% vacancy. Assumes same ratio of single family to multifamily will be maintained as development occurs.

<sup>2</sup> Current estimates of primary jobs from the US Census' OnTheMap. Projection for 2050 from Plan Bay Area 2050. Assumes current ratio among land uses will be maintained.

<sup>3</sup> Estimated building square feet calculated based on increase of employees and assumed employment density factors of 2.86 workers per 1,000 square feet of office and commercial uses, and 1.11 workers per 1,000 square feet of industrial uses.

Sources: California Department of Finance, Table E-5, Plan Bay Area 2050; OnTheMap Application, <http://onthemap.ces.census.gov>; Napa County; Willdan Financial Services.

**Table 2.2** provides the same information as Table 2.1, but constrains the estimates and projections to the unincorporated areas of the County, on the assumption that the current proportion of incorporated to unincorporated development will be maintained through the planning horizon. This assumption was necessary because the Plan Bay Area projections do not distinguish between incorporated are unincorporated areas.

**Table 2.2: Land Use Scenario- Unincorporated**

	2024	2050	Increase (2024 to 2050)
<b>Unincorporated</b>			
<i>Dwelling Units</i> <sup>1</sup>			
Single Family	9,448	10,468	1,020
Multifamily	1,440	1,595	155
Total	10,888	12,063	1,175
<i>Employment (Jobs)</i> <sup>2</sup>			
Commercial	4,332	6,122	1,790
Office	3,519	4,973	1,454
Industrial	11,562	16,340	4,778
Total	19,413	27,435	8,022
<i>Equivalent Building Square Feet (000s)</i> <sup>3</sup>			
Commercial	1,515	2,141	626
Office	1,230	1,739	508
Industrial	10,416	14,721	4,305
Total	13,161	18,600	5,439

<sup>1</sup> Current values from California Department of Finance. Projected dwelling units is based on Countywide projection identified in Table 2.1, and assumes current ratio of incorporated to unincorporated development will be maintained through 2050.

<sup>2</sup> Current estimates of primary jobs from the US Census' OnTheMap. Projection based on 2050 Countywide projection, and assumes current ratio of incorporated to unincorporated development will be maintained through 2050.

<sup>3</sup> Estimated building square feet calculated based on increase of employees and assumed employment density factors of 2.86 workers per 1,000 square feet of office and commercial uses, and 1.11 workers per 1,000 square feet of industrial uses.

Sources: California Department of Finance, Table E-5, Plan Bay Area 2050; OnTheMap Application, <http://onthemap.ces.census.gov>; Napa County; Table 2.1, Willdan Financial Services.

# 3. Nexus Analysis

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## Trip Demand

The need for transportation improvements is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of average daily vehicle trips, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the County's system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trip adjustments made to trip generation rates to calculate trip demand are described below:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

These adjustments allow for a holistic quantification of trip demand that takes trip purpose and length into account for fee calculation purposes.

**Table 3.1** shows the calculation of trip demand factors by land use category based on the adjustments described above. Trip rates for commercial, office and industrial development are based on the latest data available from the Institute of Traffic Engineers (ITE). Trip rates for winery uses, including accessory uses and production uses were estimated based on data from the County's Winery Trip Generation worksheet, and a survey of current winery planning applications. See Appendix Table A.1 for detailed winery trip rate calculations.

The trip purpose and trip length assumptions in Table 3.1 are based on extensive and detailed trip surveys conducted in the San Diego region by the San Diego Association of Governments (SANDAG). The SANDAG is used to supplement the trip generation rates, because the SANDAG surveys provide one of the most comprehensive databases available of pass-by trips factors for a wide range of land uses. It should be noted that the projections of current and future trip demand generation in this report are based on data specific to the County.

**Table 3.1: Trip Demand Factors**

	Pass-by Trips <sup>1</sup>	Primary and Diverted Trips	Average Trip Length (Miles) <sup>2</sup>	Adjustment Factor <sup>3</sup>	ITE Category	Average Daily Trips <sup>4</sup>	Trip Demand Factor <sup>5</sup>
	A	B = 1 - A	C	$D = B \times C / \text{Avg.}$		E	$F = D \times E$
<b>Residential - per Dwelling Unit</b>							
Single Family	3%	97%	7.9	1.11	Single Family Housing (210)	9.43	10.47
Multifamily	3%	97%	7.9	1.11	Multifamily Housing (Low-Rise) (220)	6.74	7.48
<b>Nonresidential - per 1,000 Sq. Ft.</b>							
Commercial	22%	78%	3.6	0.41	Shopping Center (820)	37.01	15.17
Office	4%	96%	8.8	1.22	General Office (710)	10.84	13.22
Industrial	2%	98%	9.0	1.28	General Light Industrial (110)	4.87	6.23
Wineries - Production Use <sup>6</sup>	2%	98%	9.0	1.28	Winery (Napa County)	3.39	4.34
Wineries - Accessory/Service Use <sup>6</sup>	12%	88%	4.7	0.60	Winery (Napa County)	17.22	10.33

<sup>1</sup> Percent of total trips. A pass-by trip is made as an intermediate stop on the way from an origin to a primary trip destination without a route diversion. Pass-by trips are not considered to add traffic to the road network. Based on SANDAG data.

<sup>2</sup> In miles. Based on SANDAG data.

<sup>3</sup> The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 6.9

<sup>4</sup> Trips per dwelling unit or per 1,000 building square feet.

<sup>5</sup> The trip demand factor is the product of the trip adjustment factor and the trip rate.

<sup>6</sup> See Appendix Table A.1 for winery trip rate analysis.

Sources: Institute of Traffic Engineers, Trip Generation Manual, 11th Edition; Institute of Traffic Engineers, San Diego Association of Governments, Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region, April 2002; Willdan Financial Services.

## Growth in Trip Demand

**Table 3.2** estimates trip demand in 2024 and 2050. The trip demand factors from Table 3.1 are multiplied by estimates of existing and future unincorporated development from Table 2.2 to determine existing and future demand for transportation infrastructure in the unincorporated County.

**Table 3.2: Land Use Scenario and Trip Generation**

Land Use	Trip Demand Factor	2024		Growth 2024 to 2050		Total - 2050	
		Units / 1,000 SF	Trips	Units / 1,000 SF	Trips	Units / 1,000 SF	Trips
<b>Unincorporated</b>							
<b>Residential - per Dwelling Unit</b>							
Single Family	10.47	9,448	98,921	1,020	10,679	10,468	109,600
Multifamily	7.48	1,440	10,771	155	1,160	1,595	11,931
Subtotal		10,888	109,692	1,175	11,839	12,063	121,531
<b>Nonresidential - per 1,000 Sq. Ft.</b>							
Commercial	15.17	1,515	22,978	626	9,494	2,141	32,472
Office	13.22	1,230	16,266	508	6,721	1,739	22,987
Industrial	6.23	10,416	64,893	4,305	26,817	14,721	91,710
Subtotal		13,161	104,137	5,439	43,032	18,600	147,169
Total			213,829		54,871		268,700
Share of Unincorporated Trips			79.6%		20.4%		100%

Sources: Tables 2.1 and 3.1.

## Bicycle Infrastructure Level of Service

### Existing Level of Service

**Table 3.3** quantifies the current level of service (LOS) of bicycle lanes per 1,000 trips in the unincorporated areas of the County. The existing miles of bicycle lanes, by type, are compared to the existing unincorporated trip demand identified in Table 3.2 to determine the current LOS by type of bike lane.

**Table 3.3: Existing Bicycle Infrastructure and Level of Service**

Facility Type	Existing Mileage	Existing Unincorporated Trip Generation	LOS Standard (Miles per 1,000 Trips)
Vine Trail (Class I)	3.8		
Shared-Use Path (Class I)	7.7		
Total Class I	11.5	213,829	0.054
Bike Lane (Class II)	54.3	213,829	0.254
Bike Route (Class III)	1.7	213,829	0.008
Total	67.5		0.316

Source: Napa Countywide Bicycle Plan (2019) Table UNC.2; Table 3.2, Willdan Financial Services.

### Future Level of Service

The future LOS of bicycle infrastructure in the unincorporated areas of the County at the planning horizon is displayed in **Table 3.4**. Future planned mileage of bicycle lanes is added to the existing mileage from Table 3.3 to determine the total mileage in 2050. The total mileage in 2050 is then compared to projected trip demand at the point in time to determine the future LOS standard that will be achieved at the planning horizon. In this case, the future LOS is equal to or less than the existing LOS. This means that new development can fully fund the identified bicycle lanes through an impact fee, since the identified lanes do not fund a higher LOS than is currently provided.

**Table 3.4: Future Bicycle Infrastructure and Level of Service**

Facility Type	Planned Mileage	Total Mileage	Total Trips 2050	LOS Standard (Miles per 1,000 Trips)
Vine Trail (Class I)	3.1	6.9		
Shared-Use Path (Class I)	-	7.7		
Total Class I	3.1	14.6	268,700	0.054
Bike Lane (Class II)	3.3	57.6	268,700	0.214
Bike Route (Class III)	-	1.7	268,700	0.006
Total	6.4	73.9		0.274

Source: Napa County; Tables 3.2 and 3.3, Willdan Financial Services.

## Planned Infrastructure and Cost Allocation to New Development

**Table 3.5** displays the project list and associated cost estimates needed to serve the County through 2050. Project costs for bicycle lanes were provided by County staff. Project costs for the roundabout projects are based on a cost estimate for a Caltrans roundabout in American Canyon from 2021, adjusted from inflation into 2025 dollars.

The roundabout projects needed to serve the unincorporated areas of the County were identified in the County's Local Roadway Safety Plan (LRSP) from 2022. The projects were identified to mitigate safety issues at intersections that have above average safety incidents. Increased trip demand from new development will increase the safety issues, if the issues are not mitigated. Consequently, new development can fund its proportional share of the improvements, but not the entirety of the costs. The proportional share is equal to new development's share of total trips at the planning horizon identified in Table 2.2.

The bicycle lane projects are also allocated to new development based on new development's proportional share of trip demand at the planning horizon. While the LOS analysis in Tables 3.3 and 3.4 demonstrates that new development can fully fund the bicycle lane projects because the level of service represented by the projects is equal or less than the existing level of service provided in the unincorporated County areas, the County has chosen to allocate only a share of the costs to new development through this impact fee to be conservative.

In total, \$12.5 million of transportation project costs are allocated to new development through this impact fee.

**Table 3.5: Transportation Infrastructure Project Costs**

<b>Project</b>	<b>Total Cost</b>	<b>Less Identified Funding</b>	<b>Net Cost of Planned Facilities</b>	<b>Allocation to New Development</b>	<b>Cost Allocated to New Development</b>
<i>Roundabouts</i>					
Silverado Trail / Oak Knoll Avenue	\$ 8,539,000	\$ -	\$ 8,539,000	20.4%	\$ 1,741,956
Silverado Trail / Zinfandel Lane	8,539,000	-	8,539,000	20.4%	1,741,956
Deer Park Road / Sanitarium Road	8,539,000	-	8,539,000	20.4%	1,741,956
Chiles Pope Valley Road / Howell Mountain Road	8,539,000	-	8,539,000	20.4%	1,741,956
Silverado Trail @ Yountville Cross	8,539,000	-	8,539,000	20.4%	1,741,956
Silverado Trail @ Deer Park	8,539,000	-	8,539,000	20.4%	1,741,956
<b>Total</b>	<b>\$51,234,000</b>	<b>\$ -</b>	<b>\$51,234,000</b>		<b>\$ 10,451,736</b>
<i>Bike/Pedestrian Improvements</i>					
Design Carneros Section of Vine Trail	\$ 1,850,000	\$ 850,000	\$ 1,000,000	20.4%	\$ 204,000
Construct the Carneros Section of Vine Trail	5,905,648	-	5,905,648	20.4%	1,204,752
Class 2 bike lanes on Oak Knoll (SR 29 to Silverado Trail)	2,000,000	-	2,000,000	20.4%	408,000
Class 2 bike lanes Tubbs Lane (SR 128 to SR 29)	1,300,000	-	1,300,000	20.4%	265,200
<b>Total</b>	<b>\$ 11,055,648</b>	<b>\$ 850,000</b>	<b>\$ 10,205,648</b>		<b>\$ 2,081,952</b>
<b>Total</b>	<b>\$ 62,289,648</b>	<b>\$ 850,000</b>	<b>\$ 61,439,648</b>		<b>\$ 12,533,688</b>

Source: Napa County; ENR Construction Cost Index; Caltrans; Willdan Financial Services.

## Cost per Trip

Every impact fee consists of the cost of projects that can be funded by a fee, divided by a measure of demand. In this case, all fees are first calculated as a cost per trip demand unit. Then these amounts are translated into fees per residential and nonresidential building space (fee per 1,000 building square feet) by multiplying the cost per trip by the trip demand factor for each land use category. These amounts become the fee schedule.

**Table 3.6** calculates the cost per trip demand unit by dividing the total project costs allocated to new development from Table 3.5, by the total growth in trips estimated in Table 3.2.

**Table 3.6: Cost per Trip to Accommodate Growth**

Costs Allocated to New Development	\$ 12,533,688
Growth in Trip Demand (2024 to 2050)	<u>54,871</u>
Cost per Trip	\$ 228

Sources: Tables 3.2 and 3.5.

## Maximum Justified Impact Fee Schedule

**Table 3.7** presents the maximum justified transportation impact fee schedule. The cost per trip is multiplied by the trip demand factor for each land use to determine the fee per dwelling unit or per 1,000 square feet of nonresidential building space.

**Table 3.7: Maximum Justified Impact Fee Schedule**

Land Use	A	B	C = A x B		D = C x 0.02	E = C + D	E / Average
	Cost Per Trip	Trip Demand Factor	Base Fee <sup>1</sup>	Admin Charge <sup>1, 2</sup>	Total Fee <sup>1</sup>	Fee per Sq. Ft.	
<i>Residential Dwelling Unit</i> <sup>3, 4</sup>	\$ 228	10.08	\$ 2,298	\$ 23	\$ 2,321	\$ 1.47	
<i>Nonresidential - per 1,000 Sq. Ft.</i>							
Commercial	\$ 228	15.17	\$ 3,459	\$ 35	\$ 3,494	\$ 3.49	
Office	228	13.22	3,014	30	3,044	3.04	
Industrial	228	6.23	1,420	14	1,434	1.43	
Wineries - Production Use	228	4.34	990	10	1,000	1.00	
Wineries - Accessory/Service Use	228	10.33	2,355	24	2,379	2.38	

<sup>1</sup> Fee per average sized dwelling unit or per 1,000 square feet of nonresidential.

<sup>2</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

<sup>3</sup> Assumes an average of 1,583 square feet per dwelling unit in the State of California per the 2023 American Housing Survey.

<sup>4</sup> Average trip demand factor per residential dwelling unit weighted by projected single family and multifamily development.

Sources: Tables 3.1 and 3.6.

# 4. AB 602 Requirements

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On January 1, 2022, new requirements went into effect for California jurisdictions implementing impact fees. Among other changes, AB 602 added Section 66016.5 to the Government Code, which set guidelines for impact fee nexus studies. Four key requirements from that section which concern the nexus study are reproduced here:

66016.5. (a) (2) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.

66016.5. (a) (4) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.

66016.5. (a) (5) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

66016.5. (a) (6) Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.

## Compliance with AB 602

The following sections describe this study's compliance with the new requirements of AB 602.

### 66016.5. (a) (2) - Level of Service

Fees calculated in this report are intended to provide a funding source from new development to fund new development's fair share of the transportation improvements identified in Table 3.5. New development is not being asked to fund a higher level of service than currently exists. This is demonstrated by the LOS analysis in Table 3.3 and Table 3.4 for bicycle lanes. For intersection roundabout improvements, new development is being asked to fund its proportional share of intersections needing safety mitigation as identified in the LRSP.

### 66016.5. (a) (4) – Review of Original Fee Assumptions

This study is establishing a new impact fee to fund transportation facilities. Consequently, there are no original fee assumptions to review.

### 66016.5. (a) (5) – Residential Fees per Square Foot

Impact fees for residential land uses are calculated per square foot and comply with AB 602.

### 66016.5. (a) (6) – Capital Improvement Plan

The Capital Improvement Plan for this nexus study is comprised of the identified planned infrastructure listed in Table 3.5. Adoption of this nexus study would approve the planned infrastructure identified herein as the Capital Improvement Plan for this nexus study.

# 5. Implementation

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## Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code* section 66016. Adoption of an impact fee program requires the Board of Supervisors to follow certain procedures including holding a public meeting. Data, such as an impact fee report, must be adopted prior to adopting the fee program. The study must be made available at least 30 days prior to the public hearing. The County's legal counsel should be consulted for any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect.

## Inflation Adjustment

The County should keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of the infrastructure needed. We recommend that the fees be adjusted for inflation annually.

There are no inflation indices that are specific to Napa County. We recommend that the California Construction Cost Index be used for adjusting fees for inflation.

While fee updates using inflation indices are appropriate for annual updates to ensure that fee revenues keep up with increases in the costs of infrastructure, the County will also need to conduct more extensive updates of the fee documentation and calculation when significant new data on growth forecasts and/or facility plans become available. Note that decreases in index value will result in decreases to fee amounts.

## Reporting Requirements

The County should comply with the annual and five-year reporting requirements of the *Mitigation Fee Act* found in Government Code Sections 66001 and 66006. For infrastructure to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the infrastructure is also important.

## Programming Revenues and Projects with the CIP

The County can use a Capital Improvements Program (CIP) to plan for future infrastructure needs. A CIP identifies costs and phasing for specific capital projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The County may decide to alter the scope of the planned projects or to substitute new projects if those new projects continue to represent an expansion of the County's infrastructure needed to mitigate demand from new development. If the total cost of infrastructure varies from the total cost used as a basis for the fees, the County should consider revising the fees accordingly.

# 6. Mitigation Fee Act Findings

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Transportation infrastructure impact fees are one-time fees typically paid when a building permit is issued and imposed on development projects, including new development, and projects intensifying existing land uses, by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of development impact fees the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act*, contained in *California Government Code* Sections 66000 through 66025, establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the maximum justified transportation impact fees documented in this report are presented in this chapter and supported in detail by the report that follows. All statutory references are to the *Act*.

## Purpose of Fee

- ◆ *Identify the purpose of the fee (§66001(a)(1) of the Act).*

Development impact fees are designed to ensure that new development will not burden the existing service population with the cost of infrastructure required to accommodate growth. The purpose of the fees documented in this report is to support this goal by providing a funding source from new development for to fund its fair share of transportation infrastructure as new development adds demand for transportation infrastructure to the County's unincorporated roadways.

## Use of Fee Revenues

- ◆ *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the County, would be used to fund expanded transportation infrastructure to serve new development. Infrastructure funded by these fees are designated to be located within the unincorporated areas of the County.

## Benefit Relationship

- ◆ *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

We expect that the County will restrict fee revenue to the acquisition of land, construction of infrastructure, and purchase of related equipment, and services used to serve new development. Infrastructure funded by the fees are expected to provide a network of infrastructure accessible to the additional residents and workers associated with new development in the unincorporated areas of the County. Under *the Act*, fees are not intended to fund planned infrastructure needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

## Burden Relationship

- ◆ *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Infrastructure needs are based on a facility standard that represents the demand generated by new development for that infrastructure. For the transportation impact fee, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. In this case, the fees are calculated to ensure that new development funds a consistent cost per trip of new infrastructure needed to serve each additional trip using the County's unincorporated roadways.

## Proportionality

- ◆ *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each impact fee for a specific new development project and the cost of the infrastructure attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size and the corresponding increase in the number of vehicle trips. Larger new development projects result in higher trip generation resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See the *Trip Demand* section in Chapter 3 for a description of how trip demand factors are determined for different types of land uses. See the *Maximum Justified Fee Schedule* section the same chapter for a presentation of the fees.

# Appendix

**Appendix Table A.1: Winery Trip Generation Analysis**

Building Use	Square Feet	Employment (per 1,000 Sq. Ft.)	Trips per Employee	Employee Trips per 1,000 Sq. Ft	Visitor	Total Trips per Prototype
					Trips per 1,000 Sq. Ft. <sup>1</sup>	
<i>Calculation</i>		<i>A</i>	<i>B</i>	<i>C = A x B</i>	<i>D</i>	<i>E = C + D</i>
Accessory	1,000	2.86	3.05	8.72	8.50	17.22
Production	1,000	1.11	3.05	3.39	-	3.39

<sup>1</sup> Average daily visitor and event trips weighted by weekday and weekend trips and harvest and non-harvest seasons based on an analysis of current planning applications.

Sources: Napa County; Willdan Financial Services.