



City Council Meeting Agenda

Monday, February 02, 2026 at 6:00 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

The City of Sutter Creek City Council Meeting will be available in person and LIVE on YouTube at

<https://www.youtube.com/@CityofSutterCreek>.

You can also watch the meeting on Zoom (please note Zoom participation is only available for viewing.

<https://us02web.zoom.us/j/81391466458?pwd=4jXmBm1AP5bEbiID3iDwuxk4GpreRY.1>

Or Dial by phone: 301 715 8592 Webinar ID: 816 8589 0182 Passcode: 186036

Unless stated otherwise on the agenda, every item on the agenda is exempt from review under the California Environmental Quality Act ("CEQA") per CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.

- 1. Call to Order and Establish a Quorum for Regular Meeting**
- 2. Pledge of Allegiance to the Flag**
- 3. Public Forum**

At this time, the public is permitted to address the City Council on items not appearing on the agenda. Comments may not exceed 5 minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The City Council may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2. Public comment on any item listed below shall be limited to five minutes, unless additional time is permitted by the Mayor/Council.

- 4. City Manager's Report**

This section is an opportunity to provide Council members with a brief status update on staff activities. No action is expected to be taken by the Council.

- 5. Presentations**

- A. [The Resource Connection of Amador and Calaveras Counties, Inc.](#)

[Recommendation: Receive presentation from Mia Huss, Child Care Resource and Referral Specialist from The Resource Connection.](#)

6. Approval of Minutes

- A. [City Council Regular Meeting Minutes of January 20, 2026](#)

[City Council Special Meeting Minutes of January 24, 2026](#)

[Recommendation: By motion approve the above-mentioned meeting minutes as presented.](#)

7. Consent Agenda

Items listed on the consent agenda are considered routine and shall be enacted in one motion. Any item may be removed for discussion at the request of Council or the Public.

- A. [Resolution authorizing the City Manager to Sign and File a Financial Assistance Application for a Financing Agreement from the State Water Resources Control Board for the City's Wastewater Treatment Plant](#)

[Recommend that the City Council adopt the attached resolution authorizing the City Manager to sign and file a Financial Assistance Application with the State Water Resources Control Board.](#)

8. Ordinances and Public Hearing

- A. None.

9. Administrative Agenda

- A. [Nexus Study and Presentation of Draft Impact Fees](#)

[It is recommended that the City Council:](#)

[1. Receive the presentation on the 2026 Capital Facilities Fee Nexus Study;](#)

[2. Determine the appropriate level of updated impact fees,](#)

[3. Direct staff to notice a public hearing and bring back a resolution to approve the Nexus study and establish updated impact fees.](#)

- B. [Short-Term Rental \(STR\) Proposed Ordinance Discussion](#)

[Recommendation: Motion to direct staff to draft an ordinance, including factors of interest to the Council.](#)

- C. [Amendment to City Manager Employment Agreement](#)

[Recommendation for the City Council to adopt the resolution approving the amendment.](#)

10. Mayor and Council Member Reports

This section is to provide Council members an opportunity to present updates on their activities and to request items be placed on future agendas.

11. City Attorney's Report

This section provides an opportunity for the City Attorney to report on any activities or upcoming legislation of importance to the City. No action is expected to be taken by the Council.

12. Information and Correspondence

13. Closed Session

14. Report from Closed Session

15. Adjournment

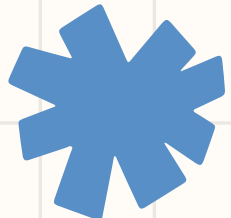
The next regularly scheduled meeting is Tuesday, February 17, 2026. The meeting has been moved from its normal date of Monday, February 16, 2026 in commemoration and celebration of President's Day.

The Resource Connection

Engaging Families
Empowering Communities
Enriching Lives

Strong families, sustainable communities and successful individuals.





Who We Are

We make child care possible! The Resource Connection is a nonprofit organization that provides support for Amador and Calaveras County families.

The Resource Connection is one big umbrella that includes Resource and Referral, but also other programs you may have heard about like WIC or the crisis centers in Calaveras County.

At Resource and Referral, we provide support with finding child care, paying for child care and supporting child care providers in the region.





Vision & Mission



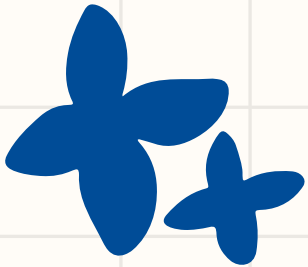
Vision
Strong families, sustainable communities, and successful individuals.

Mission
The Resource Connection’s mission is to engage families, empower communities, and enrich the lives of the residents of Amador and Calaveras Counties.

The Engaging Families
Resource Empowering Communities
Connection Enriching Lives



Serving Amador and Calaveras Counties for 45 Years



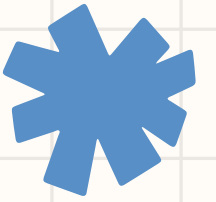
Providers
335

Children
3,066

Families
576



Programs:



Finding & Paying for Child Care

- Free child care referrals for families to local child care centers and licensed family child care homes.
- 1,368 referrals provided last year.

Child Care Subsidy

- Processed 8,611 provider payments last fiscal year.
- Over \$5.8 million in child care subsidies were paid.

Child Care Provider Support

- Technical assistance, training, and referrals were available to 33 child care centers, 49 family child care homes, and 12 license-exempt centers.

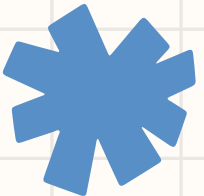
Family, Friend and Neighbor Care (FFN)

- 172 FFN care providers
- These providers are license-exempt.





Programs:



Emergency Child Care Bridge

- Support families caring for children in foster care with trauma-informed child care choices.

Lending Library

- Borrow educational books and curriculum for your family or child care business - for free!

Community Resource Directory

- Annual print publication and online resource for Amador and Calaveras Counties.
- Distributed over 4,500 last year.

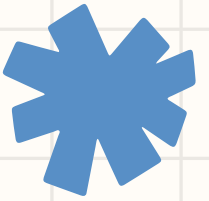
Trainings

- Offered 70 hours of professional growth training for child care business owners and staff.





Programs:



Amador County Grandparent Respite

- Providing over 460 hours of support for grandparents raising children.

Consumable Closet

- Free supplies for child care providers to help support high quality early learning environments.



Community Impact Snapshot (2023-2024)

Educators Trained
235

Free Referrals Provided
1,656

Total Child Care Subsidies Distributed To Child Care Providers
\$4,749,547

Stipends administered to strengthen quality of child care programs in both counties:
\$501,872

Lending Library Items
5,000

Hours of assistance provided to child care providers
7,133

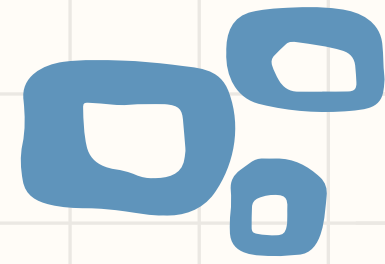
City of Sutter Creek Data



Licensed Family Child Care Homes: 2
Licensed Child Care Centers: 1
License-Exempt Centers: 1

The Engaging Families
Resource Empowering Communities
Connection Enriching Lives

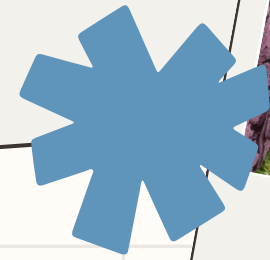
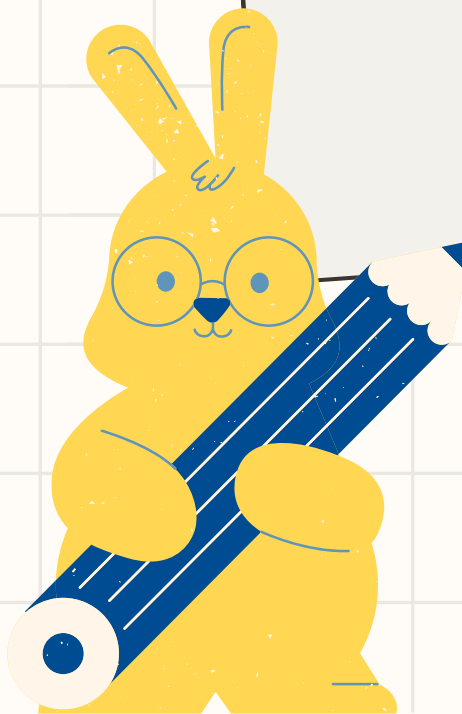
45 Years of Support



A B C

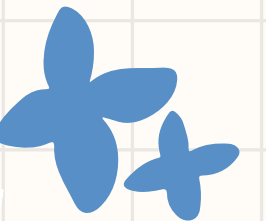
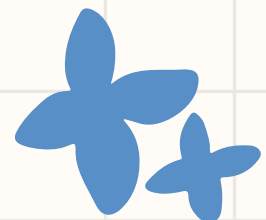
Together we have supported providers, families and children through various events and activities. Some we would like to highlight:

- **Annual Celebrate Our Children Festival**
- **Provider Nights**
- **Consumable Closet**
- **Lending Library**
- **Workshops (first aid, CPR, budgeting)**



How You Can Support Us

- Support families and children
- Support local child care centers and providers
- Come visit and tour our office
- Attend local Child Care Council meetings
- Prioritize child care centers and providers in your general plan
- Craft ordinances that are friendly for providers, child care centers and families with children



The Resource Connection

Engaging Families
Empowering Communities
Enriching Lives

Thank You!

Questions?





City Council Meeting Minutes

Tuesday, January 20, 2026 at 6:00 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

1. **Call to Order and Establish a Quorum for Regular Meeting**

Mayor Gunselman called the Regular Meeting to order at 6:00 PM.

Present: Mayor Claire Gunselman, Vice Mayor Julia Sierk, and Council Members Susan Feist, Dan Riordan, and James Swift

City Treasurer: Victoria Runquist

Absent: None

Staff: Tom DuBois - City Manager, Derek Cole - City Attorney, Dan Lafontaine - Public Works Director, Mason Peters - Finance Supervisor, Erin Ventura - Contract City Planner, and Pam Caronongan - City Clerk

2. **Pledge of Allegiance to the Flag**

Mayor Gunselman led the Pledge of Allegiance.

3. **Public Forum**

Zero (0) public comment was received.

4. **City Manager's Report**

City Manager DuBois provided his report to the City Council.

5. **Presentations**

There were no presentation items.

6. **Approval of Minutes**

A. City Council Minutes of December 1, 2025

Recommendation: By motion, approve minutes as presented.

Motion made by Council Member Swift, seconded by Vice Mayor Sierk to approve the Minutes from December 1, 2025.

AYES: Mayor Gunselman, Vice Mayor Sierk, and Council Members Feist, Riordan and Swift

ABSENT: None

NOES: None

MOTION CARRIED 5-0

7. Consent Agenda

Items listed on the consent agenda are considered routine and shall be enacted in one motion. Any item may be removed for discussion at the request of Council or the Public.

A. Bryson Cottages Public Utility Easements (PUEs)

Recommendation: Accept easements offered by property owner needed for utilities by passing the attached resolution.

B. Resolution Announcing Intent to Align California Employees Public Retirement System (CalPERS) Contributions of Unrepresented Employees with Service Employees International Union (SEIU)

Recommendation: Adopt **Resolution No. 25-26-xx** thereby Announcing Intent to Align CalPERS Contributions of Unrepresented Employees with SEIU for Approval.

C. Notice of Completion - Miscellaneous Sewer Main Replacement Projects

Staff recommends the following:

1) Accept the completed public improvements.

2) Authorize the City Manager to accept the project as complete.

D. 2026 Schedule of City Council Meetings

Recommendation: Approve draft 2026 Schedule of City Council Meetings.

Motion made by Council Member Riordan, seconded by Council Member Swift to approve the Consent Agenda.

AYES: Mayor Gunselman, Vice Mayor Sierk, and Council Members Feist, Riordan and Swift

ABSENT: None

NOES: None

MOTION CARRIED 5-0

8. Ordinances and Public Hearing

A. Urgency Ordinance Imposing Moratorium on Approval or Processing of Short-Term Rental Applications

Staff recommend the following:

1. Discuss and consider the matter regarding Short-Term Rental Applications.
2. Introduce and waive the first and final readings by substitution of the title, and adopt **Ordinance No. 25-26-XX** - an Urgency Ordinance of the City Council of the City of Sutter Creek Imposing a Moratorium on the Permitting of Short-Term Rentals Within City Limits Pending the Development of a Permanent Ordinance Regulating Such Rentals.

City Attorney Cole presented the agenda item before the City Council and responded to questions and requests for clarification from the City Council. City Attorney Cole recommended for City Council to consider forming a subcommittee to work with City Manager DuBois, City Attorney Cole, and Contract City Planner Ventura regarding the permanent STR Ordinance.

Mayor Gunselman opened the public hearing at 6:36 PM. One (1) public comment was received.

Mayor Gunselman closed the public hearing at 6:40 PM.

After City Council discussion, direction was given to staff to continue the work towards a permanent STR Ordinance with the item to be presented first before the Planning Commission. Once the Planning Commission makes a recommendation, the draft ordinance would then be presented to the City Council for consideration.

Motion made by Vice Mayor Sierk, seconded by Council Member Riordan to adopt the Urgency Ordinance.

AYES: Mayor Gunselman, Vice Mayor Sierk, and Council Members Feist, Riordan and Swift

ABSENT: None

NOES: None

MOTION CARRIED 5-0

9. Administrative Agenda

A. City Council Reorganization - Election of Mayor and Vice Mayor

Recommendation: Conduct annual process of electing Mayor and Vice Mayor for the City of Sutter Creek.

1. Elect a Mayor for the next 12 months.
2. Elect a Vice Mayor for the next 12 months.

Council Member Riordan complimented Mayor Gunselman and Vice Mayor Sierk regarding their tenure as Mayor and Vice Mayor. Council Member Swift and Council Member Feist agreed with Council Member Riordan’s complement, with Council Member Swift expressing the importance of continuity.

Motion made by Vice Mayor Sierk, seconded by Council Member Swift to approve the nomination of Council Member Gunselman as Mayor.

AYES: Mayor Gunselman, Vice Mayor Sierk, and Council Members Feist, Riordan and Swift
ABSENT: None
NOES: None
MOTION CARRIED 5-0

Motion made by Council Member Swift, seconded by Council Member Feist to approve the nomination of Council Member Sierk as Vice Mayor.

AYES: Mayor Gunselman, Vice Mayor Sierk, and Council Members Feist, Riordan and Swift
ABSENT: None
NOES: None
MOTION CARRIED 5-0

B. City Council Reorganization - 2026 City Committee Assignments

Recommendation: Review, consider, and approve 2026 City Committee Assignments.

The City Council discussed the assignments for 2026.

One (1) public comment was received.

Motion made by Council Member Riordan, seconded by Council Member Feist to approve the 2026 City Committee Assignments - with the modification of the assignment for the Visitor’s Center from Council Member Riordan to Vice Mayor Sierk.

AYES: Mayor Gunselman, Vice Mayor Sierk, and Council Members Feist, Riordan and Swift
ABSENT: None
NOES: None
MOTION CARRIED 5-0

C. Public Safety Budget Sustainability and Authority to Negotiate with Amador City

Recommendation: Authorize the City Manager to negotiate with Amador City to provide police services.

City Manager DuBois presented the report before the City Council and responded to questions and requests for clarification from the City Council.

Motion made by Council Member Riordan, seconded by Vice Mayor Sierk to authorize the City Manager to negotiate with Amador City to provide police services.

AYES: Mayor Gunselman, Vice Mayor Sierk, and Council Members Feist, Riordan and Swift
ABSENT: None
NOES: None
MOTION CARRIED 5-0

10. Mayor and Council Member Reports

Each member of the City Council provided a report.

11. City Attorney's Report

None.

12. Information and Correspondence

- A. City Clerk - November 2025 Monthly Report
- B. City Clerk - December 2025 Monthly Report
- C. Engineering - November 2025 Monthly Report
- D. Engineering - December 2025 Monthly Report
- E. Finance - November 2025 Monthly Report
- F. Finance - December 2025 Monthly Report
- G. Marketing / Social Media - November 2025 Monthly Report
- H. Marketing / Social Media - December 2025 Monthly Report
- I. Planning - November 2025 Monthly Report
- J. Planning - December 2025 Monthly Report
- K. Police - November 2025 Monthly Report
- L. Police - December 2025 Monthly Report
- M. Public Works - November 2025 Monthly Report
- N. Public Works - December 2025 Monthly Report
- O. Treasurer - November 2025 Monthly Report
- P. Treasurer - December 2025 Monthly Report

The City Council accepted the above-mentioned reports.

13. Closed Session

- A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956:
(Government Claim of Joshua Benedict dated December 23, 2025)

- B. CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representative: Mayor
Unrepresented employee: City Manager

The City Council went into Closed Session at 7:46 PM.

14. Report from Closed Session

A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956:
(Government Claim of Joshua Benedict dated December 23, 2025)

B. CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representative: Mayor

Unrepresented employee: City Manager

There was nothing to report from the Closed Session. The City Council provided staff with direction regarding the Closed Session items noted above.

15. Adjournment

Mayor Gunselman adjourned the meeting at 8:05 PM.

There will be a special meeting on Saturday, January 24, 2026 at 8:00 AM.

The next regularly scheduled meeting is on Monday, February 2, 2026 at 6:00 PM.



Special City Council Meeting Minutes

Saturday, January 24, 2026 at 8:00 AM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

1. Call to Order and Establish a Quorum for Regular Meeting

Mayor Gunselman called the Special Meeting to order at 8:02 AM.

Present: Mayor Claire Gunselman, Vice Mayor Julia Sierk, and Council Members Susan Feist, Dan Riordan, and James Swift

Absent: None

Staff: Tom DuBois - City Manager, Jim O'Connell - Chief of Police, Dan Lafontaine - Public Works Director, Mason Peters - Finance Supervisor, Erin Ventura - Contract City Planner, George Allen - Public Works Superintendent, and Pam Caronongan - City Clerk

2. Pledge of Allegiance to the Flag

Mayor Gunselman led the Pledge of Allegiance.

3. Public Forum

Zero (0) public comment was received.

4. Administrative Agenda

A. Council Annual Priorities

Recommendation: Review existing priorities and discuss changing/editing/adding for 2026

Late Report

City Manager DuBois facilitated the discussion. City Manager DuBois recommended for "Roads" and "Budget" to be dropped from the Priority List, further noting that much progress has been made in 2025 and that staff would focus on continued execution and efforts to maintain progress on these two areas.

City Manager DuBois recommended keeping the “Waste Water Treatment Plant (WWTP)” and “Economic Development” in the top five (5) City Council Priority List for 2026. Additional priorities were placed before the City Council for discussion, namely:

- Beautification
- High Performing City Team
- Housing and / or Commercial Development
- Code Enforcement
- Safety Improvement
- Other priorities that the City Council might wish to discuss and consider.

City Manager DuBois along with staff responded to inquiries and requests for clarification from the City Council.

During discussion, the City Council expressed agreement to keep the “Waste Water Treatment Plant (WWTP)” and “Economic Development” in the top five (5) City Council Priority List for 2026.

City Council also expressed consensus on adding “High Performing City Team” as part of the Priority List. City Manager DuBois along with Police Chief O’Connell and Public Works Director Lafontaine responded to questions given by the City Council.

One (1) public comment was received.

After discussion, the City Council agreed to the following top five (5) Priorities for 2026:

- Waste Water Treatment Plant (WWTP) with a focus on funding
- Economic Development supporting tourism and new job creation
- Improve the City Team performance through training, ownership and metrics
- Code Enforcement for existing issues and catching new ones early

B. Operations and Performance Management Discussion, Focus on Public Works

Recommendation: Review and discuss operational challenges and performance metrics as presented by staff.

Late Packet

City Manager DuBois facilitated the discussion, with him taking the lead to inform the City Council regarding operations and objectives for the Legal and Engineering Departments. Contract City Planner Ventura led the discussion regarding the Planning Department’s operations and goals for 2026. Finance Supervisor Mason Peters discussed the operations and 2026 objectives for the Finance Department. Chief O’Connell discussed the operations and 2026 goals for the Police Department. Public Works Director Lafontaine spoke regarding the operations and objectives of the Public Works Department. Together, staff replied to questions and requests for clarification from the City Council.

One (1) public comment was received.

After a five-minute recess at 9:38 AM, the Special Meeting resumed with Public Works Director Lafontaine further discussing the operations and performance metrics of the Public Works Department. City Manager DuBois and Public Works Director Lafontaine responded to inquiries and requests for clarification from the City Council.

C. Planning Commission and DRC Appointments and Terms

Recommendation: Receive Informational Item on Council Members' Planning Commission and Design Review Committee (DRC) appointments and terms

The City Council briefly discussed the Planning Commission and Design Review Committee (DRC) appointments for 2026. One replacement on the Planning Commission was noted - Council Member Feist is appointing a new person for 2026. City Manager DuBois led the discussion regarding the appointment process for DRC.

City Manager DuBois and Contract City Planner Ventura responded to questions and requests for clarification from the City Council.

D. Review of Council Procedures and Protocols

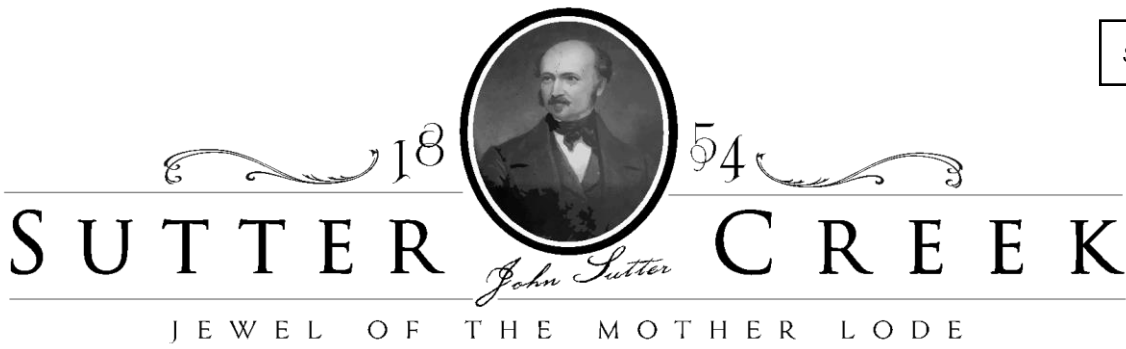
Recommend motion to approve or motion for staff to make changes and bring it back for adoption at a later date.

The City Council briefly discussed the City Council Procedures and Protocols. There was consensus that the current procedures and protocols are working well, and that no changes are needed.

5. Adjournment

Mayor Gunselman adjourned the meeting at 10:54 AM.

The next regularly scheduled meeting is Tuesday, February 2, 2026 at 6:00 PM.



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: FEB 2, 2026
FROM: TOM DUBOIS
SUBJECT: AUTHORIZING THE CITY MANAGER TO SIGN AND FILE A FINANCIAL ASSISTANCE APPLICATION WITH THE STATE WATER RESOURCES CONTROL BOARD

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the City Manager to sign and file a Financial Assistance Application with the State Water Resources Control Board for planning, design and/or construction activities associated with the City’s Wastewater Treatment Plant Design Project.

BACKGROUND:

The City of Sutter Creek has long studied options for its aging wastewater plant. It has developed master plans, evaluated options and chosen a preferred scenario, a new wastewater treatment plant with disposal into Sutter Creek.

The Wastewater Treatment Plant Project represents the initial planning and design phase of this effort, continuing on to a construction agreement. Planning and design is a critical prerequisite for construction, permitting, and long-term compliance. Completion of design work will position the City to pursue construction funding through state and federal programs.

DISCUSSION:

The cost of achieving compliance with current wastewater treatment standards far exceeds what a small, rural, disadvantaged community can reasonably absorb through sewer rates alone. Securing state and federal grant and low-cost financing assistance is therefore essential to minimizing financial impacts on City customers while ensuring equitable access to safe and reliable wastewater treatment systems.

The attached resolution authorizes the City Manager, or designee, to sign and file Financial Assistance Applications and related documents with the State Water Resources Control Board. This authorization is an administrative but necessary step to allow the City to pursue available state funding programs for planning, design and construction of the Wastewater Treatment Plant Project and to execute associated agreements if funding is awarded.

2 | [Type text]

Adoption of the proposed resolution will allow the City to advance critical planning and design work that is needed. This action supports public health protection, regulatory compliance, and long-term wastewater system sustainability while prioritizing affordability for the Sutter Creek community. Staff recommends approval.

BUDGET IMPACT:

Approval of the resolution does not obligate City funds or commit the City to any specific financing. Rather, it enables the City to apply for external financial assistance. Any future funding agreements brought before the Council for approval will include detailed fiscal terms and conditions.

ATTACHMENT:

- A. Resolution Authorizing the City Manager to Sign and File a Financial Assistance Application for the Wastewater Treatment Plant Design Project

RESOLUTION NO. 25-26-XX

A RESOLUTION OF THE CITY OF SUTTER CREEK AUTHORIZING THE CITY MANAGER TO SIGN AND FILE A FINANCIAL ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD FOR THE CITY’S WASTEWATER TREATMENT PLANT DESIGN AND OR CONSTRUCTION PROJECT (“PROJECT”)

WHEREAS, the City of Sutter Creek (“City”) is a local city government located in Amador County running a regional wastewater plant servicing the City of Sutter Creek, Amador City and the highly developed portion of Amador County; and

WHEREAS, the City’s wastewater treatment plant has disposed of treated wastewater through one of the more complex systems in the state, relying on 9 miles of pipeline, 2 reservoirs, a tertiary plant and golf course owned by the City of Ione, and cooperation from the City of Ione and the Mule Creek State Prison; and

WHEREAS, this system’s complex water balance challenges have resulted in multiple disputes, lawsuits, and notices of violations to the the agencies involved; and

WHEREAS, the current wastewater treatment plant, portions of which were built in 1948, is unable to comply with modern treatment standards, and the City has been notified by the Regional water board that its old permits must be updated; and

WHEREAS, achieving compliance will require new treatment processes, which will also require more energy with a total estimated cost of approximately \$40M ; and

WHEREAS, these costs far exceed what a small, rural, disadvantaged community can reasonably absorb through water rates alone, and securing state and federal grant and low-cost financing assistance is essential to minimizing financial impacts on City customers; and

WHEREAS, pursuing state financial assistance programs requires the City to formally authorize an official representative to prepare, execute, and submit funding applications, certifications, and related agreements on behalf of the City; and

WHEREAS, the City Council agrees to delegate its authority to the City Manager to execute agreements and documents with the State Water Resources Control Board that will allow the City to apply for various state financial assistance programs.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SUTTER CREEK (“ENTITY”) HEREBY FINDS:

1. That the recitals in this Resolution and accompanying staff report are true and correct and are hereby made a part of this Resolution.
2. The City Manager (the “Authorized Representative”) or designee is hereby

authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning and design of the Wastewater Treatment Plant Design Project.

- 3. This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.
- 4. The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

PASSED AND APPROVED by the City of Sutter Creek City Council on this ___ day of February 2026, by the following vote:

AYES: Councilmembers:

NOES: None

ABSENT: None

ABSTAIN: None

APPROVED:

Claire Gunselman, Mayor

ATTEST:

Pam Caronongan, City Clerk

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the City of Sutter Creek City Council held on _____, 2026.

ATTEST:

INSERT NAME, City Clerk



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: FEB 2, 2026
FROM: TOM DUBOIS, CITY MANAGER and ERIN VENTURA, PLANNER
SUBJECT: CONSIDERATION OF 2026 NEXUS STUDY AND UPDATE TO DEVELOPMENT IMPACT FEES

RECOMMENDATION:

It is recommended that the City Council:

1. Receive the presentation on the 2026 Capital Facilities Fee Nexus Study;
2. Determine the appropriate level of updated impact fees
3. Direct staff to notice a public hearing and bring back a resolution to approve the Nexus Study and establish updated impact fees

This update ensures compliance with the Mitigation Fee Act (AB 1600) and recent transparency requirements under Assembly Bill 602 (AB 602).

The Nexus Study identifies the public facilities needed to serve new development through the buildout of the General Plan and calculates the maximum legally supportable fees. Key changes include the consolidation of general facilities fees, the addition of a new Drainage fee, and a transition to calculating residential fees on a per-square-foot basis as required by AB 602.

Staff recommends adopting fees less than the maximum supported level.

BACKGROUND:

The City of Sutter Creek has engaged Goodwin Consulting Group to prepare a Capital Facilities Fee (CFF) Nexus Study to update the City's development impact fee program.

Legal Requirements (AB 1600 & AB 602) per California law requires that development impact fees bear a "reasonable relationship" (or nexus) between the fee's use, the need for the public facility, and the type of development project. AB 16000 (the Mitigation Fee Act) requires agencies to identify a reasonable relationship (or nexus) between an impact fee and new development, and to make findings regarding (a) the purpose of the fee; (b) what mitigation projects the fee will be

used to fund; (c) the nexus between the needed mitigation projects and the type of development that will be charged a fee; and (d) the nexus between the amount of the fee and the cost of the needed mitigation.

Additionally, AB 602 (effective 2022) mandates that residential fees be proportionate to the square footage of the proposed unit. The City recently adopted its Capital Improvement Plan, and it remains current.

The 2026 Nexus Study calculates fees for five specific categories:

- Police Facilities: Funds stations, vehicles, and equipment.
- General City Facilities: Consolidates the former Historical, City Hall, and Corporation Yard fees into a single streamlined category.
- Parks and Recreation: Funds parkland acquisition and improvements.
- Transportation: Funds roadway capacity, intersections, and circulation improvements.
- Drainage (New): A new component to address storm drainage infrastructure needs directly related to future development, calculated based on impervious surface area.

DISCUSSION:

The Nexus Study establishes the maximum supportable fee—the legal upper limit the City can charge based on the cost of facilities attributable to new growth. This maximum is derived from numerous assumptions about future growth rates, facility costs, and service standards.

The City Council has the discretion to adopt fees *at* this level or *below* it based on policy considerations. The maximum supportable fee does not mandate the fee that *must* be adopted, but rather sets a ceiling under State law.

Reasons the Council May Consider Lower Fees:

- Legal Justification & Modeling Uncertainty: Nexus studies rely on complex economic modeling and long-term assumptions regarding construction costs, land values, and population growth. While AB 1600 does not require absolute precision, fees may not exceed the reasonable cost of facilities attributable to new development. For policy and feasibility reasons, local agencies often adopt fees below the maximum justified level identified in a nexus study. Doing so provides flexibility to account for market conditions, housing affordability considerations, and the inherent uncertainty in long-range projections, while maintaining compliance with the reasonable relationship requirements of Government Code section 66001.
- Encouraging Development: Setting fees below the maximum can incentivize residential and commercial development rather than deterring it. High upfront costs can stall projects before they break ground. Economic Development continues to be a priority of the Council.

- **Housing Affordability:** AB 602 requires that impact fee nexus studies evaluate the potential effects of proposed fee levels on housing feasibility and affordability. While AB 602 does not mandate adoption of fees below the maximum justified level, it expressly contemplates that jurisdictions may consider alternative fee scenarios, phased implementation, or reduced fee levels to avoid unnecessarily constraining housing production. Adopting a fee below the maximum justified amount may therefore reflect a policy determination informed by housing feasibility analysis, rather than a deficiency in the underlying nexus or proportionality of the fee. Lower fees help reduce the overall cost of new housing construction, which is critical in maintaining affordability for residents. The addition of the Drainage fee and the increase in Transportation fees raise the total burden on a standard single-family home by approximately \$10,000.
- **Economic Competitiveness:** The commercial transportation fee is projected to rise significantly (e.g., \$25.24 per sq. ft. for commercial uses). Keeping fees lower than the maximum helps maintain competitiveness with neighboring jurisdictions that may have lower cost structures.
- **Balancing Public Benefit:** The City may wish to allow flexibility for developers to provide direct community benefits, such as in-lieu land dedication or construction of facilities, instead of paying the full maximum cash fee.
- **Avoiding Overburdening Projects:** The Council must consider whether the full maximum fee makes project financing infeasible. Nexus studies rely on broad economic assumptions, but real-world market conditions may not support the maximum justifiable cost.

It should be noted that by adopting fees below the maximum supportable level, the City will collect less revenue than is modeled to build the identified infrastructure. Any shortfall in fee revenue for growth-related projects must be funded by other sources, such as the General Fund or grants. However, the fee program is based on a long-term General Plan buildout horizon, the City retains the ability to periodically update its Nexus Study and fee program to reflect updated cost data, development patterns, and policy objectives, and to adjust fees as appropriate over time.

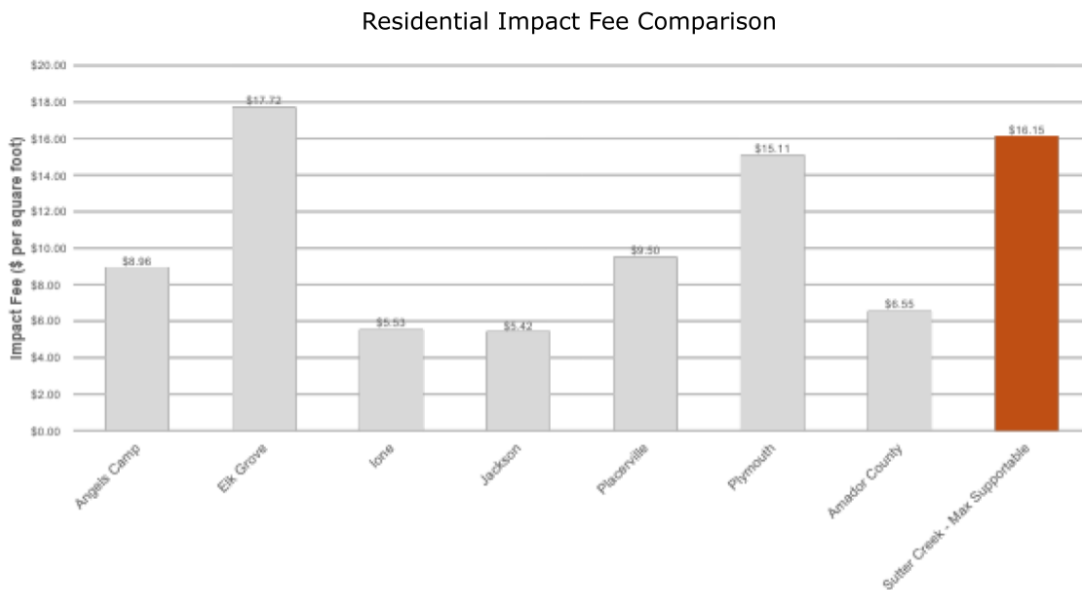
FEE COMPARISON: EXISTING VS. PROPOSED

One way to assess whether the proposed impact fees are appropriate is to compare them with those of neighboring cities. Council should keep in mind that some nearby cities may have lower fees simply because they have not recently updated their nexus studies. With a newly completed nexus study, it is reasonable to expect our fees to be on the higher end, and it is likely that other cities’ fees will increase when they conduct their own updates. For comparison purposes, police and city administration fees were last updated in 2005 for the City of Ione, general facilities fees were last updated in 2016 and 2018 for the City of Plymouth and County of Amador, respectively. This is a policy call for the City Council.

Impact fees can also be used as a tool to incentivize specific types of development by adjusting the fees for certain uses, such as particular development types or commercial projects.

Residential Comparison

Looking at residential impact fee rates of nearby cities and Amador County, if we adopt the maximum rate, our combined fee would be higher than all comparable cities other than Elk Grove.



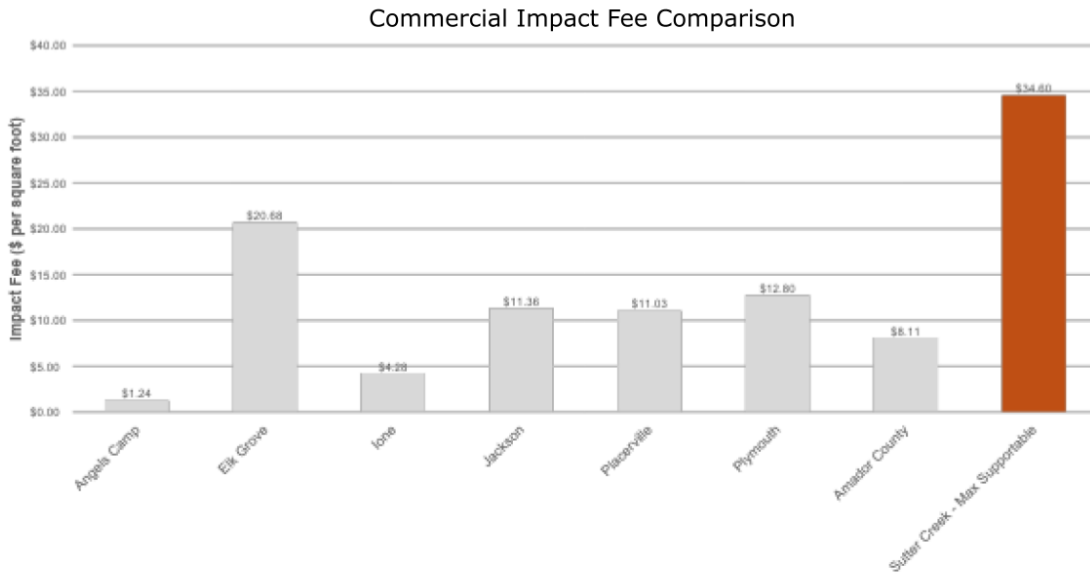
Note: Excludes impact fees for fire, water, wastewater, and school facilities as well as applicable ACRA regional park fees.

Source: Local agency fee schedules; Sutter Creek Capital Facilities Fee Nexus Study

Commercial Comparison

Commercial projects face increases primarily driven by the Transportation fee component, which is calculated based on vehicle trips generated. The new Drainage fee also applies to commercial projects based on impervious surface area. At the max allowable rate we would significantly higher than any other nearby city.

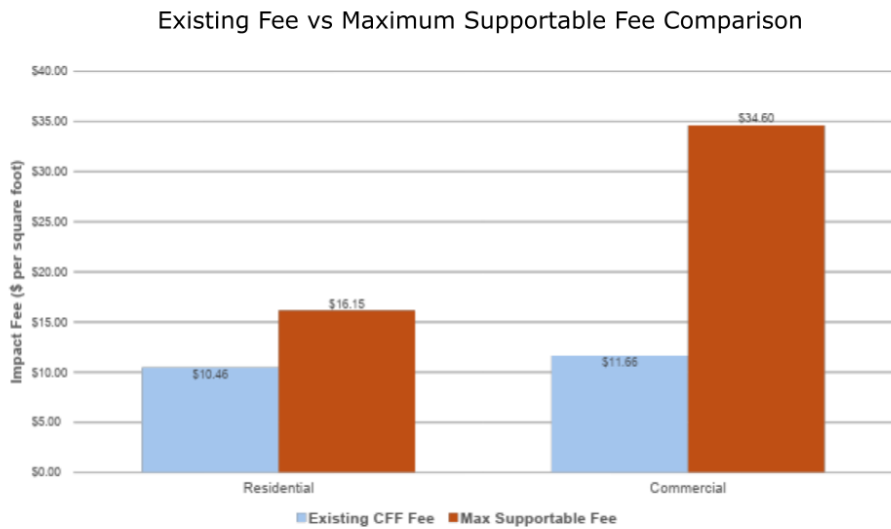
Section 9, Item A.



Note: Excludes impact fees for fire, water, wastewater, and school facilities as well as applicable ACRA regional park fees.
 Source: Local agency fee schedules; Sutter Creek Capital Facilities Fee Nexus Study

Overall Comparison

The chart below summarizes the existing fee versus the calculated maximum supportable fee. It highlights the gap between what is currently collected and what the Nexus Study justifies as the actual cost of growth.



Note: Excludes impact fees for fire, water, wastewater, and school facilities as well as applicable ACRA regional park fees.
 Source: City of Sutter Creek CFF Schedule; Sutter Creek Capital Facilities Fee Nexus Study

If the Council sets an overall target level, staff can adjust the individual impact fees accordingly.

Staff recommends setting the target slightly above current impact fee totals and avoiding a significant increase to commercial fees. Staff Suggests:

Residential Impact Fee = \$12 per sq ft

Commercial, Office Impact Fee = \$13 per sq ft

Industrial Impact Fee = \$9 per sq ft

Next Steps

If the City Council chooses to move forward to accept the Nexus Study and to establish updated Impact Fees, staff will prepare a public notice for a future meeting at least 30-days out. At the publicly noticed meeting, the City Council can consider adopting the fees. Once adopted, by resolution, the new fees will go into effect 60 days later. The new fee schedule and Nexus Study will be posted to the City's website within 30 days to comply with AB 602 transparency requirements.

BUDGET IMPACT:

Adoption of the Nexus Study updates the City's fee schedule to reflect current construction costs and infrastructure needs.

- Total Capital Improvement Program (CIP) costs for existing development: \$38.5 million
- Costs Allocated to Future Development: \$256.5 million.

The majority of total buildout costs—approximately \$256.5 million—are attributable to future development and are expected to be funded through development impact fees. At full buildout, the Drainage Impact Fee alone is projected to generate approximately \$57 million in revenue, representing a significant funding source for planned infrastructure improvements. The preparation of the attached Nexus Study was paid for by LEAP Grant funding.

ATTACHMENT:

1. Capital Facilities Fee (CFF) Program Nexus Study by Goodwin Consulting Group

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CITY OF SUTTER CREEK

**CAPITAL FACILITIES FEE (CFF)
PROGRAM NEXUS STUDY**

DRAFT

January 13, 2026

D-R-A-F-T

**CITY OF SUTTER CREEK
CAPITAL FACILITIES FEE (CFF)
PROGRAM NEXUS STUDY
(DRAFT REPORT)**

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Capital Facilities Fee Program Calculation Tables

EXECUTIVE SUMMARY

The City of Sutter Creek (City) is a historic foothill community with a compact development pattern shaped by its Gold Rush origins and long-standing emphasis on preservation and managed growth. Founded in 1848 as a mining center, the City developed with a concentrated downtown core supported by surrounding residential neighborhoods and limited infrastructure networks. These early land use and infrastructure decisions continue to shape present-day planning conditions.

Recent growth in the City has emphasized controlled residential development, historic preservation, and economic activity tied to tourism and local services. Development has occurred primarily through modest infill, small residential subdivisions, and the adaptive reuse of historic structures. However, public facilities and infrastructure have remained constrained by capacity, geography, and cost considerations.

This planning context informs this Capital Facilities Fee (CFF) Program Nexus Study (Nexus Study). While future growth is expected to be modest, new development will incrementally increase demand for public facilities and services. This study evaluates the relationship between projected development, facility needs, and the proportionate share of costs attributable to new development, consistent with California impact fee law and the City's goal of maintaining adequate public facilities while preserving community character.

DEVELOPMENT PROJECTIONS

Data from the California Department of Finance indicates that the City had an estimated population of 2,538 residents and 1,433 residential units as of January 1, 2025. The City's General Plan provides for the development of up to 6,775 additional residential units and approximately 82 acres of non-residential development, including retail commercial, office/professional, and industrial uses.

At General Plan buildout, total development is projected to include 8,208 residential units, accommodating an estimated 17,360 residents and supporting approximately 3,232 jobs. The demographic and land use assumptions underlying these residential and non-residential projections are summarized in Table 1 in the Appendix of this Nexus Study. General Plan buildout represents a long-term planning scenario and assumes land in the City over a long term horizon could eventually develop to the maximum levels allowed under the City's General Plan. The development projection is used in the Nexus Study to evaluate the maximum potential demand that future development could place on public facilities and infrastructure and to ensure that growth-related costs are planned for in a fair and proportional manner.

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CAPITAL IMPROVEMENT PROGRAM (CIP)

This report identifies various public facilities needed to serve future development in the City. The City’s Capital Improvement Program (CIP) serves as the City’s primary tool for planning, prioritizing, and financing investments in public infrastructure and facilities. CIP facilities and costs were determined by City staff based on the City’s long range needs. The City’s CIP includes:

- Police Facilities;
- General City Facilities;
- Parks and Recreation Facilities;
- Transportation Improvements; and
- Drainage Improvements

City staff has performed an extensive review of its CIP that provides construction cost estimates and identifies the facilities that will be required to serve existing and future development through buildout of the General Plan. Table ES-1 below summarizes costs included in the City’s CIP by facilities type as well as those being allocated to future development through General Plan buildout. The total cost allocated to future development is used to determine the fee amount for each component.

**Table ES-1
CIP Summary /1**

	Funded by Fee Program (a)	Other Funding Source (b)	Total CIP Cost (c = a + b)	Costs Allocated to Future Dev't (d)	Difference (e = d - a)
Police Facilities	\$74,000	\$0	\$74,000	\$12,629,213	\$12,555,213
General City Facilities	\$11,297,080	\$112,500	\$11,409,580	\$27,593,015	\$16,295,935
Parks and Recreation Facilities	\$7,676,825	\$77,500	\$7,754,325	\$50,024,250	\$42,347,425
Transportation Improvements	\$13,243,245	\$3,780,800	\$17,024,045	\$109,117,043 /2	\$95,873,799
Drainage Improvements	\$2,308,000	\$0	\$2,308,000	\$57,168,791 /2	\$54,860,791
Total	\$34,599,150	\$3,970,800	\$38,569,950	\$256,532,312	\$221,933,163

/1 Includes priority and additional projects in the City's CIP.

/2 Includes updated street and drainage costs needed to serve development at buildout, as provided by City staff.

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SUMMARY OF CFF COMPONENTS

Table ES-2 summarizes the maximum supportable fees for each component, as calculated in this Nexus Study. The maximum supportable fee represents the highest development impact fee that can be justified based on the cost of public facilities needed to serve future development and the proportionate share of those costs attributable to new growth, as calculated in this Nexus Study. These fees have been calculated using adopted service standards, identified capital improvement costs, and appropriate demand factors, and reflect the amount necessary to fund growth-related infrastructure without charging new development for existing deficiencies. The maximum supportable fee does not establish the fee that must be adopted; rather, it sets an upper limit under State law, allowing the City flexibility to adopt a lower fee amount based on policy considerations, market conditions, or implementation objectives.

**Table ES-2
Maximum Supportable Capital Facilities Fee**

Land Use	Police	Gen City Facilities	Parks & Rec	Transportation	Drainage	Administrative Fee (3.50%)	Total CFF
Residential	\$0.79	\$1.73	\$3.25	<i>Per Residential SF</i> \$5.61	\$3.26	\$0.55	\$16.15
Non-Residential				<i>Per Building SF</i>			
Commercial	\$0.36	\$0.79	\$0.00	\$25.24	\$6.61	\$1.17	\$34.60
Office	\$0.66	\$1.44	\$0.00	\$18.70	\$6.61	\$0.99	\$29.19
Industrial	\$0.20	\$0.43	\$0.00	\$7.29	\$4.13	\$0.43	\$12.71

While the Police, Parks and Recreation, and Transportation fee components represent updates to existing impact fees, the Drainage fee is a new component of the Fee Program and has been added to address storm drainage infrastructure needs that are directly related to future development. In addition, the General City Facilities fee consolidates the City’s existing Historical, City Hall, and Corporation Yard fee components into a single, streamlined category. Lastly, the former Program Update and Administrative fee components have been combined into a single Administrative Fee to simplify implementation and ongoing administration of the Fee Program.

CFF COMPARISON – PROPOSED (MAXIMUM SUPPORTABLE) VS EXISTING FEES

Table ES-3 provides an *illustrative* per-unit conversion comparison of the CFF components presented in this Nexus Study to the City’s fee rates for fiscal year 2024-25. The calculated maximum supportable fees for the Police, General City Facilities, and Transportation components are higher than their current counterparts and range from 26% higher to 148% higher for residential developments. However, the calculated maximum supportable Parks and Recreation fee is approximately 46 percent lower than the City’s current rate, which includes a regional fee component collected on behalf of the Amador County Recreation Agency (ACRA). In fall 2005, ACRA announced its dissolution, and the future disposition and applicability of these regional fees remain uncertain.

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**Table ES-3
Fee Comparison - Illustrative Per-Unit Conversion**

Maximum Supportable Capital Facilities Fee

<u>Land Use</u>	<u>Police</u>	<u>Gen City Facilities</u>	<u>Parks & Rec</u>	<u>Transportation</u>	<u>Drainage</u>
		<i>Per Unit (Assuming 2,270 SF per Unit)</i>			
Residential	\$1,801	\$3,936	\$7,384	\$12,737	\$7,407
<u>Non-Residential</u>		<i>Per Building SF</i>			
Commercial	\$0.36	\$0.79	\$0.00	\$25.24	\$6.61
Office	\$0.66	\$1.44	\$0.00	\$18.70	\$6.61
Industrial	\$0.20	\$0.43	\$0.00	\$7.29	\$4.13

Existing Capital Facilities Fee (7/1/2024 - 6/30/2025)

<u>Land Use</u>	<u>Police</u>	<u>Gen City Facilities</u>	<u>Parks & Rec /1</u>	<u>Transportation</u>	<u>Drainage</u>
		<i>Per Unit</i>			
Residential	\$1,431	\$3,070	\$13,701	\$5,134	n/a
<u>Non-Residential</u>		<i>Per Building SF</i>			
Commercial	\$0.28	\$0.51	n/a	\$10.27	n/a
Office	\$0.50	\$0.93	n/a	\$5.65	n/a
Industrial	\$0.15	\$0.29	n/a	\$3.08	n/a

Difference (%)

<u>Land Use</u>	<u>Police</u>	<u>Gen City Facilities</u>	<u>Parks & Rec</u>	<u>Transportation</u>	<u>Drainage</u>
		<i>Per Unit</i>			
Residential	26%	28%	-46%	148%	0%
<u>Non-Residential</u>		<i>Per Building SF</i>			
Commercial	28%	54%	0%	146%	0%
Office	32%	55%	0%	231%	0%
Industrial	32%	49%	0%	137%	0%

/1 Excludes regional fees collected on behalf of the Amador County Recreation Agency (ACRA), which announced its dissolution in the fall of 2025.

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IMPACT FEE NEXUS REQUIREMENTS (AB 1600) AND ASSEMBLY BILL 602

Assembly Bill 1600 (AB 1600), which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee is to be put
3. Determine how there is a reasonable relationship between:
 - a. The fee’s use and the type of development project on which the fee is imposed.
 - b. The need for the public facility and the type of development project on which the fee is imposed.
 - c. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

On September 28, 2021, Assembly Bill 602 was signed into law and became effective starting January 1, 2022. The law establishes additional procedural and transparency requirements on public agencies when establishing new fees or increasing existing development impact fees. AB 602 added Government Code §66016.5 and related transparency requirements. Below are some of the most significant requirements imposed by AB 602:

New Requirements For Nexus Studies

- Nexus studies must identify the existing level of service (LOS) for public facilities; if a new LOS is identified, explain why the new level of service is appropriate
- If a nexus study supports an increase to existing fee, the public agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fee revenue collected under the original fee
- Large jurisdictions, for example, counties that have a population greater than 250,000 residents, must adopt a capital improvement plan as a part of the nexus study
- Nexus studies adopted after July 1, 2022, shall calculate a fee imposed on a housing development that is proportionate to the square footage of the proposed units of the development or the nexus study must make findings that an alternative fee calculation methodology creates a reasonable relationship between the fee charged and the burden posed by the development

New Transparency Requirements For Public Agencies

- Fees must be posted to the public agency’s website within 30 days of any change in the fees
- Public agencies must post to their website the current and five previous annual impact fee accounting reports that are required pursuant to Government Code Section 66006
- Public agencies must post to their website all nexus studies, cost of service studies, or equivalent studies that were conducted on or after January 1, 2018

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New Nexus Study Procedural Requirements

- Nexus studies must be updated at least every 8 years, from the period beginning on January 1, 2022
- Nexus studies and impact fees must be adopted at a public hearing with at least a 30 day notice (this is an increase from the current 10 days)
- Members of the public may submit evidence that the nexus findings in the nexus study are insufficient; the public agency must consider all such evidence

As stated above, the purpose of this study is to demonstrate that all fee components of the Fee Program comply with the requirements set forth in the AB 1600 and AB 602 laws. The assumptions, fee methodology, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be levied are summarized in this report.

FEE ADJUSTMENTS

The fees calculated in this Nexus Study are reflected in current year dollars. The fees may be adjusted in future years to reflect revised facility standards, receipt of funding from alternate sources (i.e., state or federal grants), revised costs, or changes in demographics. In addition to such periodic adjustments, the fees must be inflated each year by a predetermined index, such as the Engineering News Record Construction Cost Index, that is identified in the ordinance or resolution authorizing levy of the fees. It is important to note that failure to annually adjust the fees to reflect the inflation of facilities costs will result in future funding shortfalls of the facilities.

I. INTRODUCTION

The City of Sutter Creek (City) is a historic foothill community with a compact development pattern shaped by its Gold Rush origins and long-standing emphasis on preservation and managed growth. Founded in 1848 as a mining center, the City developed with a concentrated downtown core supported by surrounding residential neighborhoods and limited infrastructure networks. These early land use and infrastructure decisions continue to shape present-day planning conditions.

Recent growth in the City has emphasized controlled residential development, historic preservation, and economic activity tied to tourism and local services. Development has occurred primarily through modest infill, small residential subdivisions, and the adaptive reuse of historic structures. However, public facilities and infrastructure have remained constrained by capacity, geography, and cost considerations.

This planning context informs this Capital Facilities Fee (CFF) Program Nexus Study (Nexus Study). While future growth is expected to be modest, new development will incrementally increase demand for public facilities and services. This study evaluates the relationship between projected development, facility needs, and the proportionate share of costs attributable to new development, consistent with California impact fee law and the City’s goal of maintaining adequate public facilities while preserving community character.

PURPOSE OF STUDY

As development continues within the City, new capital facilities will be required to meet the demands of future development. Capital facilities will be funded through a development impact fee program (Fee Program). The Fee Program, as discussed in this report, will apply to all future development within the City. This *Capital Facilities Fee Program Nexus Study* (“Nexus Study”) will be the basis for the City’s Fee Program. This Nexus Study develops separate impact fees for various capital facilities including the following categories:

- Police Facilities;
- General City Facilities;
- Parks and Recreation Facilities;
- Transportation Improvements; and
- Drainage Improvements

The City retained Goodwin Consulting Group, Inc. to assist prepare the Nexus Study. The Fee Program will be implemented by the City Council through the adoption of this Nexus Study. The Fee Program is compliant with the requirements set forth in the Mitigation Fee Act, also known as AB 1600, and ensures that a nexus exists between future development within the City and (i) the use of the fee, (ii) the need for the proposed CFF facilities, and (iii) the amount of the CFF assigned to future development. This Nexus Study demonstrates that a reasonable relationship exists

between each fee component and the cost of the facilities attributable to each type of development for each fee component.

IMPACT FEE NEXUS REQUIREMENTS (AB 1600) AND ASSEMBLY BILL 602

Assembly Bill 1600 (AB 1600), which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

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

On September 28, 2021, Assembly Bill 602 was signed into law and became effective starting January 1, 2022. The law establishes additional procedural and transparency requirements on public agencies when establishing new fees or increasing existing development impact fees. AB 602 amends Government Code Sections 65940.1 and 66019 and adds Government Code Section 66016.5 and Health and Safety Code Section 50466.5. Below are some of the most significant requirements imposed by AB 602:

New Requirements For Nexus Studies

- Nexus studies must identify the existing level of service (LOS) for public facilities; if a new LOS is identified, explain why the new level of service is appropriate
- If a nexus study supports an increase to existing fee, the public agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fee revenue collected under the original fee
- Large jurisdictions, for example, counties that have a population greater than 250,000 residents, must adopt a capital improvement plan as a part of the nexus study
- Nexus studies adopted after July 1, 2022, shall calculate a fee imposed on a housing development that is proportionate to the square footage of the proposed units of the development or the nexus study must make findings that an alternative fee calculation methodology creates a reasonable relationship between the fee charged and the burden posed by the development

New Transparency Requirements For Public Agencies

- Fees must be posted to the public agency's website within 30 days of any change in the fees

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- Public agencies must post to their website the current and five previous annual impact fee accounting reports that are required pursuant to Government Code Section 66006
- Public agencies must post to their website all nexus studies, cost of service studies, or equivalent studies that were conducted on or after January 1, 2018

New Nexus Study Procedural Requirements

- Nexus studies must be updated at least every 8 years, from the period beginning on January 1, 2022
- Nexus studies and impact fees must be adopted at a public hearing with at least a 30 day notice (this is an increase from the current 10 days)
- Members of the public may submit evidence that the nexus findings in the nexus study are insufficient; the public agency must consider all such evidence

As stated above, the purpose of this study is to demonstrate that all fee components of the Fee Program comply with the requirements set forth in the AB 1600 and AB 602 laws. The assumptions, fee methodology, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be levied are summarized in this report.

ORGANIZATION OF REPORT

The remainder of this report has been organized into the following sections:

- Section II Defines the demographic and land use development assumptions used in the detailed calculations in this Nexus Study.
- Section III Provides a summary of the overall CIP costs as well as the amounts anticipated to be funded by the Fee Program.
- Section IV Provides a detailed explanation of the fee methodology used to calculate the various individual fees of the Fee Program.
- Sections V thru IX Provides a detailed discussion of the applicable fee calculation for the various City facilities.
- Section X Summarizes the individual fee rates calculated in this Nexus Study.
- Section XI Explains future fee adjustments, fee implementation, annual administrative duties, fee credits or reimbursements and other relevant items.

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II. DEVELOPMENT ESTIMATES AND LAND USE CATEGORIES

DEVELOPMENT PROJECTIONS

Data from the California Department of Finance indicates that the City had an estimated population of 2,538 residents and 1,433 residential units as of January 1, 2025. The City’s General Plan provides for the development of up to 6,775 additional residential units and approximately 82 acres of non-residential development, including retail commercial, office/professional, and industrial uses.

At General Plan buildout, total development is projected to include 8,208 residential units, accommodating an estimated 17,360 residents and supporting approximately 3,232 jobs. The demographic and land use assumptions underlying these residential and non-residential projections are summarized in Table 1 in the Appendix of this Nexus Study. General Plan buildout represents a long-term planning scenario and assumes land in the City over a long term horizon could eventually develop to the maximum levels allowed under the City’s General Plan. The development projection is used in the Nexus Study to evaluate the maximum potential demand that future development could place on public facilities and infrastructure and to ensure that growth-related costs are planned for in a fair and proportional manner. Figure 1 on the following page summarizes land uses anticipated at buildout of the City’s General Plan.

LAND USE CATEGORIES

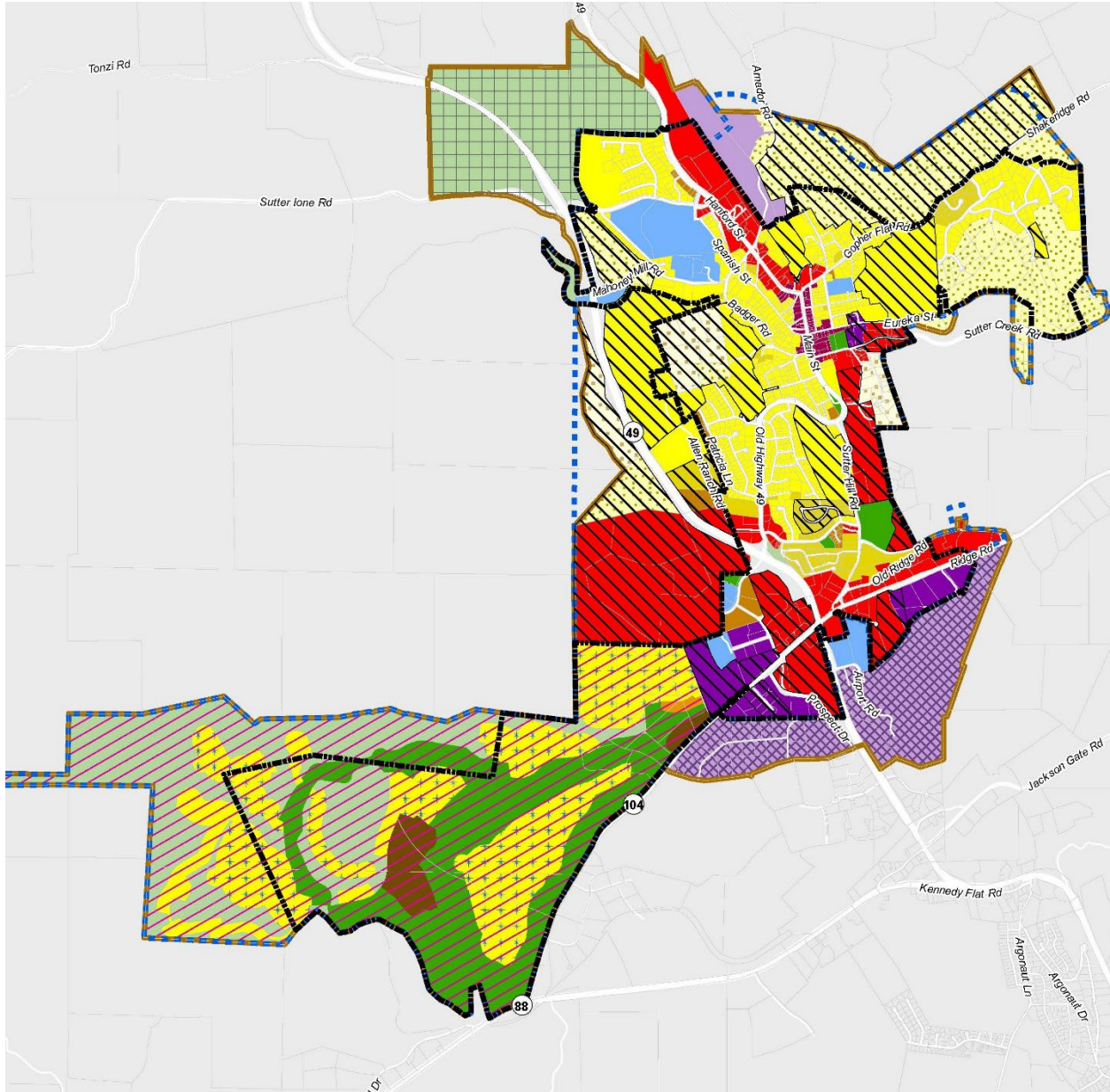
The Mitigation Fee Act requires that a reasonable relationship exist between the need for public facilities and the type of development on which an impact fee is imposed. The need for public facilities is related to the level of service demanded, which varies in proportion to the number of residents or employees generated by a particular land use type. Therefore, land use categories have been defined in order to distinguish between relative impacts on facilities.

Each component of the CFF Program has been calculated using demand variables appropriate to each facility type. For housing development projects, fees are calculated on a per-residential square foot basis to comply with AB 602. Non-residential development is assessed on a per-building square foot basis. The following land use categories are established for purposes of the Fee Program:

Residential: encompasses all residential development categories, including (i) detached single family dwelling, (ii) duplex units that comprise two attached units sharing one common wall, (iii) multi-family residential development categories, and (iv) age-restricted uses and residential retirement communities, as described in Section 51.3 of the Civil Code, which are restricted to adults or senior citizens only.

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Figure 1
General Plan Area



Legend

- Sutter Creek City Limits
- Gold Rush Ranch Specific Plan (GRRSP)
- Sphere Of Influence
- Planned Development Overlay
- Planning Area
- City-Owned Mitigation Parcels

Land Use Designations

- RE - Residential Estate
- RL - Residential Low Density
- RSF - Residential Single Family
- RM - Residential Medium Density
- RH - Residential High Density
- MU - Mixed Use
- C - Commercial
- DTC - Downtown Commercial
- M - Mining
- I - Industrial
- PS - Public Service
- OS - Open Space
- R - Recreation
- Martell

GRRSP Land Use Designations

- GRRSP-MU
- GRRSP-COS
- GRRSP-GCAF
- GRRSP-RCL
- GRRSP-SDAR
- GRRSP-SFAR

Map prepared by Amador County Transportation Commission GIS staff

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Retail Commercial: Retail and service businesses, including, but not limited to, retail stores, clothing stores, book stores, video rental stores, drug stores, professional services (i.e., barber shops, dry cleaners), hospitals, movie theaters, appliance and electronics stores, home supply stores, tire stores, auto parts stores, auto service centers, oil change service centers and other businesses providing retail-based auto-related products and services, restaurants, supermarkets, gas stations, day/child care facilities, private schools, motels/hotels, congregate care facilities, and health clubs

Office/Professional: Includes, but is not limited to, buildings in which professional, banking, insurance, real estate, administrative or in-office medical or dental activities are conducted

Industrial: Includes, but is not limited to, warehouses, mini-storage facilities, manufacturing, heavy and light industrial uses, processing, fabricating, assembly, refining, repairing, packaging, or treatment of goods, material, or produce, sheet metal and welding shops, wholesale lumber yards, contractor yards, auto wrecking yards, etc.

The City will make the final determination as to which land use category a particular development will be assigned. The City is authorized to determine the land use category that corresponds most directly to the development. Alternatively, the City may determine that no land use category adequately corresponds to a unique development in question and may determine an applicable ad hoc impact fee for the development.

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III. CAPITAL IMPROVEMENT PROGRAM

This report identifies various public facilities needed to serve future development in the City. The City’s Capital Improvement Program (CIP) serves as the City’s primary tool for planning, prioritizing, and financing investments in public infrastructure and facilities. CIP facilities and costs were determined by City staff based on the City’s long range needs. The City’s CIP includes:

- Police Facilities;
- General City Facilities;
- Parks and Recreation Facilities;
- Transportation Improvements; and
- Drainage Improvements

City staff has performed an extensive review of its CIP which provides construction cost estimates and identifies the facilities that will be required to serve existing and future development through buildout of the General Plan. Table 3-1 below summarizes costs included in the City’s CIP by facilities type as well as those being allocated to future development through General Plan buildout. The total cost allocated to future development is used to determine the fee amount for each component.

**Table 3-1
CIP Summary /1**

	Funded by Fee Program <i>(a)</i>	Other Funding Source <i>(b)</i>	Total CIP Cost <i>(c = a + b)</i>	Costs Allocated to Future Dev't <i>(d)</i>	Difference <i>(e = d - a)</i>
Police Facilities	\$74,000	\$0	\$74,000	\$12,629,213	\$12,555,213
General City Facilities	\$11,297,080	\$112,500	\$11,409,580	\$27,593,015	\$16,295,935
Parks and Recreation Facilities	\$7,676,825	\$77,500	\$7,754,325	\$50,024,250	\$42,347,425
Transportation Improvements	\$13,243,245	\$3,780,800	\$17,024,045	\$109,117,043 /2	\$95,873,799
Drainage Improvements	\$2,308,000	\$0	\$2,308,000	\$57,168,791 /2	\$54,860,791
Total	\$34,599,150	\$3,970,800	\$38,569,950	\$256,532,312	\$221,933,163

/1 Includes priority and additional projects in the City's CIP.

/2 Includes updated street and drainage costs needed to serve development at buildout, as provided by City staff.

IV. FEE CALCULATION METHODOLOGY

When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that a logical and thorough consideration was applied in the process of determining how the fee relates to the impacts from new development. Various findings pursuant to AB 1600 and AB 602 must be made to ensure that there is a reasonable relationship between the fee and the development on which that impact fee will be levied. Impact fees are commonly grouped into three broad categories based on how costs are calculated and allocated: (i) standard-based impact fees, (ii) planned-based impact fees, and (iii) capacity-based impact fees.

Standard-based impact fees are calculated using adopted service standards that define the level of public facilities required to serve new development. These fees rely on systemwide ratios (e.g., facilities per resident or employee) and apply uniform facility costs to growth. This approach is commonly used for facilities that provide broad community benefits and have predictable demand patterns, ensuring that new development funds its proportional share of facilities needed to maintain adopted service levels.

Planned-based impact fees are derived from a defined capital improvement program that identifies specific facilities required to serve future development. The cost of these planned improvements is allocated to new growth based on its share of demand. This methodology is appropriate where infrastructure needs are location-specific or where a clear nexus exists between planned projects and anticipated development, allowing fees to directly reflect the cost of identified improvements.

Finally, capacity-based impact fees are calculated based on the cost of expanding or upsizing existing facilities to accommodate additional demand generated by new development. This approach allocates only the incremental capacity costs attributable to growth and excludes existing deficiencies. Capacity-based fees are most appropriate for utility and regional infrastructure systems where facilities must be expanded to serve future development while maintaining existing levels of service.

For purposes of this Nexus Study, the standard-based approach is used to calculate the police, general city facilities, and Parks and Recreation fee components, while the planned-based approach is used in the calculation of the transportation and Drainage fee components.

FEE METHODOLOGY

The fee methodology used to calculate the fees in this Nexus Study can be summarized as follows:

- 1) Identify the existing development in the City and estimate the future growth anticipated through buildout of the City’s General Plan.
- 2) Determine the size or amount of the facilities needed to serve the anticipated growth and, if necessary, the existing development in the City.

- 3) Select the demand variable (i.e., persons served, trips generated, or impervious factor) to allocate the facility costs on a benefit rationale basis; assign demand variable rates for each land use/development category based on its level of service demand.
- 4) Estimate the total cost of each facilities type or the attributable portion of the facilities that are needed to serve future development within the City. Existing deficiencies or that portion of a facility or improvement cost allocated to existing development cannot be funded with impact fees from future development. The City will need to find alternate sources to fund existing deficiencies or existing development’s share of the facilities cost. Alternate funding sources may include federal and state grants, or general fund revenues.
- 5) Allocate the total facility cost attributed to future development to the applicable demand units (e.g., persons served, trips, or impervious area). Costs attributable to existing development are excluded from the fee calculation.
- 6) Apply the cost per person served to each land use category using an average persons per household factor and the average square feet per residential unit for residential development and the person served factor for each non-residential land use to determine the per square foot fee rate for each type of development

By applying this fee methodology, the resulting impact fee for each fee component and for each land use is based on the estimated benefit received from each facilities type and thus a nexus or reasonable relationship is established between the amount of each fee component and the cost of the applicable facilities attributable to each type of development. Furthermore, the resulting fees comply with AB 602’s requirement such that fees imposed on a housing development be proportionate to the square footage of the proposed units of the development.

DEMAND VARIABLES

Three types of demand variables are used in this Nexus Study: (i) persons served, (ii) trips generated, and (iii) impervious factor. The number of persons served is used to allocate the cost of facilities for the Police, General City Facilities, and Parks and Recreation fee categories in this Nexus Study. Trips generated by each land use type are used in the Transportation fee calculation, and impervious factors are used in the Drainage fee calculation.

The persons served demand variable includes the residential population plus a portion of the employee population. A portion of the employee population is used because it is generally understood that employees do not generate as high a need for certain municipal services as do residents. Therefore in this Nexus Study, employees are converted to a resident–equivalent factor. For all fee categories that use the person served demand variable, the resident-equivalent factor calculation is based on the average amount of time that the employee spends on the job as compared to the time a resident is at home. Assuming a resident can be at home 168 hours (7 days * 24 hours = 168 hours) a week and that the average employee works 40 hours per week, then one employee equals approximately 0.24 residents. This is calculated as follows:

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Employee: 40 hours/week ÷ 168 hours/week ≈ 0.24 residents

As a result, the service demand for an employee is calculated to equal approximately 24% of the service demand of a resident. Although these estimates of service demand are not based on empirical evidence, it is understood that employees and non-residential development generally require less city services than do residents and residential development. As such, the relationship of an employee equaling either 0.24 residents, in terms of service demand, is a reasonable assumption for the fee calculations.

Similarly, vehicle trips generated are an appropriate demand variable for calculating transportation impact fees because they directly measure the incremental burden that new development places on the roadway system. Transportation facilities are planned, designed, and sized to accommodate travel demand, and trip generation provides a consistent and widely accepted metric for quantifying that demand across different land uses. By allocating costs based on the number of trips attributable to new development, the fee ensures a reasonable relationship and rough proportionality between development impacts and the cost of capacity improvements required to maintain adopted levels of service.

Finally, impervious surface area (i.e., % impervious) is a suitable demand variable for calculating storm drainage impact fees because it directly correlates with the volume and rate of stormwater runoff generated by new development. As land becomes more impervious through the construction of buildings, pavement, and other hard surfaces, runoff increases and places additional demand on drainage infrastructure. Using an impervious factor allows drainage facility costs to be allocated proportionally based on the relative contribution of each land use to runoff generation, ensuring a reasonable relationship between development impacts and the storm drainage capacity required to serve new development.

LEVEL OF SERVICE

Pursuant to AB 602, the Nexus Study identifies the existing level of service (LOS) for each public facility and, where applicable, identifies any proposed level of service and explains why such level is appropriate. Table 4-1 on the following page summarizes the existing LOS for the Police, General City Facilities, and Parks and Recreation fee components. In compliance with AB 602, the existing LOS is applied to future development and forms the basis of the fee calculations for these facilities.

For the Transportation and Drainage fee components, appropriate demand variables are used to allocate the cost of planned infrastructure between existing and future development. As a result, the portion of facilities funded by future development provides the same level of service as that currently provided to existing development within the City, ensuring consistency with AB 602 and the requirement that new development fund only its proportional share of facility costs.

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Table 4-1
Level of Service Comparison– Existing vs Future

	Level of Service /1		
	Existing	Future	Buildout
Police Facilities (per 1,000 Persons Served)			
Police FTE's	2.32	2.32	2.32
Police Bldg SF	1,073	1,073	1,073
General City Facilities (per 1,000 Persons Served)			
City Hall Employees	5.33	5.10	5.10
Finance & Admin Bldg SF	2,503	2,503	2,503
Parks and Recreation Facilities (per 1,000 Persons Served)			
Park and Recreation Area Acres	7.96	4.50	4.50

/1 Excludes transportation and drainage facilities which are calculated using a planned-based approach instead of a standard-based approach.

V. POLICE FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Police fee is to fund police facilities and related capital improvements required to maintain adequate public safety services as new development occurs. Growth in population and employment increases demand for police services and necessitates additional or expanded facilities and associated equipment to ensure effective law enforcement operations and community safety.

Use of Fee

Revenue from the Police fee will be used to finance the planning, design, and construction of police facilities and vehicles needed to serve future development.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the Police fee and the type of development on which the fee is imposed because new residential and non-residential development increases population, employment, and activity levels, which in turn increase demand for police services. The facilities funded by the fee are intended to provide the space and infrastructure necessary to serve the additional service demands generated by development.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for police facilities is created by new development, which contributes to increased service calls, patrol activity, and operational demands on the Police Department. Without additional facilities, the City's ability to maintain existing public safety service levels would be diminished as growth occurs. Police facilities, which are determined based on the City's existing LOS, funded by the fee are therefore necessary to accommodate growth-related demand and to maintain existing levels of police service.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the Police fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on the demand generated by future residential population and non-residential employment, which reflect the relative need for police services. This methodology ensures that future development funds only its proportional share of police facility costs and that total fee revenues do not exceed the cost of facilities required to serve new development.

POLICE FEE CALCULATION

The calculation of the police facilities required to serve development at buildout of the City's General Plan is based on the City's current service standards of 2.32 full time equivalent (FTE) police staff and an average building space standard of 1,073 square feet per 1,000 persons-served. Based on the estimated 18,136 persons served in the City at General Plan buildout, the City will need a 19,460 square foot police station to house an estimated 42 police department employees at buildout of the General Plan. In addition to the police station, the police department will also

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require police vehicles and associated equipment. The total cost of the police station, land acquisition, vehicles, and equipment needed to serve the City at full buildout of the General Plan is approximately \$14.9 million.

Since the police facilities will serve existing and future development in the City, the total cost of police facilities must be allocated between existing and future development based on a persons served proportional benefit. As a result, only approximately \$12.6 million of the total cost is allocated to future development. The remaining \$2.3 million cost is allocated to the existing development in the City and must be funded by the City from sources other than Police fee revenue.

Applying the cost per person served to each land use category using an average persons per household factor and the average square feet per residential unit for residential development and the person served factor for each non-residential land use results in a maximum supportable fee of \$0.79 per residential square foot. Non-residential fees range from \$0.20 per industrial square foot to \$0.66 per office square foot.

VI. GENERAL CITY FACILITIES FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the General City Facilities fee is to fund general city facilities, including additional City Hall space, an expanded Corporation Yard, and improvements to the Knight’s Foundry museum, that will be required to serve future development within the City’s General Plan area in order to support the provision of core City services as new development occurs. Growth in population and employment increases demand for administrative, operational, and maintenance functions, necessitating adequate facilities to support City service delivery.

Use of Fee

Revenue from the General City Facilities fee will be used to finance the planning, design, and construction of additional City Hall space, an expanded Corporation Yard, and improvements to the Knight’s Foundry museum needed to serve future development.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the General City Facilities fee and the type of development on which the fee is imposed because new residential and non-residential development increases the demand for municipal services that are supported by City administrative and operational facilities. The facilities funded by the fee provide the physical infrastructure required to deliver these services to development.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for general city facilities is created by new development, which increases population, employment, and service activity within the City. As growth occurs, additional administrative space, maintenance capacity, and operational support are required to maintain existing levels of municipal service. Facilities funded by the fee are therefore necessary to accommodate growth-related demand and to ensure continued effective City operations.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the General City Facilities fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on demand generated by future residential population and non-residential employment, reflecting each land use’s relative use of municipal services. This approach ensures that each development project funds only its proportional share of general city facility costs and that total fee revenues do not exceed the cost of facilities required to serve future development.

GENERAL CITY FACILITIES FEE CALCULATION

The calculation of the general city facilities and associated costs required to serve development at buildout of the City’s General Plan is based on the City’s current non-police employee ratio per 1,000 persons served as well as current non-police building square footage per 1,000 persons served, as shown in Table 3 of the Appendix. General City Facilities total \$32.6 million, of which

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approximately \$27.6 million is allocated to future development. The remaining \$5.0 million is allocated to existing development in the City and will need to be funded by the City from sources other than city hall fees.

Applying the cost per person served to each land use category using an average persons per household factor and the average square feet per residential unit for residential development and the person served factor for each non-residential land use results in a maximum supportable General City Facilities fee of \$1.73 per residential square foot. Non-residential fees range from \$0.43 per industrial square foot to \$1.44 per office square foot.

VII. PARKS AND RECREATION FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Parks and Recreation fee is to fund parkland, recreational facilities, and related capital improvements required to serve new development and to maintain adequate recreational opportunities as the City grows. Population growth resulting from new development increases demand for park facilities, open space, and recreational amenities, necessitating additional facilities to maintain existing service levels.

Use of Fee

Revenue from the Parks and Recreation fee will be used to finance the acquisition, development, and improvement of parkland and recreational facilities needed to serve future development. Eligible facilities may include neighborhood and community parks, recreational amenities, trails, open space improvements, and related support facilities that provide recreational services to residents.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the Parks and Recreation fee and the type of development on which the fee is imposed because residential development increases population and directly generates demand for park and recreational facilities. The facilities funded by the fee are intended to provide recreational amenities and open space required to serve new residents in the City.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for parks and recreation facilities is typically created by new residential development, which increases the number of residents requiring access to parks and recreational opportunities. Without the provision of additional park facilities, the City's ability to maintain existing park service levels would be diminished as growth occurs. The facilities funded by the fee are therefore necessary to accommodate population growth and maintain existing levels of service.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the Parks and Recreation fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on population growth generated by residential development, which reflects demand for park services. This methodology ensures that each development project pays a proportional share of park and recreation facility costs and that total fee revenues do not exceed the cost of facilities required to serve future development.

PARKS AND RECREATION FEE CALCULATION

The calculation of the parks and recreation facilities required to serve development at buildout of the City's General Plan is based on the City's preferred standard of 4.5 acres per 1,000 residents, as shown in Table 4 of the Appendix. Although the City currently has 8.0 acres of parks and

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recreation areas per 1,000 residents, applying this level of service to future development would likely make development unfeasible. Utilizing the City’s preferred LOS for parks and recreation areas, costs associated with parks and recreation facilities anticipated to serve existing and future development at General Plan buildout total \$58.6 million, of which approximately \$50.0 million is allocated to future development. The remaining \$8.6 million is allocated to existing development in the City and will need to be funded by the City from sources other than city hall fees.

The cost of these facilities is allocated to new development on a per-resident basis, ensuring that the fee reflects only the proportional cost of facilities needed to serve future development. The resulting a maximum supportable Parks and Recreation fee equals \$3.25 per residential square foot.

VIII. TRANSPORTATION FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Transportation fee is to fund transportation improvements that will be required to accommodate increased travel demand generated by new development within the City. As development occurs, additional vehicle trips are added to the roadway network, necessitating improvements to maintain safe and efficient circulation and to preserve adopted operating conditions.

Use of Fee

Revenue from the Transportation fee will be used to finance the planning, design, and construction of transportation improvements needed to serve future development through buildout of the City’s General Plan. These improvements may include roadway capacity enhancements, intersection improvements, traffic signals, bicycle and pedestrian facilities, and other circulation-related infrastructure identified to address growth-related transportation demand.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the Transportation fee and the type of development on which the fee is imposed because development directly generates vehicle trips that place additional demand on the City’s transportation network. The facilities funded by the fee are intended to mitigate the transportation impacts of new development by providing additional capacity and operational improvements necessary to serve those trips.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for transportation facilities is created by new development, which increases travel demand and contributes to congestion and operational constraints on the existing transportation network. Without improvements, future development would degrade circulation conditions. The transportation improvements funded by the fee are therefore required to accommodate growth-related travel demand and to maintain existing levels of service for both new and existing development.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The relationship between the amount of the fee and the portion of the facility cost attributable to the development type is based on trip generation. The amount of the transportation impact fee bears a reasonable relationship to the cost of the facilities funded. The fee is calculated by allocating the cost of planned transportation improvements to new development based on its proportionate contribution to travel demand, as measured by vehicle trips generated. This approach ensures that the total fee revenue collected from future development does not exceed the cost of the transportation facilities needed to serve that development and that each land use category pays a share of costs that is roughly proportional to the transportation impacts it creates.

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TRANSPORTATION FEE CALCULATION

The calculation of transportation improvements required to serve development at buildout of the City’s General Plan is based on a planned-based methodology that identifies specific transportation facilities and improvements needed to accommodate future growth. Planned transportation projects have been identified by City staff to serve circulation demands generated by both existing and new development at General Plan buildout. The total cost of the planned transportation improvements necessary to serve the City at full General Plan buildout is estimated at approximately \$135.0 million. Allocating this cost to the projected General Plan buildout trips results in an average cost of \$16,943 per trip, as shown in Table 5 of the Appendix.

The cost per trip is then allocated to individual land use categories based on their relative unique vehicle trip generation rates, which results in a maximum supportable Transportation fee of approximately \$5.61 per residential square foot, with non-residential fees ranging from approximately \$7.29 per square foot for industrial uses to \$25.24 per square foot for commercial uses.

IX. DRAINAGE FEE AND NEXUS FINDINGS

Purpose of Fee

The purpose of the Drainage fee is to fund drainage facilities and improvements required to accommodate increased stormwater runoff generated by new development within the City. As development occurs, the addition of impervious surfaces increases both the volume and rate of runoff, necessitating improvements to the storm drainage system to maintain safe and effective conveyance and reduce the risk of localized flooding.

Use of Fee

Revenue from the drainage impact fee will be used to finance the planning, design, and construction of storm drainage facilities and related improvements identified to serve future development through buildout of the City’s General Plan. These facilities may include storm drains, channels, culverts, detention and conveyance facilities, and related appurtenances that provide capacity to manage runoff generated by new development.

Reasonable Relationship Between the Fee's Use and the Type of Development

There is a reasonable relationship between the use of the storm Drainage fee and the type of development on which the fee is imposed because development directly contributes to increased impervious surface area, which increases stormwater runoff and demand on drainage infrastructure. The facilities funded by the fee are intended to mitigate the drainage impacts caused by development, ensuring that new projects contribute toward the infrastructure required to serve them.

Reasonable Relationship Between the Need for the Facility and the Type of Development

The need for storm drainage facilities is created by new development, which alters natural hydrology and increases runoff volumes compared to pre-development conditions. Without additional drainage capacity, new development would exacerbate drainage system constraints and increase flooding risks. The drainage improvements funded by the fee are therefore necessary to accommodate growth-related runoff and maintain existing drainage performance levels.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The amount of the Drainage fee bears a reasonable relationship to the cost of the facilities attributable to new development. Facility costs are allocated based on the relative impervious surface area associated with different land uses, which directly correlates with runoff generation. This methodology ensures that each development project pays a proportionate share of storm drainage infrastructure costs corresponding to its contribution to system demand, and that total fee revenues do not exceed the cost of facilities required to serve future development.

DRAINAGE FEE CALCULATION

Similar to the Transportation fee calculation, the calculation of drainage improvements required to serve development at buildout of the City’s General Plan is also based on a planned-based methodology that identifies a storm drainage network needed to accommodate increased runoff generated by future development. Planned drainage improvements may include system conveyance, detention, and related drainage infrastructure identified to maintain existing drainage performance as development occurs. The total cost of the planned storm drainage improvements required to serve the City at full General Plan buildout is estimated at approximately \$70.2 million.

Because the planned storm drainage facilities will serve both existing and future development, the total cost of the facilities is allocated between existing and future development based on proportional benefit. Allocation is performed using impervious surface area as the demand variable, which directly reflects the relative contribution of development to stormwater runoff. Under this methodology, only the portion of drainage facility costs attributable to increased impervious area associated with future development is included in the impact fee calculation, while the portion attributable to existing development must be funded through non-impact fee revenue sources.

The growth-related cost of the planned storm drainage improvements is allocated to individual land use categories based on their relative impervious surface factors. This approach ensures that land uses generating higher runoff contributions pay a proportionally higher share of drainage infrastructure costs. The resulting storm drainage impact fee represents the maximum supportable fee of approximately \$3.26 per residential square foot, with non-residential fees ranging from approximately \$4.13 per square foot for industrial uses to \$6.61 per square foot for commercial and office uses.

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X. CAPITAL FACILITIES FEE SUMMARY

Table 10-1 summarizes the maximum supportable fees for each fee component calculated in this Nexus Study. In compliance with AB 602, residential development is assessed on a per-residential square foot basis, resulting in a total CFF of \$16.15 per residential square foot, with the largest cost components attributable to transportation, parks and recreation, and drainage facilities. For comparison purposes, Table ES-3 also presents illustrative per-unit totals based on an assumed average unit size of 2,270 square feet.

Non-residential development is assessed on a per-building square foot basis, with total fees varying by land use type and intensity. Commercial development has the highest total CFF at \$34.60 per square foot, driven primarily by transportation and drainage improvements, followed by office development at \$29.19 per square foot and industrial development at \$12.71 per square foot. Across all land uses, Police, General City Facilities, Transportation, and Drainage fee components reflect growth-related demand, while Parks and Recreation fees apply only to residential development.

An administrative fee equal to 3.5 percent of all other fees in the Fee Program is applied uniformly across all land uses to offset the City’s costs associated with administering the Fee Program and preparing future fee updates.

It should be noted that maximum supportable fees presented in this Nexus Study represents the highest development impact fee that can be justified based on the cost of public facilities needed to serve future development and the proportionate share of those costs attributable to new growth, as calculated in this Nexus Study. These fees have been calculated using adopted service standards, identified capital improvement costs, and appropriate demand factors, and reflect the amount necessary to fund growth-related infrastructure without charging new development for existing deficiencies. The maximum supportable fee does not establish the fee that must be adopted; rather, it sets an upper limit under State law, allowing the City flexibility to adopt a lower fee amount based on policy considerations, market conditions, or implementation objectives.

Table 10-1
Maximum Supportable Capital Facilities Fee

Land Use	Police	Gen City Facilities	Parks & Rec	Transportation	Drainage	Administrative Fee (3.50%)	Total CFF
				<i>Per Residential SF</i>			
Residential	\$0.79	\$1.73	\$3.25	\$5.61	\$3.26	\$0.55	\$16.15
				<i>Per Building SF</i>			
<u>Non-Residential</u>							
Commercial	\$0.36	\$0.79	\$0.00	\$25.24	\$6.61	\$1.17	\$34.60
Office	\$0.66	\$1.44	\$0.00	\$18.70	\$6.61	\$0.99	\$29.19
Industrial	\$0.20	\$0.43	\$0.00	\$7.29	\$4.13	\$0.43	\$12.71

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While the Police, Parks and Recreation, and Transportation fee components represent updates to existing impact fees, the Drainage fee is a new component of the Fee Program and has been added to address storm drainage infrastructure needs that are directly related to future development. In addition, the General City Facilities fee consolidates the City’s existing Historical, City Hall, and Corporation Yard fee components into a single, streamlined category. Lastly, the former Program Update and Administrative fee components have been combined into a single Administrative Fee to simplify implementation and ongoing administration of the Fee Program.

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XI. IMPLEMENTATION AND ONGOING ADMINISTRATION

FEE IMPLEMENTATION

Pursuant to AB 602, the Nexus Study and applicable fees must be adopted at a public hearing following a minimum 30-day public notice period. The local agency is required to notify any member of the public who has requested notice of the preparation of an impact fee nexus study of the date, time, and location of the public hearing. In conjunction with adoption of the CFF, AB 602 further requires adoption of a capital improvement plan identifying the facilities to be funded by the fees, to the extent required by applicable law.

At least 30 days prior to the public hearing, the agency must make available to the public the data upon which the fee is based, including information regarding infrastructure costs and anticipated funding sources. Notice of the time and place of the meeting, along with a general explanation of the matter to be considered, must be published in accordance with Government Code Section 6062a. Section 6062a requires publication to occur twice, with at least five days intervening between publications, commencing at least ten days prior to the hearing, in a newspaper of general circulation that is published at least once per week.

Once the CFF is adopted by the City Council, the fees shall become effective no sooner than sixty days following that action, consistent with the requirements of the Government Code.

FEE ADJUSTMENTS

The fees calculated in this Nexus Study are reflected in current year dollars. The fees may be adjusted in future years to reflect revised facility standards, receipt of funding from alternate sources (i.e., state or federal grants), revised costs, or changes in demographics. In addition to such periodic adjustments, the fees must be inflated each year by a predetermined index, such as the Engineering News Record Construction Cost Index, that is identified in the ordinance or resolution authorizing levy of the fees. It is important to note that failure to annually adjust the fees to reflect the inflation of facilities costs will result in future funding shortfalls of the facilities.

FEE CALCULATIONS – UNIQUE NON-RESIDENTIAL DEVELOPMENTS

For some specialized non-residential development projects, the land use categories and fees summarized in this report may not be applicable. For example, development of a cemetery, golf course, and/or stadium would not fall under one of the non-residential fee categories established in this Nexus Study. For specialized non-residential development projects, the City will review the development and decide on an applicable ad hoc CFF based on the impact to CFF facilities from the development. In particular, the number of employees expected on the non-residential development or some other method deemed appropriate by the City, would be used to determine

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the impact on the facilities for each fee component. The City will provide the ad hoc CFF calculation to the applicable development.

CFF EXEMPTIONS

The City should consider the following regarding exemptions from payment of the Capital Facilities Fee:

Public Agencies

All federal and state agencies, public school districts, libraries, fire stations, and the City of Sutter Creek and County of Amador will be exempt from the CFF. Other non-City or non-County public agencies will be subject to payment of the CFF; however, the City may choose to waive some or all of the fees in certain cases.

Replacement/Reconstruction

- a. Any replacement or reconstruction (no change in use) of any residential unit that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the CFF. However, if the residential unit(s) replaced or reconstructed exceeds the documented total number of units of the damaged/destroyed residential structure, the excess units are subject to the CFF.
- b. Any replacement or reconstruction (no change in use) of any non-residential structure that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the CFF. However, if the building replaced or reconstructed exceeds the documented total floor area of the damaged/destroyed building, the excess square footage is subject to the CFF. If a structure has been vacant for more than five years, the exemption will not apply.
- c. If a residential and/or non-residential structure is replaced with an alternative land use, then the City staff will determine the appropriate fee adjustment to reflect the different use factors of the original and new land uses.

FEE CREDITS OR REIMBURSEMENTS

The City may provide fee credits or possibly reimbursements to developers who dedicate land or construct facilities. Fee credits or reimbursements may be provided up to the cost of the improvement, as shown in this Nexus Study, subject to periodic inflation adjustments, or the actual cost paid by the developer, whichever is lower. For construction cost overruns, only that amount shown in this Nexus Study, subject to periodic inflation adjustments, should be credited or reimbursed. The City will evaluate the appropriate fee credit or reimbursement based on the value of the dedication or improvement. The City on a case-by-case basis will determine fee credits and reimbursements.

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SEPARATE FEE ACCOUNTS

The City shall establish separate fee accounts for each fee in the Fee Program and track the receipt and disbursement of money in each account. The City will ensure that moneys in the fee accounts are not commingled with other City funds or other fees accounts. Pursuant to the Mitigation Fee Act, money in the fee accounts will only be used to fund those facilities for which the fees were collected.

INTER-FUND TRANSFERS

The City may allow for the transfer of fee revenues between fee funds. This will provide greater funding flexibility and facilitate the timely phasing of improvements by allowing fees to be combined and used as necessary. All inter-fund transfers must be repaid with interest.

REPORTING REQUIREMENTS

Under the Mitigation Fee Act, local agencies are required to prepare annual and five-year impact fee reports with each serving a different purpose. The annual report provides a year-by-year accounting of fee revenues and expenditures, including the amount collected, interest earned, beginning and ending fund balances, expenditures made, and the status of projects funded by the fees. Its purpose is to ensure ongoing transparency and routine public oversight of how impact fee revenues are being managed.

The five-year report is a more comprehensive review that applies to any impact fee funds that remain unspent or uncommitted for five or more years. This report requires the agency to make formal findings demonstrating that a reasonable relationship continues to exist between the fee and the purpose for which it was imposed, identify the public facilities to be funded, describe available and anticipated funding sources, and establish a timeline for completing the improvements. If the required findings are not made, the agency must refund the unexpended fee revenues to current property owners.

The following includes a detailed description administrative duties associated with the annual and five-year reports.

Annual Administrative Duties

Government Code Sections 66006(b) and 66001(d) requires a public agency to report, every year and every fifth year, certain financial information regarding the impact fees. Within 180 days after the last day of each fiscal year the public agency must make the following information available for the past fiscal year:

- (a) A brief description of the type of fee in the account or fund
- (b) The amount of fee revenue
- (c) The beginning and ending balance of the account or fund
- (d) The amount of fee revenue collected and interest earned

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- (e) An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of public improvement that was funded with fees
- (f) An identification of an approximate date by which time construction on the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement
- (g) A description of each interfund transfer or loan made from the account or fund, when it will be repaid and at what interest rate
- (h) The amount of any refunds made once it is determined that sufficient monies have been collected to fund all projects

The public agency must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

Fifth-Year Administrative Duties

For the fifth year following the first deposit into the fee account and every five years thereafter, the public agency must make the following findings with respect to any remaining funds in the fee accounts:

- (a) Identify the purpose to which the fee is to be put
- (b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- (c) Identify all sources and amounts of funding anticipated to complete financing incomplete improvements
- (d) Designate the approximate dates on which funding is expected to be deposited into the appropriate accounts or funds

As with the annual report, the five-year report must be made public within 180 days after the end of the public agency's fiscal year and must be reviewed at the next regularly scheduled public meeting. The public agency must make these findings, otherwise the law states that the City must refund the fee revenue to the then current owners of the development project.

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APPENDIX

CAPITAL FACILITIES FEE PROGRAM CALCULATION TABLES

**Table 1
Sutter Creek Land Uses**

<i>Existing Development as of January 1, 2025</i>					
	<u>Units</u>	<u>Residents</u>	<u>PPH</u>		
Residential	1,433	2,538	1.77		
Non-Residential Employees		1,081			
<hr/>					
<i>Remaining Development in Sutter Creek /1</i>					
	<u>Units /2</u>	<u>Avg Sq. Ft. per Unit /3</u>	<u>Estimated Total SF</u>	<u>Residents</u>	<u>PPH</u>
Residential	6,775	2,270	15,378,115	14,822	2.19
Non-Residential	<u>Acres</u>	<u>Avg FAR</u>	<u>Building Sq. Ft.</u>	<u>Employees</u>	<u>Sq. Ft./Emp.</u>
Retail Commercial	52.1	0.30	680,434	1,237	550
Office/Professional	11.8	0.35	179,236	597	300
Industrial	18.2	0.40	316,246	316	1,000
Subtotal	82.0		1,175,916	2,151	--
<hr/>					
<i>Total Estimated Uses at General Plan Buildout /3</i>					
	<u>Units /2</u>	<u>Residents</u>	<u>PPH</u>		
Total Residents	8,208	17,360	2.12		
Total Employees		3,232			

/1 Based on maximum potential dwelling units by gross acre per the General Plan, adjusted to reflect a portion of areas zoned for
 /2 Excludes approx. 224 units within the Gold Rush Ranch Specific Plan that are outside of the GP limits. commercial and industrial development are developed as zoned instead of residential development.
 /3 Average square footage per unit based on Assessor's Parcel data of residential units constructed between 2006 and 2025.

Source: City of Sutter Creek; California Department of Finance; Envirionics Analytics; Parcel Quest; Goodwin Consulting Group, Inc.

**Table 2
Police Facilities Cost Allocation**

1. Assumptions	Year:	2025	Future Dev't	Buildout Total
Estimated Sutter Creek Population		2,538	14,822	17,360
Estimated Sutter Creek Employment		1,081	2,151	3,232
Equivalent Employees /1		0.24	0.24	0.24
Employee Persons Served		259	517	776
Total Persons Served		2,797	15,339	18,136
% of Total Persons Served		15%	85%	100%

2. Police Facility & Equipment Cost Calculation	<u>Sworn</u>	<u>Non-Sworn</u>	<u>Total</u>
Current Police FTE's	6.00	0.48	6.48
Current Level of Service (per 1,000 Persons Served)	2.15	0.17	2.32
Total Officers Required to Serve the City at Buildout	38.90	3.11	42.02
Estimated Current Police Sq Ft			3,000
Existing Level of Service (Sq Ft per 1,000 Persons Served)			1,073
Estimated Police Sq Ft Required at Buildout			19,460
Estimated Average Construction Cost per SF			\$580
Estimated Total Construction Cost			\$11,286,758
	<u>Acres /2</u>	<u>Cost per Acre</u>	
Land Acquisition	1.79	\$300,000	\$536,086
Subtotal Facilities and Land Cost			\$11,822,844
	<u>Vehicles per Sworn Officer</u>	<u>Sworn Officers at Buildout</u>	
Police Vehicles & Equipment			
Marked & Unmarked Patrol Cars Required by Police Officers	1.00	42.02	42.02
Estimated Cost per Patrol Car			\$74,000
Total Police Vehicle Cost			\$3,109,251
Total Police Facilities & Equipment Cost			\$14,932,095
Estimated Cost Allocated to Existing Development in Sutter Creek			\$2,302,882
Estimated Cost Allocated to Future Development in Sutter Creek			\$12,629,213
Average Cost Per Person Served			\$823

3. Allocation Calculation	<u>Persons per Household</u>	<u>Cost per Person Served</u>	<u>Avg Sq. Ft. per Unit</u>	<u>Allocated Cost per SF</u>
Residential	2.19	\$823	2,270	\$0.79
Non-Residential		<u>Cost per Employee</u>	<u>Sq. Ft. per Employee</u>	<u>Allocated Cost per Sq. Ft.</u>
Commercial		\$198	550	\$0.36
Office		\$198	300	\$0.66
Industrial		\$198	1,000	\$0.20

/1 1.0 employee equals 0.24 residents.

/2 Assumes a 25% floor-to-area ratio.

Source: City of Sutter Creek; Goodwin Consulting Group, Inc.

**Table 3
General City Facilities Cost Allocation**

1. <u>Assumptions</u>	Year:	<u>2025</u>	<u>Future Dev't</u>	<u>Buildout Total</u>
Estimated Sutter Creek Population		2,538	14,822	17,360
Estimated Sutter Creek Employment		1,081	2,151	3,232
Equivalent Employees /1		0.24	0.24	0.24
Employee Persons Served		259	517	776
Total Persons Served		2,797	15,339	18,136
% of Total Persons Served		15%	85%	100%
2. <u>General City Facilities & Equipment Cost Calculation</u>				
City Hall Facilities and Land				
Total Current Employees (Excl. Police and Public Works)				13.52
Current Employees per 1,000 Residents				5.33
Estimated Total Employees at Buildout				92.48
Estimated Current Finance and Admin Sq Ft				7,000
Existing Level of Service (Sq Ft per 1,000 Persons Served)				2,503
Estimated Finance and Admin Sq Ft Required at Buildout				45,394
Estimated Average Construction Cost per SF				\$580
Estimated Total Construction Cost				\$26,328,757
Land Acquisition	<u>Acres /2</u>	<u>Cost per Acre</u>		
	4.17	\$300,000		\$1,250,535
Subtotal Facilities and Land Cost				\$27,579,291
Corporation Yard Facilities and Land				
Total Current Employees				6.48
Current Employees per 1,000 Residents				2.32
Estimated Total Employees at Buildout				42.02
Estimated Current Public Works Sq Ft (Office and Lab)				1,000
Existing Level of Service (Sq Ft per 1,000 Persons Served)				358
Estimated Public Works Sq Ft Required at Buildout				6,493
Estimated Average Construction Cost per SF				\$580
Estimated Total Construction Cost				\$3,765,759
Land Acquisition	<u>Acres /2</u>	<u>Cost per Acre</u>		
	0.60	\$150,000		\$89,431
Subtotal Facilities and Land Cost				\$3,855,190
City Museums (Knight's Foundry)				\$1,190,000
Total General City Facilities				\$32,624,481
Estimated Cost Allocated to Existing Development in Sutter Creek				\$5,031,466
Estimated Cost Allocated to Future Development in Sutter Creek				\$27,593,015
Average Cost Per Person Served				\$1,799
3. <u>Allocation Calculation</u>				
	<u>Persons per Household</u>	<u>Cost per Person Served</u>	<u>Avg Sq. Ft. per Unit</u>	<u>Allocated Cost per SF</u>
Residential	2.19	\$1,799	2,270	\$1.73
Non-Residential		<u>Cost per Employee</u>	<u>Sq. Ft. per Employee</u>	<u>Allocated Cost per Sq. Ft.</u>
Commercial		\$432	550	\$0.79
Office		\$432	300	\$1.44
Industrial		\$432	1,000	\$0.43

/1 1.0 employee equals 0.24 residents.

/2 Assumes a 25% floor-to-area ratio.

**Table 4
Parks and Recreation Facilities Cost Allocation**

1. Assumptions		Year:	2025	Future Dev't	Buildout Total
Estimated Sutter Creek Population			2,538	14,822	17,360
Estimated Sutter Creek Employment			0	0	0
Equivalent Employees /1			0.24	0.24	0.24
Employee Persons Served			0	0	0
Total Persons Served			2,538	14,822	17,360
<i>% of Total Persons Served</i>			15%	85%	100%

2. Parks and Recreation Facilities Cost Allocation					<u>Total</u>
Current Park and Recreation Area Acres /1					20.2
Current Level of Service (Acres per 1,000 Residents)					8.0
City's Preferred Level of Service (Acres per 1,000 Residents) /2					4.5
Total Park and Recreation Acreage Required to Serve the City at Buildout		<u>Existing LOS</u>	<u>Preferred LOS</u>	<u>Difference</u>	
		138.2	78.1	60.0	
Estimated Average Cost per Acre		<u>Land Acquisition</u>	<u>Construction</u>	<u>Total</u>	
Total Acreage at Preferred LOS		\$300,000	\$450,000	\$750,000	
Total Cost					\$58,590,000
Estimated Cost Allocated to Existing Development in Sutter Creek					\$8,565,750
Estimated Cost Allocated to Future Development in Sutter Creek (based on Preferred LOS)					\$50,024,250
Average Cost Per Person Served					\$3,375

3. Allocation Calculation				
	<u>Persons per Household</u>	<u>Cost per Person Served</u>	<u>Avg Sq. Ft. per Unit</u>	<u>Allocated Cost per SF</u>
Residential	2.19	\$3,375	2,270	\$3.25
Non-Residential		<u>Cost per Employee</u>	<u>Sq. Ft. per Employee</u>	<u>Allocated Cost per Sq. Ft.</u>
Commercial		\$0	550	\$0.00
Office		\$0	300	\$0.00
Industrial		\$0	1,000	\$0.00

/1 Excludes 176 acres associated with the Highway 49 Mitigation site, which is identified as a natural area park in the General Plan.

/2 Per required park acres identified in the Gold Rush Ranch Specific Plan.

Source: City of Sutter Creek; Goodwin Consulting Group, Inc.

**Table 5
Transportation Improvements Cost Allocation**

	Average Bldg SF per Unit	Existing Dev't	Future Dev't	Total Dev't	Adjusted PM Trips per Unit or KSF /1	Existing Trips	Future Trips	Total Trips	Allocated Cost per Bldg SF
Total CIP Cost	\$135,000,000								
Residential	2,270	<u>Units</u> 1,433	<u>Units</u> 6,775	<u>Units</u> 8,208	<u>per Unit</u> 0.75	1,077	5,093	6,170	\$5.61
<u>Non-Residential</u>									
		<u>Bldg SF</u>	<u>Bldg SF</u>	<u>Bldg SF</u>	<u>per KSF</u>				
Commercial		185,778	680,434	866,212	1.49	277	1,014	1,290	\$25.24
Office		114,000	179,236	293,236	1.10	126	198	324	\$18.70
Industrial		111,111	316,246	427,357	0.43	48	136	184	\$7.29
Subtotal		410,889	1,175,916	1,586,805		450	1,348	1,798	
Total						1,528	6,440	7,968	
% of Total Trips						19.2%	80.8%	100.0%	
Total Cost Allocated between Existing and Future Development						\$25,882,957	\$109,117,043	\$135,000,000	
Average Cost per Trip							\$16,943		

/1 Adjusted to exclude estimated pass-by trips.

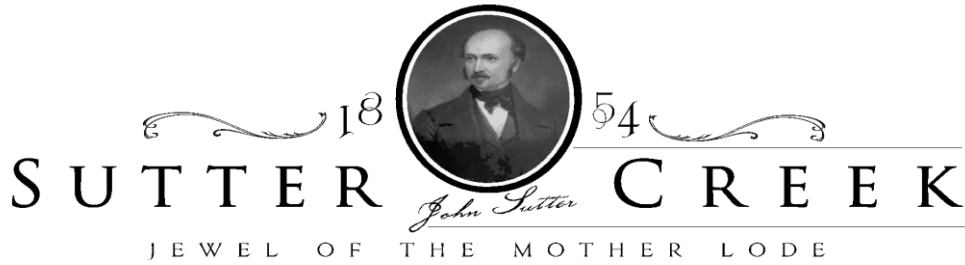
Source: City of Sutter Creek; Institute of Transportation Engineers Trip Generation Manual; Goodwin Consulting Group, Inc.

**Table 6
Drainage Improvements Cost Allocation**

	Average Bldg SF per Unit	Existing Dev't	Future Dev't	Total Dev't	Estimated Density	% Impervious per Acre	Imperviousness			Allocated Cost per Bldg SF
							Existing	Future	Total	
Total CIP Cost	\$70,224,000									
		<u>Units</u>	<u>Units</u>	<u>Units</u>	<u>Units/Acre /1</u>					
Residential	2,270	1,433	6,775	8,208	5.4	0.50	132.7	627.3	760.0	\$3.26
<u>Non-Residential</u>										
		<u>Bldg_SF</u>	<u>Bldg_SF</u>	<u>Bldg_SF</u>	<u>FAR</u>					
Commercial		185,778	680,434	866,212	0.25	0.90	15.4	56.2	71.6	\$6.61
Office		114,000	179,236	293,236	0.25	0.90	9.4	14.8	24.2	\$6.61
Industrial		111,111	316,246	427,357	0.40	0.90	5.7	16.3	22.1	\$4.13
Subtotal		410,889	1,175,916	1,586,805			30.5	87.4	117.9	
Total							163.2	714.7	877.9	
% of Total Imperviousness							18.6%	81.4%	100.0%	
Total Cost Allocated between Existing and Future Development							\$13,055,209	\$57,168,791	\$70,224,000	

/1 Based on average density per General Plan buildout.

Source: City of Sutter Creek; Institute of Transportation Engineers Trip Generation Manual; Goodwin Consulting Group, Inc.



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: FEBRUARY 2, 2026
FROM: ERIN VENTURA, CONTRACT PLANNER
SUBJECT: SHORT-TERM RENTAL ORDINANCE UPDATE

RECOMMENDATION

This item is for discussion and direction only.

BACKGROUND

In November 2019, the City began updating its Short-Term Rental (STR) Ordinance. At that time, the Ordinance was not adopted. Since then the staff has been tracking permits and keeping the City Council up to date on short term rental activity. In October 2025, staff presented an update to the City Council. To date the City has 21 active short term rentals:

- **16 active short-term rentals, 5 lapsed:**
290 Gopher Flat; 70 Broad; 90 Boston Alley; 44 Badger Street; 85 Broad Street; 70 Gopher Flat Rd.; 31 Badger; ~~70 Greenstone Terrace~~; 225 Patricia Ln; 193 Badger; 60 Randolph; 86 Barney Lane; 64 Eureka Street; 171 China Gulch Rd; 335 Sutter Crest E; ~~80 Greenstone Terrace~~; 40 Mountain View Dr.; ~~39 Elm Street~~; ~~44 Opal Street~~; ~~70 Hayden Alley~~; 30 Bryson Drive

In addition to STR permits, the City also had six hotel/inn establishments.

- **8 hotel/inn establishments:** Hotel Sutter; Inn at 161; Hanford House Inn; Sutter Creek Inn; Old Hotel Antiques; Brinnwood Bed & Breakfast; Kiota Inn; Eureka Street Inn.

After the October 2025 council discussion, a 45 day moratorium was adopted on Jan 20, 2026. This moratorium can be extended for up to two years with further action by the Council. The purpose of this is to allow the City Council time to review, revise and adopt an updated ordinance.

DISCUSSION

In evaluating a new ordinance, we encourage the council to be clear about the problem they are trying to solve. Sutter Creek has had short term rentals for a number of years with very few problems - a lot of concerns have so far been unfounded. We have not had a lot of complaints

from the existing short term rentals in town.

Staff proposes that during discussion, we use the EASE framework to evaluate options. EASE consists of four pillars used to evaluate the viability and impact of a proposed ordinance:

- E - Equity: Evaluation of fairness in a proposed process, balancing home owner property rights with impacts to surrounding properties. Equity would also include fairness in getting and maintaining a permit, if the total number is capped.
- A - Administrability: Analysis of the complexity of implementing, collecting, and enforcing the ordinance, including compliance costs and the capability to manage the system.
- S - Stability: Assessment of the reliability and consistency of the process year-to-year, specifically looking for low volatility.
- E - Economic Benefits: Evaluation of the impact on City, including TOT revenue, preservation of historic resources, and support of local businesses.

Staff has identified six (6) areas for discussion.

1) Location/Density

The City Council should consider whether to establish density limits for short-term rentals in specific areas of the City. Currently, 15 of the City's 21 short-term rentals are located within the Historic District. See attachments for Historical District boundaries and existing short term rental locations.

There are both benefits and drawbacks to this concentration. Advantages include the Historic District's walkability to downtown businesses, which reduces demand for limited downtown parking, and the existing mix of residential and commercial uses, which may lessen the perceived impact of short-term rentals. Additionally, short-term rentals provide visitors with the opportunity to stay in homes that reflect the historic character of Sutter Creek.

Potential drawbacks include the close proximity of homes, which may increase impacts on neighboring residents, a reduction in available long-term rental housing within the Historic District, and the risk of damage to historic structures due to frequent tenant turnover.

Staff recommend that the City Council discuss whether a density restriction should be established. One option would be to allow a certain percentage of units within the Historic District to operate as short-term rentals, with a separate percentage permitted outside of the Historic District.

Staff further recommend using a percentage of total housing units rather than a fixed numerical cap, as this approach would adjust over time with changes in the City's housing stock.

Decision Points / Options:

1. Whether to establish different density limits for short-term rentals within the Historic District versus areas outside the Historic District

2. Whether to establish density limits in 4 - 5 areas of town (instead of just 2 in #1 above)
3. How to handle a waitlist if and when density limits are reached

2) Owner Occupied vs. No onsite owner

The City Council may also wish to consider whether to distinguish between owner-occupied and non-owner-occupied short-term rentals. Owner-occupied short-term rentals include situations where the property owner resides on-site, either within the primary dwelling or an accessory dwelling unit (ADU), or rents out individual rooms within their home. In these cases, the owner's presence may help mitigate potential impacts related to noise, parking, and property maintenance, as the owner has a direct interest in preserving neighborhood compatibility. It may also enable residents on a fixed income to enjoy a higher quality of life and have some companionship.

In contrast, short-term rentals where no owner resides on-site may have greater potential to impact surrounding residents. These properties often function more like commercial lodging, with higher guest turnover and less day-to-day oversight, which may increase concerns related to noise, parking, and neighborhood character.

The City Council may consider whether different regulations, performance standards, or allowance thresholds should apply to owner-occupied versus non-owner-occupied short-term rentals, including whether one category should be more limited or prioritized over the other. Currently, owner-occupied STR is a very small part of the existing STR units.

Decision Point:

- Whether to differentiate regulations for owner-occupied short-term rentals versus non-owner-occupied short-term rentals
- Whether to establish a cap on non-owner-occupied short-term rentals
- Whether to allow unlimited owner-occupied short-term rentals
- If there is a cap, use a percentage-based limit or a fixed numerical cap

3) Permit Duration and Activity Requirements

The City Council may also wish to consider establishing time limits and activity requirements for short-term rental permits. One option is to issue permits for a defined term, such as three years, with annual renewals to confirm continued compliance with City regulations.

To ensure permits are held by active operators, the City may require ongoing evidence of activity, such as regular submission of Transient Occupancy Tax (TOT). If a permit holder does not demonstrate activity by submitting required TOT filings for a specified period, the permit could be deemed inactive and automatically voided.

These provisions would help prevent permits from being held indefinitely without use, allow the City to better track active short-term rentals, and ensure that permits are available to operators who are actively contributing to the local economy and complying with City requirements.

Decision Points:

- Length of the short-term rental permit term- 1 year, 3 years
- Annual renewal requirements
- Criteria for determining inactivity and voiding permits

4) Permit Process

The City Council may wish to review the current short-term rental permit process to determine whether it remains appropriate and efficient. At present, all short-term rental applications must obtain a City permit. Applications are reviewed by the Planning Commission at a public hearing when the short-term rental is located within a residential zoning district. In commercial zoning districts, short-term rentals are an allowed use and do not require Planning Commission approval.

The City Council may consider whether public hearings are still necessary for all residential short-term rental permits or whether permits could instead be reviewed and approved at the staff level, subject to objective standards and conditions of approval. A staff-level review process could reduce processing time and administrative burden while maintaining compliance and enforcement through clearly defined operational requirements.

Alternatively, the City Council may determine that public hearings continue to be appropriate in certain circumstances, such as for non-owner-occupied units or locations with a higher potential for neighborhood impacts.

Decision Points:

- Whether short-term rental permits should continue to require Planning Commission approval.
- If so, is there direction to the Planning Commission on what aspects to evaluate an application on to make it more objective?
- Whether public hearings should be required for all residential short-term rentals or limited to specific circumstances
- Whether staff-level approval is appropriate for some or all short-term rental permits
- Whether permit requirements should differ between residential and commercial zoning districts, or by area of the City such as the historic district vs non-historic district

5) Operating Rules and Conditions of Approval

The City Council may also wish to review the existing operating rules and conditions associated with short-term rental permits to determine whether any modifications are warranted. Currently, short-term rentals are subject to comprehensive conditions of approval intended to ensure neighborhood compatibility, public safety, and regulatory compliance.

These conditions address exterior property maintenance, off-street parking requirements, business licensing, payment of Transient Occupancy Tax (TOT), insurance coverage, and submission of site and floor plans. They also require compliance with fire, building, health, and safety codes, including installation and maintenance of required life-safety equipment.

Operational standards limit the number of overnight and daytime occupants, require compliance with the City's noise regulations, and mandate clear communication of rules to guests.

Property owners or operators must provide 24-hour contact information, respond to complaints within 60 minutes, and take immediate action to address noise, disturbances, or other violations. Additional requirements address trash management, guest accountability, reporting of violations, and enforcement procedures, including permit modification, suspension, or revocation. Permits are non-transferable and subject to City enforcement authority.

The City Council may consider whether these rules remain appropriate as written, whether certain conditions should be clarified, strengthened, or streamlined, or whether different standards should apply based on factors such as location, permit type, or owner occupancy.

Council may want to consider what conditions a property owner, a long term renter, or a hotel guest can be subjected to when evaluating some of these standards for reasonableness as well as how difficult / easy some standards are to enforce, using the EASE framework. .

Decision Points:

- Whether to amend existing operating standards or conditions of approval
- Whether certain requirements should be adjusted based on owner-occupied versus non-owner-occupied rentals
- Whether enforcement, response time, or penalty provisions should be modified
- Whether additional or fewer operational standards are necessary to address neighborhood impacts and compliance
- Whether a physical inspection should be required (adds cost)

6) City TOT Accounting

We currently use the “Hotel model with STRs - the hosts self-remmit, exactly like a hotelier. They must register for a business license and a TOT certificate. They collect the tax personally from the guest (or separate it from their payout) and send the city payment monthly. This relies entirely on the host's honesty regarding occupancy and nightly rates.

A new ordinance should include clauses that help staff identify possible underpayment and enable City staff to conduct audits.

Identify Underpayment

- **Registration Number in Listings:** The single most effective tool for a city under the host remittance model is an ordinance that requires a city-issued license/registration number to be displayed in the headline or description of every online listing. This forces the "hidden" inventory into the light. If a host lists on Airbnb without a number, they are immediately flagging themselves as non-compliant. The City can use software (or an intern) to scan listings. Any listing missing a "City License #12345" gets an automatic "Notice of Violation" or "Cease and Desist" letter.
- **Platform Cooperation:** Even without a tax collection agreement, many platforms will honor a city's request to remove listings that violate local zoning or registration laws if you can point to a specific ordinance violation.
- **Nuisance Hotlines:** Cities set up complaint hotlines. A noise complaint from a neighbor on a Tuesday night is essentially proof of occupancy that can be cross-referenced against TOT payments.

Tools to Support Audits

- **The "Calendar Evidence" Audit:**
 - Checking online platform occupancy (requires scraping software or staff monitoring)
 - If a host claims "0 occupancy" for January, but the software shows the calendar was "blocked" (booked) for 15 days in January, you have probable cause for an audit.
 - *Note:* Hosts often claim blocked dates were for "friends and family" (non-taxable). You can require them to sign an affidavit under penalty of perjury for those dates.
- **Water/Utility Usage Analysis:**
 - For suspicious properties (e.g., a host claiming vacancy for months while the listing has recent reviews), some cities cross-reference water usage data. A spike in water usage during "vacant" periods is strong evidence of unreported occupancy. This would require an agreement with AWA, may not be possible.
- **Require specific Reports if Audited** - The ordinance should grant the City the right to request specific reports.
 - **Platform "Gross Earnings" Reports (CSV or PDF format):**
 - **For Airbnb:** Provide the *Gross Earnings Report* (found under Insights > Reports > Reporting > Gross Earnings). This report must show the confirmation code, start date, nights booked, and gross amount paid by the guest.
 - **For Vrbo/HomeAway:** Provide the *Payout Summary* and the downloadable *Reservation Manager* export.
 - **For Other Platforms:** Equivalent reports showing gross booking revenue before platform fees are deducted.
 - **Federal Tax Returns (Redacted):**
 - Copy of **IRS Schedule E** (Supplemental Income and Loss) or **Schedule C** (Profit or Loss from Business) for the tax years in question. *Note: You may redact unrelated income, but rental revenue lines must be visible.*
 - **Bank Statements:**
 - Monthly bank statements for the account(s) where rental payouts are deposited for the audit period. Highlight or flag all deposits related to rental activity.
- **Proof of Exemptions (Long-Term Stays):**
 - For any stay claimed as exempt (over 30 days), provide a copy of the signed lease agreement or written contract with the tenant showing check-in and check-out dates.

In looking at other city ordinances, there were several other clauses to help close loopholes for hosts to avoid payment.

Clause A: The "Gross vs. Net" Clarification

Hosts often calculate tax based on what hit their bank account (Net Payout), not what the guest paid (Gross Rent). The guest pays the tax on the total receipt, not the host's take-home pay.

Definition of Taxable Rent: "Please note that Transient Occupancy Tax (TOT) is calculated on the **Gross Rent** charged to the guest, not the Net Payout received by the host. Gross Rent includes the nightly rate, cleaning fees, pet fees, and any other non-refundable charges mandated by the host. Please ensure your provided records reflect the total amount paid by the guest."

Clause B: The "Platform Liability" Disclaimer

This prevents the host from simply saying, "I thought Airbnb paid it."

Host Responsibility: "While some platforms may offer voluntary collection services, the legal burden of remitting TOT to the City of [City Name] remains with the operator/host. It is the host's responsibility to verify if the platform has remitted taxes on their behalf. If the platform did not remit the specific [City Name] TOT, the host is liable for all back taxes, penalties, and interest."

Clause C: The "Blocked Dates" Challenge

When your software sees a blocked calendar but the host claims "no guests," use this clause to force them to go on the record.

Verification of Personal Use: "If specific dates on your availability calendar were blocked for personal use, maintenance, or non-revenue generating family stays, you must submit a signed **Affidavit of Non-Rental Use** listing specific dates and reasons. Unexplained blocked dates on the calendar may be treated as taxable occupancy based on the average daily rate of the property."

Clause D: The "Burden of Proof" Warning

Finally, you need a clause that empowers you to make an estimate if they refuse to cooperate.

Failure to Provide Records: "In the absence of complete and verifiable records, the City Finance Department is authorized under Municipal Code [Section X] to estimate the tax due based on comparable properties, available calendar data, and external occupancy estimates. This estimate will be considered final and binding unless refuted by verifiable evidence."

CONCLUSION AND NEXT STEPS

The City Council's discussion of short-term rental policies will help guide potential updates to the City's ordinance to ensure it continues to balance neighborhood compatibility, housing availability, historic preservation, and economic benefits. Based on the direction provided, staff will proceed with drafting potential ordinance amendments that reflect the City Council's policy priorities.

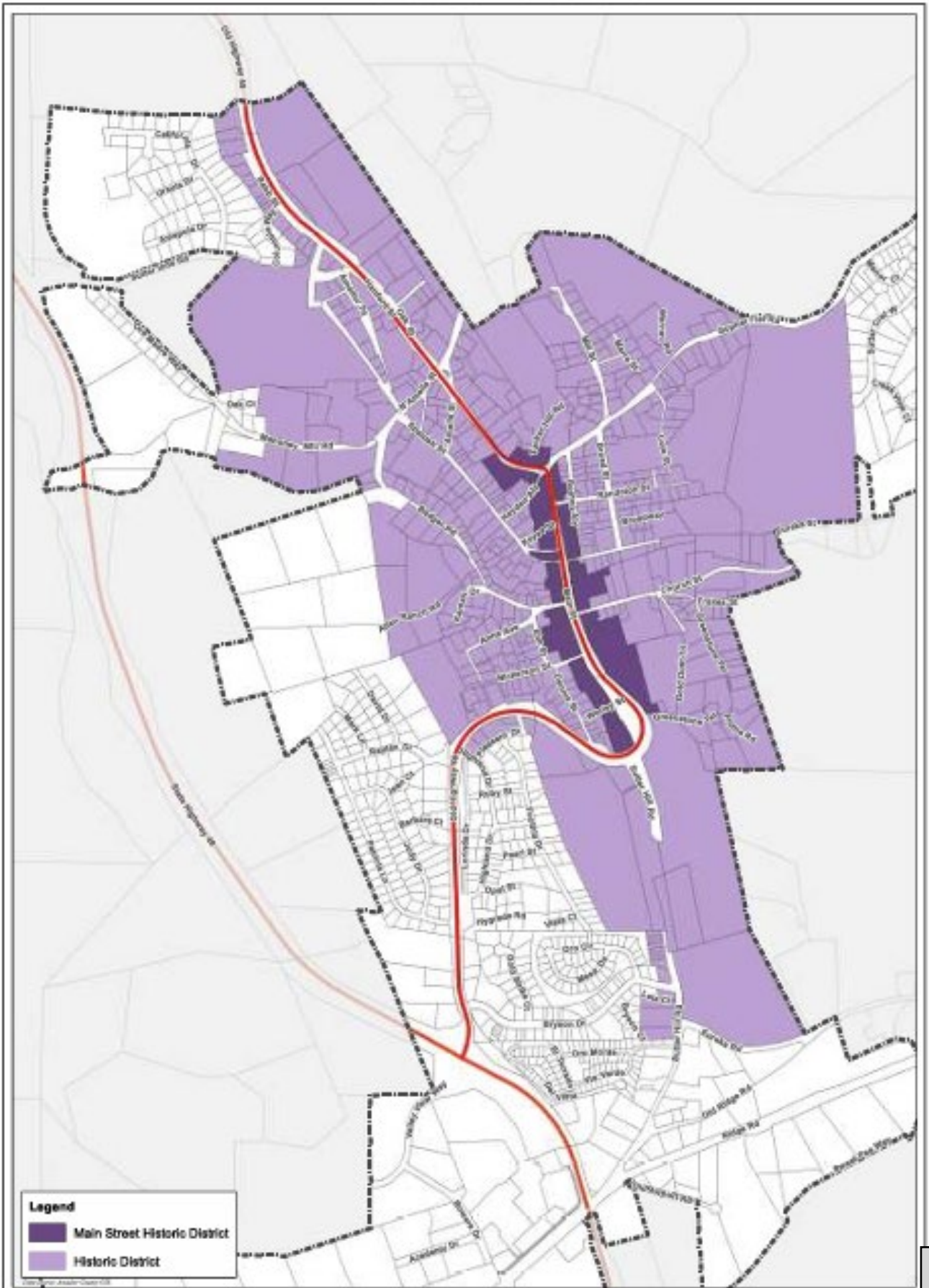
As next steps, the City Council may consider forming an ad hoc City Council committee to further evaluate policy options and provide focused guidance to staff. Draft revisions may then be presented to the Planning Commission for review and recommendation through a public

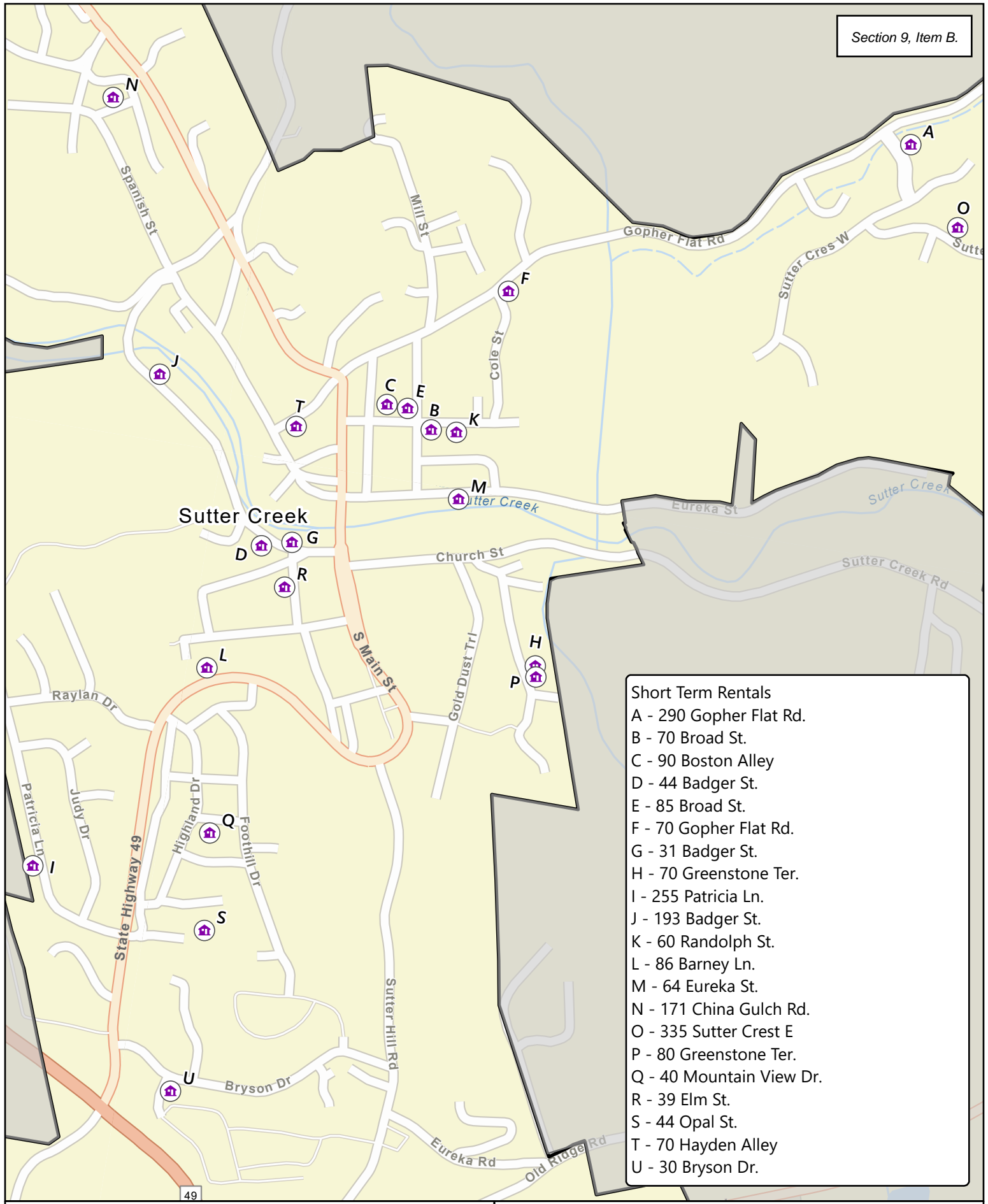
hearing process. Following Planning Commission input, the revised ordinance will be brought forward to the City Council for final consideration and adoption.

Attachments:

1. Historic Districts Map
2. Sutter Creek Short Term Rentals Map
3. Sutter Creek Hotels & Inns Map
4. Sutter Creek Hotels and Short Term Rentals Map
5. Short Term Rental Conditional Use Permit Application
6. Example Short Term Rental Conditional Use Permit Resolution with conditions of approval

HISTORIC DISTRICTS





- Short Term Rentals**
- A - 290 Gopher Flat Rd.
 - B - 70 Broad St.
 - C - 90 Boston Alley
 - D - 44 Badger St.
 - E - 85 Broad St.
 - F - 70 Gopher Flat Rd.
 - G - 31 Badger St.
 - H - 70 Greenstone Ter.
 - I - 255 Patricia Ln.
 - J - 193 Badger St.
 - K - 60 Randolph St.
 - L - 86 Barney Ln.
 - M - 64 Eureka St.
 - N - 171 China Gulch Rd.
 - O - 335 Sutter Crest E
 - P - 80 Greenstone Ter.
 - Q - 40 Mountain View Dr.
 - R - 39 Elm St.
 - S - 44 Opal St.
 - T - 70 Hayden Alley
 - U - 30 Bryson Dr.

Sutter Creek City Limits

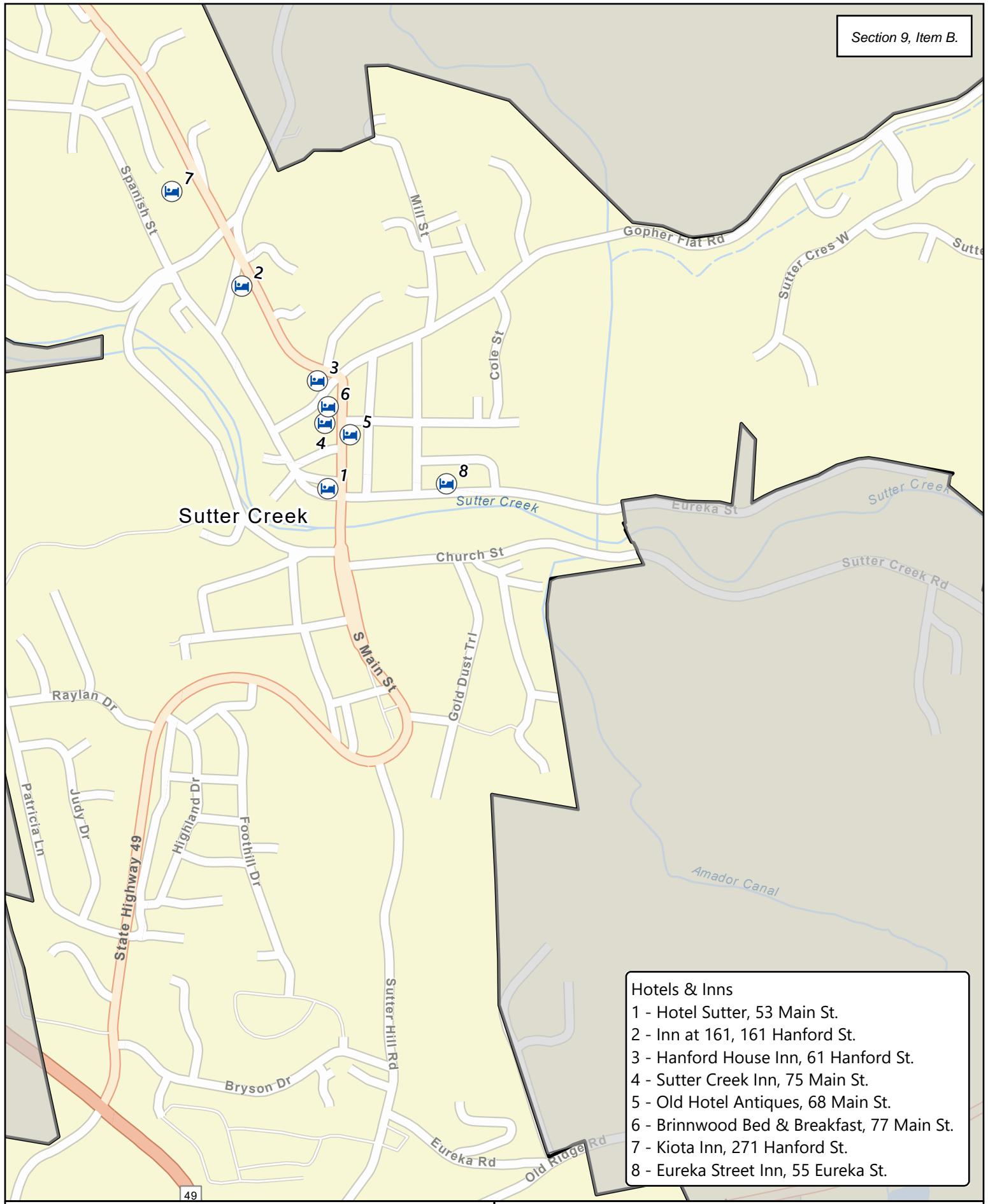
 Hotels & Inns

 Short Term Rentals

N

0 375 750 1,500 Feet

87



- Hotels & Inns**
- 1 - Hotel Sutter, 53 Main St.
 - 2 - Inn at 161, 161 Hanford St.
 - 3 - Hanford House Inn, 61 Hanford St.
 - 4 - Sutter Creek Inn, 75 Main St.
 - 5 - Old Hotel Antiques, 68 Main St.
 - 6 - Brinnwood Bed & Breakfast, 77 Main St.
 - 7 - Kiota Inn, 271 Hanford St.
 - 8 - Eureka Street Inn, 55 Eureka St.

Sutter Creek City Limits

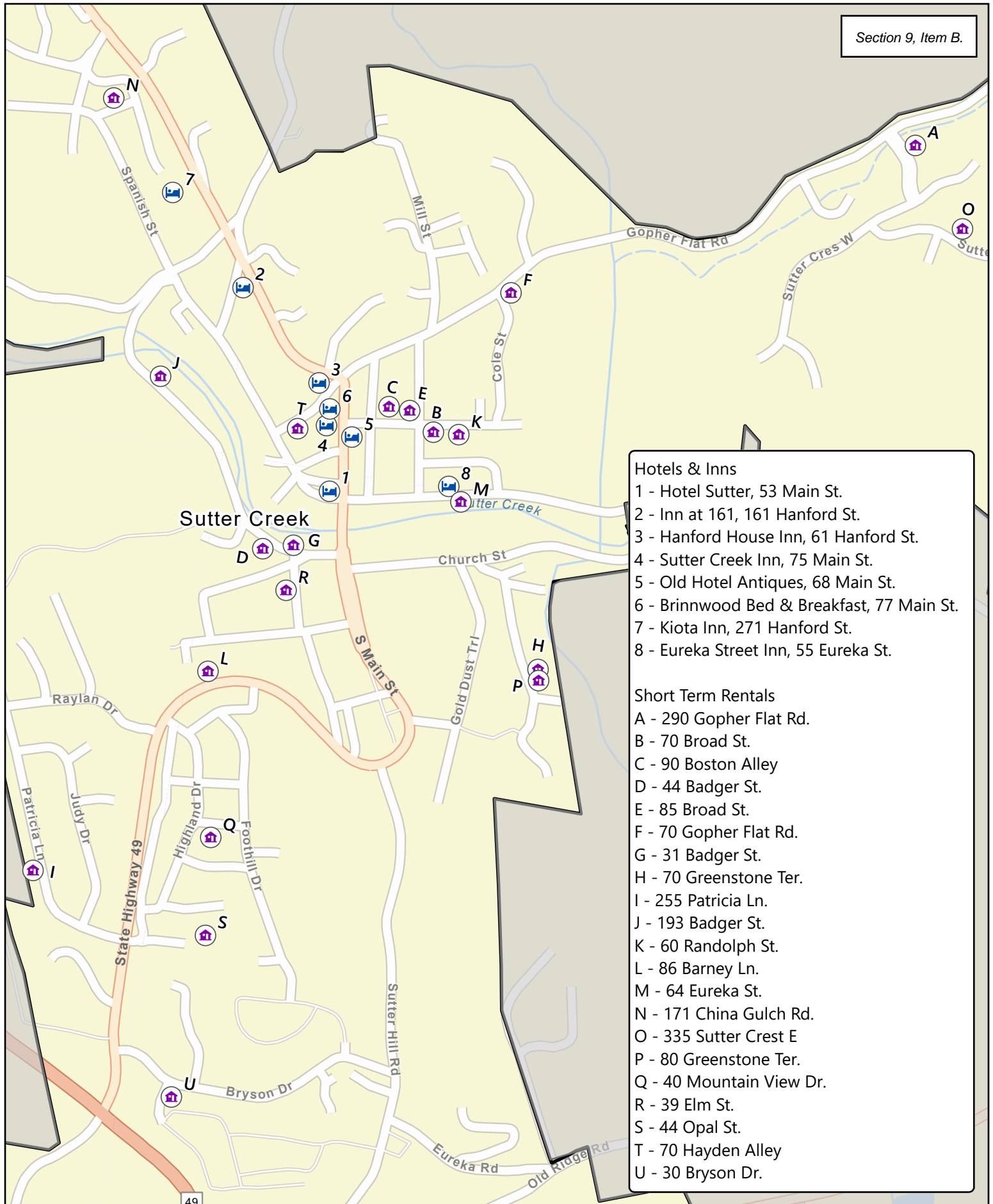
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Sutter Creek City Limits

 Hotels & Inns
 Short Term Rentals

N

Feet

0 375 750 1,500

89

**RESOLUTION 24-25-
A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF SUTTER CREEK APPROVING
A CONDITIONAL USE PERMIT FOR
PAM HAYDNMYER (THE BIRD HOUSE)
30 BRYSON DRIVE, SUTTER CREEK, CA 95685
018-332-025**

WHEREAS, the Planning Commission of the City of Sutter Creek did on Monday, September 8, 2025, held a public hearing on a Conditional Use Permit for Pam Haydnmyer for Vacation Rental Use of single family residence located within the Multifamily Dwelling Zone at 30 Bryson Drive, Assessor Parcel No. 018-332-025 after properly noticing said hearing; and

WHEREAS, the Planning Commission did at said public hearing receive a report from the planning staff, receive input from the Applicant and members of the public in attendance at said public hearing, and at the closing of said public hearing did deliberate and consider the same; and

WHEREAS, the Planning Commission does find the proposal is exempt from environmental review as a Class 1 Categorical Exemption under CEQA.

NOW, THEREFORE BE IT RESOLVED that the Planning Commission of the City of Sutter Creek hereby approves a Conditional Use Permit for Pam Haydnmyer based on the following Findings:

1. The proposed use of the property is essential or desirable to the public convenience or welfare because it will provide an important tourist-related service to the community.
2. The proposed use is in compliance with the Sutter Creek General Plan goals, policies, and Multi-Family Land Use designation.
3. The proposed use will not impair the integrity and character of the zoning district because the use is consistent with activities within the R-1 Zone – One Family Dwelling.
4. The proposed use would not be detrimental to public health, safety or general welfare because appropriate conditions of approval have been attached to the project.
5. The proposed use of the property implements the Sutter Creek General Plan and the purposes of the Planning Title, because the General Plan and Zoning Ordinance recognize the importance of providing visitor lodging to promote and encourage commercial activity in the community.

BE IT FURTHER RESOLVED, the Planning Commission hereby approves the Use Permit, subject to the following Conditions of Approval:

1. Maintain the exterior appearance of the vacation rental unit compatible with the single-family residence.

2. Maintain three (3) off-street parking spaces that are available for use by vacationing families.
3. Maintain a valid City of Sutter Creek Business License.
4. Pay the monthly Transient Occupancy Tax to the City of Sutter Creek.
5. Provide the City with proof of insurance.
6. Provide the City with a Site Plan and Floor Plan for the short-term rental.
7. Provide a completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, etc.) It is the owner's responsibility to ensure that the short-term rental is and remains in substantial compliance with all applicable codes regarding fire, building and safety, health and safety, and other relevant laws.
8. The maximum number of overnight guests for a short-term rental unit shall not exceed two persons per bedroom, except that children under the age of four shall not be counted for purposes of calculating this limitation so long as the children sleep in the same bedroom as at least one of their parents or legal guardians. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m., with the maximum daytime guests not to exceed two persons per bedroom plus four.
9. Occupants of the short-term rental unit shall comply with all standards and regulations stated in Chapter 10.50 of this Code concerning noise.
10. The owner or operator shall provide each occupant of the short-term rental unit with the following information prior to occupancy of the unit and shall post such information in a prominent location within the unit:
 - A. The contact information for the operator, with 24-hour availability.
 - B. The maximum number of overnight occupants and the maximum number of daytime occupants as permitted under this permit;
 - C. Trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash on the exterior of the property;
 - D. A copy of the Chapter 10.50 of this Code concerning noise; and
 - E. Notification that the occupant or owner may be cited or fined by the City in accordance with this Code.
11. While a short-term rental unit is rented, the owner, operator, or local contact person shall be available 24 hours per day, seven days per week for the purpose of responding within 60 minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term rental unit or their guests.

12. The owner, operator, or local contact person shall use reasonably prudent business practices to ensure that the occupants and/or guests of the short-term rental unit do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate any applicable law, rule or regulation pertaining to the use and occupancy of the short-term rental unit.
13. Prior to occupancy of a short-term rental unit, the owner or operator shall obtain the name, address, and a copy of a valid government identification of the responsible person and require such responsible person to execute a formal acknowledgement that he or she is legally responsible for compliance by all occupants of the short-term rental unit and their guests with all applicable laws, rules, and regulations pertaining to the use and occupancy of the short-term rental unit.
14. The owner, operator, or local contact person shall upon notification that the responsible person and/or any occupant and/or guest of the short-term rental unit has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of any applicable law, rule or regulation pertaining to the use and occupancy of the subject short-term unit, promptly respond within 60 minutes and appropriate manner to immediately halt or prevent a recurrence of such conduct by the responsible person and/or any occupants and/or guests. Failure of the owner, and/or operator to respond to calls or complaints regarding the condition, operation, or conduct of occupants and/or guests of the short-term rental unit within 60 minutes and appropriate manner shall be subject to all administrative, legal, and equitable remedies available to the City.
15. The owner, operator, or local contact person shall report to the City Manager the name, violation, date, and time of disturbance of each person involved in *any* disorderly conduct activities, disturbances, or other violations of any applicable law, rule, or regulation pertaining to the use and occupancy of the subject short-term unit.
16. Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the City's authorized waste hauler on scheduled trash collection days. The owner or operator shall use reasonably prudent business practices to ensure compliance with all the provisions of Chapter 9.08 of the City's Municipal Code.
17. A violation of any provision of this Chapter by any occupant, owner, or operator shall constitute grounds for modification, suspension, or revocation of the short-term rental permit. In addition, the failure of the owner or operator to satisfy any of its obligations and requirements of Chapter 4.16 concerning transient occupancy taxes shall be an independent basis for modification, suspension, or revocation of any permit issued under this Chapter.
18. Whenever any owner or operator fails to comply with any provision of this Chapter, the City, after giving the operator or owner ten days written notice specifying the time and place of a hearing before the Planning Commission, and requiring him to show cause why the short-term rental permit should not be modified, suspended, or

revoked, may modify, suspend, or revoke the permit held by the operator or owner.

- 19. The City may enforce this Chapter, including the terms and conditions of any permit granted under this Chapter, by any means provided for in Chapter 1.16 of this Code or by any other means authorized by law.
- 20. This is a non-transferrable permit.

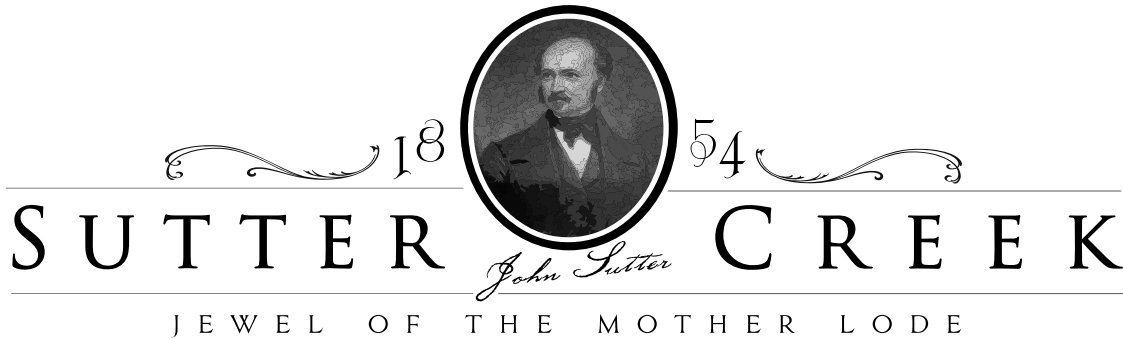
PASSED AND ADOPTED by the Planning Commission of the City of Sutter Creek on this Monday the 8th day of September, 2025 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Michael Kirkley, Chairman

Aaron Wolcott, City Clerk



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: FEBRUARY 2, 2026
FROM: DEREK COLE, CITY ATTORNEY
SUBJECT: SECOND AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

Background and Analysis

The City Manager began employment on November 7, 2023. His Employment Agreement entitled him to receive a loan of \$2,500 per month for the first 12 months of his employment. This loan was styled as a housing allowance. The Employment Agreement provided the loan need not be repaid until the end of the Manager's third year of employment (though he would have had to pay it back in full if he leaves employment sooner). The City Manager has fully repaid this loan.

Now that the housing loan has been repaid, the proposed amendment to the City Manager agreement would allow the City Manager to continue receiving housing assistance in the form of \$1,250 per month. This amount would not be characterized as a loan or as payment toward any loan but would be a form of additional compensation for the City Manager's employment.

The proposed amendment also authorizes the City Manager to engage in a remote-work schedule in which he works at City Hall three days in one week and four days at City Hall the following week. The City Manager would be required to consult with the Mayor to set the days he works remotely.

Fiscal Impact

If this amendment is approved, the City Manager will receive \$15,000 per year in the form of housing assistance.

ATTACHMENTS:

1. Proposed Resolution
2. Proposed Amendment to City Manager Agreement

**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF SUTTER CREEK AND TOM DUBOIS**

This Second Amendment (“Second Amendment”) to the Employment Agreement between the City of Sutter Creek and Tom Dubois (“Employee”), dated November 7, 2023 (“Employment Agreement”), is entered into and effective on February 3, 2025 (“Effective Date of the Second Amendment”). The Employment Agreement shall be amended as set forth below. All other terms of the Employment Agreement not amended shall remain the same as stated.

1. **Section 4.B.6** to the Employment Agreement, as amended in the First Amendment to the Employment Agreement, is replaced in full to state as follows:

“6. Housing Allowance – Effective and retroactive to the first payroll on or after January 1, 2026, and continuing on the first payday of each successive month, the Employee will receive \$1, 250.00 per month as a housing allowance.”

2. **Section 6A** is added to the Employment Agreement to appear between Sections 6 and 7 of the Employment Agreement and to state as follows:

“6A. **Remote Work Authorized.** On or after the Effective Date of the Second Amendment, Employee is authorized to work remotely on alternating two-week schedules in which Employee works three days at City Hall on the first week, and four days at City Hall on the following week. Employee shall maintain reasonably continuity in the days of each week in which he works at City Hall and shall consult with the Mayor in setting the days of the respective weeks in which he works remotely.”

Tom Dubois
City Manager

Claire Gunselman
Mayor

Approved as to Form:

Derek P. Cole
City Attorney

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK
AUTHORIZING THE EXECUTION OF THE EMPLOYMENT AGREEMENT FOR
CITY MANAGER SERVICES WITH TOM DuBOIS**

WHEREAS, the City requires the services of a City Manager to serve as the City’s chief executive officer;

WHEREAS, the City Council desires to continue to employ Tom Dubois as its City Manager and Mr. Dubois continues to accept employment for this position; and

WHEREAS, the City Manager received a favorable performance evaluation for the work he performed in 2025.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sutter Creek authorizes the Mayor to execute the Second Amendment to the Employment Agreement for City Manager Services Between the City of Sutter Creek and Tom Dubois in the form as attached as Attachment A to this Resolution.

The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek on the 2nd day of February, 2026 by the following vote.

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST:

Claire Gunselman Mayor

Pam Caronongan, City Clerk

ATTACHMENT A